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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination  
Council*

**Briefing Agenda**

**Date:** September 8, 2021

**Time:** 10:00 a.m. ET

**Location:** Go to the Link below to register for the Briefing

<https://www.zoomgov.com/meeting/register/vJIsd-ysrzgvEp7D0Z0M0a52PWezVzFMY60>

<b>Briefing Topic(s)</b>	
<b>Advisory Opinion 16</b>	<b>J. Park</b>
<b>FY22 Notice of Funding Availability Summaries</b>	<b>M. Abbott</b>
<b>FY22 ASC Budget Proposal</b>	<b>J. Park</b>
<b>Proposed Revisions to the Policy on Monitoring and Reviewing the Appraisal Foundation</b>	<b>J. Park</b>
<b>Staff Update</b>	<b>J. Park</b>

# NOTICE OF FUNDING AVAILABILITY

## Overview

**Federal Agency Name:** The Appraisal Subcommittee

**Funding Opportunity Title:** State Appraiser Regulatory Agencies Support Grants

**Announcement Type:** Non-Competitive Federal Grants for New, Continuation and Supplemental Awards

**Eligible Applicants:** State Appraiser Certifying and Licensing Agencies (State Agencies)

**Application Deadlines:**

New Applications - rolling beginning October 1, 2021–July 30, 2022

Continuation Applications - rolling beginning October 1, 2021– July 30, 2022

Special Initiative/Supplemental Application - rolling open to State with existing awards

**Award Period:** October 1, 2021 – September 30, 2023

**Funds Available:** Remaining funds from the \$10 Million authorized in 2020 by the ASC Board

**Authorization:** Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Title XI § 1109 (b)(4), 12 U.S.C. 3338 (Title XI)

### I. PROGRAM DESCRIPTION

This announcement and awards under this program are authorized under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (Title XI), section 1109 (b)(5), 12 U.S.C. 3338. Provisions under Title XI allow the Appraisal Subcommittee (ASC) to award grants to improve State appraiser regulatory processes and advance the appraisal industry with high-quality, impact-oriented programming.

**A. Background.** Title XI requires the ASC to provide federal oversight of State appraiser and appraisal management company (AMC) regulatory programs and a monitoring framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals used in federally related transactions.

**B. Purpose of the Program.** The ASC will provide funds to eligible applicants to advance the appraiser regulatory field through support for programs, activities and purchases that include:

1. Improvements to and/or expansion of the appraiser and AMC complaint process, investigations, and enforcement activities;
2. Improvements to the process of submitting data on State credentialed appraisers and registered AMCs to the National Registries;
3. Participation in trainings and conferences to increase professional competency in the management and regulation of Appraiser and AMC Programs;
4. Expansion of appraiser credentialing opportunities in under-served markets; and/or
5. Other areas proposed by State Agencies and approved by the ASC.

**C. Funded Activities.** The ASC has identified the below budget categories to support proposed activities. The list is not inclusive, and applicants may propose other categories and activities to meet the purpose of the program described in B above. Activities should be new or an expansion of existing activities/programs. Federal funds should not be used to supplant expenditures already supported with State funds. Funds will be awarded to support ongoing (*e.g.*, annual participation in conferences or software subscriptions) and one-time (*e.g.*, computer upgrades or IT development projects) expenditures in categories that include:

1. Technology
2. Travel
3. Communications
4. Personnel
5. Training
6. Supplies
7. Other

**D. Supplemental Funds:** States and Territories with existing ASC State Support Grants can apply for additional funding if they identify special initiatives, needs or projects that have costs that exceed the \$120,000 available to each eligible entity under this NOFA. Before applying for supplemental funds, grantees must contact the ASC Grants Director to discuss the needs and planned activities. Supplemental funds are available on a limited basis and ASC will give priority to applicants that request funds for initiatives that have potential to be a national demonstration project or have a positive programmatic impact that extends beyond the jurisdiction of the applicant. Further priority will be given for proposals that seek to increase the quality of training given to trainees to address the shortage of appraisers, and accordingly may positively impact the lack of diversity in the appraiser profession.

# NOTICE OF FUNDING AVAILABILITY (NOFA)

## Overview

**Federal Agency Name:** The Appraisal Subcommittee (ASC)

**Funding Opportunity Title:** Board Support and Innovation Grant

**Announcement Type:** Federal, Non-Competitive Grant

**Eligible Entities:** The Appraisal Foundation (TAF)

**Application Deadline:** November 30, 2021

**Award Period:** October 1, 2021 – September 30, 2023 (2 Year Award)

**Available Funds:** \$2,000,000 over two years; \$1,000,000 in Year 1

**Number of Awards:** 1

**Authorization:** Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Title XI § 1109 (b)(4), 12 U.S.C. 3338 (Title XI)

### BACKGROUND

Title XI's purpose is to "provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, and by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision." In general, the ASC oversees the real estate appraisal regulatory framework as it relates to federally related transactions as defined in Title XI.

Title XI also requires the ASC to monitor and review the practices, procedures, activities and organizational structure of TAF and authorizes the ASC to grant funds as it deems appropriate to TAF to support grant-eligible activities of the Appraiser Qualifications and Appraisal Standards Boards (AQB and ASB).

### PURPOSE

Make funds available to TAF to support operations of the AQB and ASB, including projects and activities that promote innovation and reform of the AQB and ASB grant-eligible activities.

#### I. PROPOSED ACTIVITIES

The ASC invites a proposal from TAF for federal grant support for the following activities:

A. Support for AQB and ASB Activities. TAF can request up to 50% of the available funds to support grant-eligible AQB/ASB activities in FY 2022. The proposal should reflect COVID-19-related logistical considerations and plan for both in-person or virtual meetings or a combination of the two for the next fiscal year.

**B. USPAP Publishing and Revenue Model.** TAF can request funds to commission an outside study to review the current publishing cycle for USPAP and its connection to TAF's revenue needs. The study should review alternative revenue models and provide estimates for technology and staffing costs to develop cost-effective and sustainable models to support TAF's operations related to the work of the AQB and ASB and the real estate valuation industry overall.

**C. AQB/ASB/Board of Trustees (BOT) Operational Assessment.** TAF can request funds to use outside experts to assess structure, operations and programmatic impact of the Boards' work. The assessment can include analysis and recommendations related to legal support and review of the Boards' work product, general professional board staffing, diversity of the Boards, independence and governance (Board term lengths, recruitment/selection strategies) of the Boards, etc. The funds could also be used to examine the impact to the real property standards by having them intermingled with personal property and business valuation standards which are not regulated professions.

**D. Free USPAP.** Grant funds may be used to provide Trainees and credentialed appraisers with a free or reduced cost copy of Standards 1-4 and associated annotations.

**E. Other Initiatives.** TAF can propose additional areas or initiatives for grant support, including, but not limited to addressing:

- appraiser shortages
- diversity in the profession
- veterans' outreach
- National Exam updates

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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

## Memorandum

To: Appraisal Subcommittee

From: Jim Park, Executive Director

RE: Fiscal Year 2022 Budget Proposal

Date: September 1, 2021

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### **Fiscal Year 2022 (FY22) Budget Summary**

- ❖ FY21 Ending Balance – \$6,821,646
- ❖ FY22 Net Revenue (projected) – \$9,160,555
  - \$3,407,500 – Appraiser Registry Fees
  - \$5,753,055 – AMC Registry Fees
- ❖ FY22 Operating Expenses – \$4,237,000
- ❖ FY22 Appraisal Foundation Grant – \$1,000,000 (proposed)
- ❖ FY22 State Grants – \$3,300,000
- ❖ FY22 Training/Technical Assistance Cooperative Agreements – \$500,000 (\$150,000 proposed new)
- ❖ FY22 Total Expenses (Operating expenses and grants) – \$9,049,215
- ❖ Net Income (after FY22 proposed expenses) – \$111,340
- ❖ Projected end of FY22 Reserve – \$2,145,201 (available for future grants/initiatives)
- ❖ Standing Operating Reserve – \$4,200,000
- ❖ FY23 Outyear grant commitments – \$4,800,000

### **Revenue**

Total revenue for FY22 is projected to be \$9,160,555. The Appraiser Registry fee projection is based on the \$40 annual Appraiser Registry fee multiplied by a projected 94,000 credentials on the Appraiser Registry in FY22. During the past two years, the number of registry credentials have remained at approximately 94,000. Included in the revenue projection is the PAYGO fee reduction of \$352,500, representing 9% of the estimated Appraiser Registry fee revenue.

States began populating the Appraisal Management Company (AMC) Registry in September 2018. As of August 2021, there are 45 States (and DC) on the AMC Registry that are projected to generate \$6.4M in revenue for FY21. Five States are not yet populating the AMC Registry (GA, HI, MA, ME and MI), staff anticipates 3 of these States coming onboard in FY22. With 48 States populating the AMC Registry, we project total AMC revenue for FY22 of approximately

\$5.7M. AMC FY22 revenue projections were developed by analyzing year-over-year invoicing data and calculating AMC panel utilization rates for States paying AMC Registry fees. Our analysis determined that roughly half of States paying AMC Registry fees are remitting payments that seem to indicate AMCs have begun to reduce their use of individual appraisers to reduce their AMC Registry fees which has been anticipated. Therefore, the FY22 AMC fee projections reflect this trend.

### **ASC Operating Expenditures**

#### **Personnel Compensation**

In FY22, \$2,940,680 is budgeted for personnel, representing a 7% increase over the FY21 Budget. The FY22 Budget Proposal adds 1 additional full-time equivalent (FTE), increasing the staff from 14 to 15 FTE. Included is a cost-of-living increase of 2.7%, as proposed by President Biden. For FY22, \$2,138,558 is budgeted for total staff salaries. Included also are within-grade increases for four staff based on the dates of their projected increases.

Personnel benefits (health insurance, thrift savings plan, civil service retirement and government life insurance) are budgeted at \$748,497, an 11% increase over FY21. The FY22 personnel benefits amount is 34.5% of the FY22 personnel services budget.

Consistent with OMB guidance, \$42,625 is budgeted for Performance Awards (cash awards) in FY22, up 2.8% from \$41,458 in FY21.

\$11,000 is budgeted for ASC staff training.

#### **Travel**

The pandemic continues to create uncertainty regarding travel for FY22. ASC staff is tentatively proposing 145 budgeted trips for FY22. The budgeted trips will be for State Compliance Reviews, meetings and conference attendance.

Due to the anticipation of expected increases in airfare for FY22, we are proposing \$575 per trip representing a 5% addition over the FY21 budget.

In FY22, we are proposing lodging rates at \$150 per night based on average lodging rates for proposed travel using the GSA City Pair Program (CPP) contractual rates. In applying this same methodology for per diem rates, we estimate the average per-trip cost in FY22 to be \$1,220 as compared to \$1,665 for FY21. The reduction in the average trip cost is attributable to a reduced number of days per trip and a slight decrease in hotel costs.

FY21 travel is projected at \$20,000 or 16% of the \$121,945 budgeted.

Below is a summary of anticipated FY22 travel:

- State Compliance Reviews: 2
- Follow-up Reviews: 1
- Priority Contacts/EWS: 2
- State Off-site Assessments: 19
- Conferences: 1 All-Staff meeting and 2 AARO Conferences
- Appraisal Foundation Meetings (ASB, AQB, and BOT): 3
- State Regulatory Training: 5 State appraiser and AMC regulator training courses
- Speaking Engagements: 7
- Additional Staff Travel – DC Travel: 14 trips for new staff training, ASC Roundtable, and other meetings

### Rent, Communications and Utilities

\$55,415 is budgeted for FY22 total rent, communications and utilities. This represents a 15% decrease from the FY21 budget of \$64,850 with savings resulting from reduced business phone costs along with reductions of staff local travel expenses.

\$9,170 in office space rent is proposed to cover expenses for ASC Meetings/Briefings and all-staff Meetings.

\$28,800 in telephone service charges are budgeted, representing a 23% decrease over the FY21 amount of \$37,540.

\$4,320 is budgeted for the off-site storage unit containing ASC files and documents.

\$835 is budgeted for local staff travel (mileage, taxi, public transportation, parking) to cover travel costs associated with meetings and other local business travel.

### Printing and Reproduction

\$47,175 is budgeted in FY22 for printing and reproduction expenses. \$28,000 for *Federal Register* printing expenses along with \$3,500 for printing in the *Code of Federal Regulations* and includes \$3,000 for additional printing costs associated with grants information.

\$15,675 is budgeted in FY22 for copying and printing expenses including \$13,475 for printing and layout of the ASC Annual Report and \$2,200 for copying, shredding and other miscellaneous printing jobs.



### Contracted Services

\$160,075 is budgeted in FY22 for GSA/OPM services with \$136,075 for GSA (USDA) providing grants audit procurement services, financial systems (decreased by 23%) and human resources support along with \$24,000 for OPM support services. The FY21 budgeted amount for GSA services was \$139,020.

\$60,000 is budgeted for a new Enterprise Resource Planning (ERP) System providing a more robust accounting system that will integrate procurement, project management and human resource operations.

\$35,900 is budgeted for the cost of the ASC annual audit representing a 3% increase over the FY21 amount of \$34,850.

During FY21, the ASC's Grants Office maintained its comprehensive analysis and review of the ASC's existing grants policies and operations, supported by the Grants Technical Assistance services contract. \$76,000 is budgeted in FY22 for these support services.

\$50,000 is budgeted in FY22 for possible TAF and State grants audits, eliminating the requirement for the annual Agreed-Upon Procedures Review. All remaining unused funds from the FY21 obligation of \$100,000 will be applied toward the FY22 proposed budgeted amount for this service.

In FY22 the ASC will host a Roundtable discussion forum or series of such forums. The FY21 Roundtable expenses are projected to be approximately \$69,000 for preparation and execution of the Roundtable(s).

\$250,000 is budgeted in FY22 for strategic communications and public relations services to promote the ASC objectives in accordance with the agency's strategic plan. This service includes \$138,000 for two Roundtable engagements. In FY21, \$75,000 was budgeted for this service.

### IT Services

IT Contracted Services are estimated at \$133,040:

- \$28,140 for enhanced website hosting & internet connectivity
- \$50,400 for ASC IT contractor help desk services
- \$25,200 for ASC website maintenance
- \$2,000 for web-based anti-virus/malware
- \$2,000 for back-up and recovery service
- \$17,500 as a contingency fund to cover IT contractor costs for unanticipated expenses

- \$5,100 for Domain Name Service (DNS)
- \$2,700 for firewall service

License Renewals are estimated at \$17,650:

- \$9,000 for renewal of Office 365 licenses
- \$450 for GSA-provided dot.gov domain name registration
- \$1,700 for remote computer access provided by LogMeIn
- \$300 for Lynda online tutorial training
- \$3,200 for Adobe software
- \$3,000 for Zoom.Gov

Miscellaneous:

- \$20,000 for network security assessments and continuous monitoring

FY22 IT Projects:

- \$20,000 for Customer Relations Management software (scope analysis)
- \$14,000 for ASC document management (scope analysis)
- \$75,000 to finalize for ASC website (UAT, Deployment and Training)
- \$24,500 for Phase III development of Compliance Review software (scope analysis)
- \$21,000 to provide technical assistance to States with UID/SOAP

### **Miscellaneous Expenditures**

For FY22, \$24,480 is budgeted to cover conference registrations (*e.g.*, AARO fall and spring, meeting registrations, etc.), subscriptions, bar dues, postage and transportation of things.

### **Federal Grants**

#### **Foundation Grant**

Staff is maintaining the three-year grant cycle for TAF totaling \$3M (\$1M annually) to support a TAF innovation and reform grant. This grant is designed to support AQB and ASB operations and provide resources for TAF to develop and implement improvements such as a new revenue model. Funds will also be available for TAF to hire outside consultants to review the structure, efficiency, and effectiveness of the three TAF Boards.

### State Grants

In FY21, the ASC awarded \$1.25M for State Grants, with commitments to award \$10M over three years. For FY22, staff again proposes budgeting \$3,300,000 for the second year of this program.

### Training and Technical Assistance

In FY20 the ASC Board authorized \$1,050,000 for Training and Technical Assistance to States for fiscal years 2021-2023. In FY21, the ASC awarded a base grant of \$350,000 (Year 1 one of the \$1,050,000) plus supplemental awards totaling \$400,000 to support a review of the industry Standards and Criteria and the initial phases of an industry census/survey for a total of \$750,000. For FY22, ASC is seeking \$150,000 to supplement the \$350,000 already committed to Training and Technical Assistance for a total budget of \$500,000. The Standards and Criteria reviews will also be used to inform the Property Appraisal and Valuation Equity (PAVE) Task Force initiated by the White House.

### Depreciation

In FY22, \$24,480 is projected as the depreciation expense for the AMC Registry database and servers purchased in FY21.

### Sequestration

Based on the OMB Report to the Congress on the Balanced Budget and Emergency Deficit Control Act 2022, sequestration for FY22 is 5.7% of available cash receipts. The application of this amount would establish \$522,151 of sequestered funds becoming available in FY23.

Attachments:

FY22 Proposed Budget Spreadsheet  
ASC Profit & Loss Statement through June 30, 2021  
2017-2022 ASC Reserve and Commitments graph

FY22 Proposed Budget

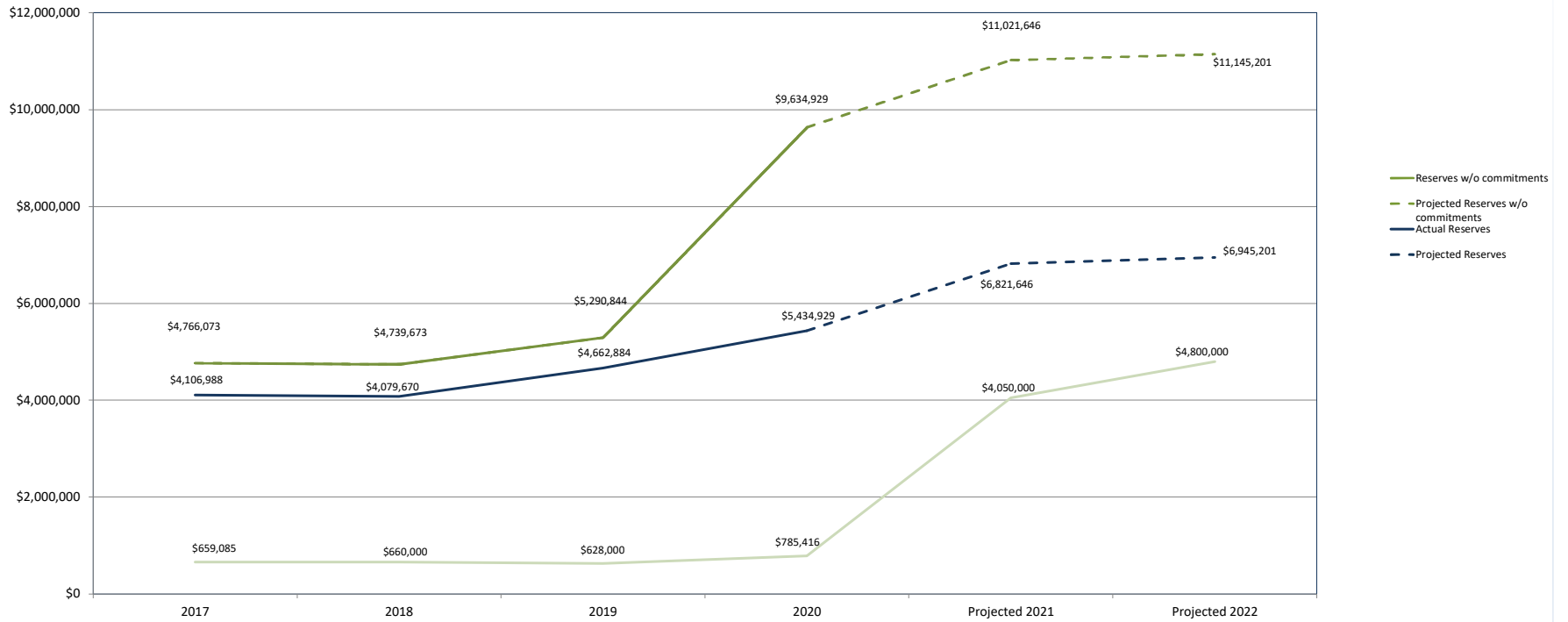
	C	D	E	F	G	H	I	J	K
				(E-D)	(F/E)	(C-D)	(H/D)	(C-E)	(J/E)
FY22 Operating Budget	Proposed Budget	Approved Budget	FY21	\$ Diff FY21 Budg	% Diff. FY21	\$ Diff FY22 Prop. Budg.	% Diff. FY22 Prop. Budg.	\$ Diff FY22 Budg	% Diff. FY22 Budg
Estimated Revenues:	FY22	FY21	Projected	vs. FY21 Proj	Budg. Vs. Proj.	vs. FY21 Budg.	vs. FY21 Budg.	vs. FY21 Proj.	vs. FY21 Proj.
Appraiser Registry Fees	\$ 3,760,000	\$ 3,720,000	\$ 3,420,044	\$ (299,956)	-8.77%	\$ 40,000	1.08%	\$ 339,956	9.9%
Less: 25% Pay-Go Requirement	\$ 352,500	\$ 348,750	\$ 320,629	\$ (28,121)	-8.77%	\$ (3,750)	-1.08%	\$ (31,871)	-9.9%
AMC Registry Fees	\$ 5,753,055	\$ 6,782,175	\$ 6,452,220	\$ (329,955)	-4.9%	\$ (1,029,120)	0.00%	\$ (699,165)	-10.8%
<b>Total Revenues</b>	<b>\$ 9,160,555</b>	<b>\$ 10,153,425</b>	<b>\$ 9,551,635</b>	<b>\$ (601,790)</b>	<b>-5.93%</b>	<b>\$ (992,870)</b>	<b>-9.78%</b>	<b>\$ (391,080)</b>	<b>-4.1%</b>
<b>Expenses:</b>									
<b>Personnel Compensation:</b>									
Salaries	\$ 2,138,558	\$ 2,013,543	\$ 2,023,658	\$ 10,115	0.5%	\$ 125,015	6.2%	\$ 114,900	5.7%
Personnel Benefits	\$ 748,497	\$ 674,539	\$ 699,644	\$ 25,104	3.7%	\$ 73,958	11.0%	\$ 48,854	7.0%
Cash Awards	\$ 42,625	\$ 41,458	\$ 41,458	\$ -	0.0%	\$ 1,167	2.8%	\$ 1,167	2.8%
Training	\$ 11,000	\$ 10,000	\$ 3,364	\$ (6,637)	-66.4%	\$ 1,000	10.0%	\$ 7,637	227.0%
<b>Total Compensation:</b>	<b>\$ 2,940,680</b>	<b>\$ 2,739,540</b>	<b>\$ 2,768,123</b>	<b>\$ 28,583</b>	<b>1.0%</b>	<b>\$ 201,140</b>	<b>7.3%</b>	<b>\$ 172,557</b>	<b>6.2%</b>
<b>Travel:</b>									
Compliance Review	\$ 4,880	\$ 28,305	\$ -	\$ (28,305)	-100.0%	\$ (23,425)	-82.8%	\$ 4,880	-
State Offsite Assessments (SOAs)	\$ 46,360	\$ -	\$ -	\$ -	-	\$ 46,360	-	\$ -	-
Supervising/Compliance	\$ 12,200	\$ 6,660	\$ -	\$ (6,660)	-100.0%	\$ 5,540	83.2%	\$ 12,200	-
Follow-up Review	\$ 1,220	\$ 1,665	\$ -	\$ (1,665)	-100.0%	\$ (445)	-26.7%	\$ 1,220	-
Priority Contact/EWS	\$ 9,760	\$ 3,330	\$ -	\$ (3,330)	-100.0%	\$ 6,430	193.1%	\$ 9,760	-
<b>Meetings</b>									
AAAO Conferences (Spring)	\$ 18,300	\$ 8,325	\$ -	\$ (8,325)	-100.0%	\$ 9,975	119.8%	\$ 18,300	-
Policy Managers & All Staff Meetings (w/AAAO Fall)	\$ 8,540	\$ 0	\$ -	\$ -	-	\$ 8,540	-	\$ 8,540	-
All Staff Meeting	\$ 18,300	\$ 23,310	\$ -	\$ (23,310)	-100.0%	\$ (5,010)	-21.5%	\$ 18,300	-
<b>Other Trips</b>									
Industry Meetings	\$ 6,100	\$ 3,330	\$ -	\$ (3,330)	-100.0%	\$ 2,770	83.2%	\$ 6,100	-
Appraisal Foundation Meetings (ASB, AQB, BOT)	\$ 7,320	\$ 11,655	\$ -	\$ (11,655)	-100.0%	\$ (4,335)	-37.2%	\$ 7,320	-
State Regulatory Training	\$ 6,100	\$ 3,330	\$ -	\$ (3,330)	-100.0%	\$ 2,770	83.2%	\$ 6,100	-
Speaking engagements	\$ 8,540	\$ 4,995	\$ -	\$ (4,995)	-100.0%	\$ 3,545	71.0%	\$ 8,540	-
Staff Travel to DC	\$ 29,280	\$ 21,645	\$ 20,000	\$ (1,645)	-7.6%	\$ 7,635	35.3%	\$ 9,280	46.4%
Grants Monitoring & Technical Assistance	\$ -	\$ 3,330	\$ -	\$ (3,330)	-100.0%	\$ (3,330)	-100.0%	\$ -	-
Car Rental & Local Travel	\$ 3,750	\$ 2,065	\$ 2,065	\$ -	0.0%	\$ 1,685	81.6%	\$ 1,685	81.6%
<b>Total Travel:</b>	<b>\$ 180,650</b>	<b>\$ 121,945</b>	<b>\$ 22,065</b>	<b>\$ (99,880)</b>	<b>-81.9%</b>	<b>\$ 58,705</b>	<b>48.1%</b>	<b>\$ 158,585</b>	<b>718.7%</b>
<b>Rent, Comm., &amp; Utilities:</b>									
Rent	\$ 9,170	\$ 9,075	\$ 7,716	\$ (1,359)	-15.0%	\$ 95	1.0%	\$ 1,454	18.8%
Telephone Service (incl. office & cell phones)	\$ 28,800	\$ 37,540	\$ 30,558	\$ (6,982)	-18.6%	\$ (8,740)	-23.3%	\$ (1,758)	-5.8%
WestLaw	\$ 12,290	\$ 11,930	\$ 11,926	\$ (4)	0.0%	\$ 360	3.0%	\$ 364	3.1%
Storage Space Facility	\$ 4,320	\$ 3,915	\$ 3,498	\$ (417)	-10.7%	\$ 405	10.3%	\$ 822	23.5%
Staff Local travel	\$ 835	\$ 1,865	\$ -	\$ (1,865)	-100.0%	\$ (1,030)	-55.2%	\$ 835	-
Parking	\$ -	\$ 525	\$ -	\$ (525)	-100.0%	\$ (525)	-100.0%	\$ -	-
<b>Total Rent, Comm, Utilities:</b>	<b>\$ 55,415</b>	<b>\$ 64,850</b>	<b>\$ 53,699</b>	<b>\$ (11,151)</b>	<b>-17.2%</b>	<b>\$ (9,435)</b>	<b>-14.5%</b>	<b>\$ 1,716</b>	<b>3.2%</b>
<b>Printing and Reproduction:</b>									
Federal Register/CFR	\$ 31,500	\$ 24,500	\$ 38,333	\$ 13,833	56.5%	\$ 7,000	28.6%	\$ (6,833)	-17.8%
Copying	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)	-100.0%	\$ -	0.0%	\$ 1,000	-
Printing	\$ 14,675	\$ 14,675	\$ 11,872	\$ (2,803)	-19.1%	\$ -	0.0%	\$ 2,803	23.6%
<b>Total Printing &amp; Copying:</b>	<b>\$ 47,175</b>	<b>\$ 40,175</b>	<b>\$ 50,205</b>	<b>\$ 10,029</b>	<b>25.0%</b>	<b>\$ 7,000</b>	<b>17.4%</b>	<b>\$ (3,029)</b>	<b>-6.0%</b>
<b>Contracted Services:</b>									
GSA/OPM	\$ 160,075	\$ 147,020	\$ 147,020	\$ (0)	0.0%	\$ 13,055	8.9%	\$ 13,055	8.9%
OPM Survey	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Annual audit of ASC	\$ 35,900	\$ 34,850	\$ 34,850	\$ -	0.0%	\$ 1,050	3.0%	\$ 1,050	3.0%
ERP (Enterprise Resource Planning/Acctg system)	\$ 60,000	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
FDMS	\$ 10,635	\$ 10,635	\$ 10,635	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Indirect Cost Rate Negotiation	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Independent Auditor Contract/IAA	\$ 50,000	\$ 100,000	\$ 100,000	\$ -	0.0%	\$ (50,000)	-50.0%	\$ (50,000)	-50.0%
Grants - Technical Assistance Contract	\$ 76,000	\$ 76,000	\$ 76,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Legal Services	\$ -	\$ 100,000	\$ -	\$ (100,000)	-100.0%	\$ (100,000)	-100.0%	\$ -	-
Roundtable Logistics Planner	\$ -	\$ 20,000	\$ 69,000	\$ 49,000	245.0%	\$ (20,000)	0.0%	\$ (69,000)	0.0%
Strategic Communications	\$ 250,000	\$ 75,000	\$ 76,850	\$ 1,850	2.5%	\$ 175,000	0.0%	\$ 173,150	0.0%
<b>Total Contracted Services:</b>	<b>\$ 652,610</b>	<b>\$ 573,505</b>	<b>\$ 524,355</b>	<b>\$ (49,150)</b>	<b>-8.6%</b>	<b>\$ 19,105</b>	<b>3.3%</b>	<b>\$ 128,255</b>	<b>24.5%</b>
<b>IT Services:</b>									
IT Contracted Services:	\$ 133,040	\$ 141,040	\$ 141,040	\$ (0)	0.0%	\$ (8,000)	-5.7%	\$ (8,000)	-5.7%
License Renewals	\$ 17,650	\$ 24,950	\$ 24,950	\$ -	0.0%	\$ (7,300)	-29.3%	\$ (7,300)	-29.3%
Hardware	\$ -	\$ 47,000	\$ 7,225	\$ (39,775)	-84.6%	\$ (47,000)	-100.0%	\$ (7,225)	-100.0%
Surface Pros Recapitalization	\$ -	\$ -	\$ 4,725	\$ -	-	\$ -	-	\$ (4,725)	-100.0%
Network Security Review	\$ 20,000	\$ -	\$ -	\$ -	-	\$ 20,000	-	\$ 20,000	-
<b>Total Ongoing Annual Services:</b>	<b>\$ 170,690</b>	<b>\$ 212,990</b>	<b>\$ 177,941</b>	<b>\$ (35,049)</b>	<b>-16.5%</b>	<b>\$ (62,300)</b>	<b>-29.3%</b>	<b>\$ (7,251)</b>	<b>-4.1%</b>
<b>IT Projects:</b>									
Unique Identifier Number/ SOAP State Consultation	\$ 21,000	\$ 21,000	\$ 21,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
ASC Database Enhancements (AMC Registry )	\$ 14,000	\$ 14,000	\$ 14,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
ASC Website	\$ 75,000	\$ 225,000	\$ 225,000	\$ -	0.0%	\$ (150,000)	-66.7%	\$ (150,000)	-66.7%
State Compliance Review (Phase III)	\$ 24,500	\$ 60,000	\$ 90,000	\$ 30,000	50.0%	\$ (35,500)	-59.2%	\$ (65,500)	-72.8%
Appraiser REST API Build	\$ -	\$ 65,000	\$ 65,000	\$ -	0.0%	\$ (65,000)	0.0%	\$ -	0.0%
AMC FinOps	\$ -	\$ 50,000	\$ 50,000	\$ -	0.0%	\$ (50,000)	0.0%	\$ -	0.0%
Customer Relations Software	\$ 20,000	\$ -	\$ -	\$ -	0.0%	\$ 20,000	0.0%	\$ -	0.0%
<b>Total IT Projects:</b>	<b>\$ 154,500</b>	<b>\$ 435,000</b>	<b>\$ 465,000</b>	<b>\$ 30,000</b>	<b>6.9%</b>	<b>\$ (280,500)</b>	<b>-64.5%</b>	<b>\$ (310,500)</b>	<b>-66.8%</b>
<b>Total IT Services and Projects:</b>	<b>\$ 325,190</b>	<b>\$ 647,990</b>	<b>\$ 642,941</b>	<b>\$ (5,049)</b>	<b>-0.8%</b>	<b>\$ (342,800)</b>	<b>-52.9%</b>	<b>\$ (317,751)</b>	<b>-49.4%</b>
<b>Supplies and Materials:</b>	<b>\$ 10,800</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 3,800</b>	<b>54.3%</b>	<b>\$ 3,800</b>	<b>54.3%</b>
<b>Miscellaneous:</b>	<b>\$ 24,480</b>	<b>\$ 15,210</b>	<b>\$ 15,209</b>	<b>\$ (1)</b>	<b>0.0%</b>	<b>\$ 9,270</b>	<b>60.9%</b>	<b>\$ 9,271</b>	<b>61.0%</b>
<b>Total Operating Budget</b>	<b>\$ 4,237,000</b>	<b>\$ 4,210,216</b>	<b>\$ 4,083,596</b>	<b>\$ (126,619)</b>	<b>-3.0%</b>	<b>\$ 26,784</b>	<b>0.6%</b>	<b>\$ 153,404</b>	<b>3.8%</b>
<b>Federal Grants:</b>									
AF Grant	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)	-100%	\$ -	0.0%	\$ 1,000,000	-
State Grants	\$ 3,300,000	\$ 3,300,000	\$ 1,250,000	\$ (2,050,000)	-62%	\$ -	0.0%	\$ 2,050,000	164.0%
Training/Technical Assistance Cooperative Agreement	\$ 500,000	\$ 750,000	\$ 750,000	\$ -	0.0%	\$ (250,000)	0.0%	\$ (250,000)	-33.3%
<b>Total Federal Grants</b>	<b>\$ 4,800,000</b>	<b>\$ 5,050,000</b>	<b>\$ 2,000,000</b>	<b>\$ (3,050,000)</b>	<b>-60%</b>	<b>\$ (250,000)</b>	<b>-5.0%</b>	<b>\$ 2,800,000</b>	<b>140.0%</b>
<b>Depreciation</b>	<b>\$ 12,215</b>	<b>\$ 26,780</b>	<b>\$ 31,322</b>	<b>\$ 4,541.68</b>	<b>17%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ (19,107)</b>	<b>-61.0%</b>
<b>2022 Total Expenses</b>	<b>\$ 9,049,215</b>	<b>\$ 9,286,996</b>	<b>\$ 6,114,918</b>	<b>\$ (3,172,078)</b>	<b>-34%</b>	<b>\$ (237,781)</b>	<b>-2.6%</b>	<b>\$ 2,934,297</b>	<b>48.0%</b>
<b>Revenue after Expenses</b>	<b>\$ 111,340</b>	<b>\$ 866,430</b>	<b>\$ 3,436,717</b>	<b>\$ 2,570,287</b>	<b>297%</b>	<b>\$ (755,089)</b>	<b>-87.1%</b>	<b>\$ (3,325,376)</b>	<b>-96.8%</b>

FY22 Proposed Budget

	Commitments/ Requirements	Reserve Balance/Available Funds	Grant Commitments			
<b>FY 2020 Y/E Balance*</b>		<b>\$ 5,434,929</b>	<b>Grantee</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
			Appraisal Foundation	\$ -	\$ 1,000,000	\$ 1,000,000
<b>2021 Revenue (projected)</b>		<b>\$ 9,551,635</b>	State Grants	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
2021 Operating Expenses	\$ (4,114,918)		Training/Tech Asst Coop Agreement	\$ 750,000	\$ 500,000	\$ 500,000
2021 Grant Commitments	\$ (4,050,000)		Total Grant Commitments	\$ 4,050,000	\$ 4,800,000	\$ 4,800,000
					Total Commitments FY21- FY24	\$ 13,650,000
<b>FY 2021 Y/E Operating Reserve Balance*</b>		<b>\$ 6,821,646</b>				
<b>2022 Revenue (projected)</b>		<b>\$ 9,160,555</b>				
2022 Operating Expenses	\$ (4,237,000)					
2022 Grant Commitments	\$ (4,800,000)					
<b>FY 2022 Y/E Projected Reserve Balance*</b>		<b>\$ 6,945,201</b>				
<b>2023 Revenue (projected)</b>		<b>\$ 8,244,500</b>				
FY 2023 Operating Expenses	\$ (4,237,000)					
FY 2023 Grant Commitments	\$ (4,800,000)					
<b>FY 2023 Projected Reserve Balance</b>		<b>\$ 6,152,701</b>				
*Does Not Include Standing Reserve of \$4.2M						

<b>Appraisal Subcommittee</b>	
<b>Profit and Loss</b>	
<b>October 2020 - June 2021</b>	
<b>Income</b>	
National Registry Fees	1,885,289
AMC Registry Fees	4,121,240
<b>Total Income</b>	<b>\$ 6,006,529</b>
<b>Expenses</b>	
61700 Computer and Internet Expenses	
61720 Servers & Software	848
61735 License & SSL Renewals	1,224
61745 IT Contracted Svcs	12,143
61705 IT Security Upgrades	7,665
61710 Maint. of Web site & Regis. (FFP)	8,400
61715 Hosting Web site	19,484
61740 Help Desk Services (FFP)	33,600
68580 Appraiser Nat Reg (FFP)	8,400
<b>Total 61745 IT Contracted Svcs</b>	<b>\$ 89,691</b>
<b>Total 61700 Computer and Internet Expenses</b>	<b>\$ 91,763</b>
62400 Depreciation Expense	
62420 Depr-Server	5,090
62430 Depr-NR of AMCs Database	21,906
<b>Total 62400 Depreciation Expense</b>	<b>\$ 26,996</b>
62501 Legal Research Service	11,926
62600 Equipment Rental	2,658
64700 Miscellaneous Expense (General)	\$ 659
64900 Office Supplies	5,059
66000 Payroll Expenses	
66001 Salaries	1,444,325
66002 Personnel Benefits	506,368
66004 Cash Awards	27,135
<b>Total 66000 Payroll Expenses</b>	<b>\$ 1,977,828</b>
66100 Training	250
66300 Consulting Services	
66320 OPM Survey (Annual)	5,000
66326 Strategic Communications/Social Media consulting	8,462
<b>Total 66300 Consulting Services</b>	<b>\$ 13,462</b>
66350 Annual Audit of ASC	34,850
66356 Grants Technical Assistance Contract	28,175
66362 Independent Auditor Contract	8,775
66400 GSA Services	95,897
66600 Printing and Reproduction	
66601 Printing & Repro - Fed Register	14,833
66603 Printing & Repro - Publications	11,872
<b>Total 66600 Printing and Reproduction</b>	<b>\$ 26,705</b>
66800 FDMS	1,772
67100 Rent Expense	5,430
68100 Telephone Expense	22,624
68400 Travel Expense	3,202
68575 Project Services - UID/SOAP	14,220
68556 Project Services - Compliance Review	87,411
68557 Project Services - ASC Website Rebuild	162,292
68558 Project Services - AMC API	41,769
68559 Project Services - AMC - Financial Operations	37,927
68587 AMC FinOps	1,305
68591 Project Services - Server Capitalization	1,397
68592 Project Services - Drupal 2 Discovery	322
68700 Grants - Expense	
68706 Federal Grants Expense	750,000
68711 State Grants Expense	2,475,000
68715 TTA Cooperative Agreement	262,500
<b>Total 68700 Grants - Expense</b>	<b>\$ 3,487,500</b>
<b>Total Expenses</b>	<b>\$ 6,192,174</b>
<b>Net Operating Income</b>	<b>-\$ 185,644</b>

### Appraisal Subcommittee Reserves & Commitments (2017 - 2022)





## Policy on Monitoring and Reviewing the Appraisal Foundation

[insert date]

### Purpose

Title XI requires the Appraisal Subcommittee (ASC) to monitor and review specific aspects of the Appraisal Foundation (Foundation). This policy clarifies how the ASC will meet this statutory requirement and is in addition to the monitoring and review of grant-related activities as set forth in the ASC's Grants Handbook.

### Statutory Authority

Title XI, section 1103(b)<sup>1</sup>, *Monitoring and reviewing Foundation*, states that the ASC shall monitor and review the following aspects of the Foundation, including its "practices, procedures, activities and organizational structure."

### Monitoring and Reviewing the Foundation

The Foundation is a vital partner that plays a critical role in supporting and advancing the real estate appraisal regulatory system. ASC staff will monitor and review Foundation activities using a continuous improvement model that encourages constructive, ongoing communication between the ASC and the Foundation while providing written and verbal feedback to increase the effectiveness of Foundation operations and programming.

~~The below list of ASC activities is not exhaustive and is subject to periodic review and modification at the sole discretion of ASC.~~ A summary of written comments will be provided to the ASC Board as part of the Executive Director's quarterly report. In addition, ASC staff will provide written public comment on Foundation exposure drafts and other work product.

The below list of ASC activities is not exhaustive and is subject to periodic review and modification at the sole discretion of the ASC.

#### *Foundation Board of Trustees Meetings*

~~At least one, preferably two, member(s) of the senior ASC staff will attend Foundation Board of Trustees and Executive Committee meetings (public and private) including conference calls.~~

#### *ASB/AQB Foundation Meetings*

- ASC staff will continue monitoring and reviewing activities under Title XI authority through attendance at public meetings of the Appraisal Standards Board (ASB), Appraiser Qualifications Board (AQB) and Board of Trustees (BOT) as observers, with attendance delegated by the ASC Executive Director to ASC staff on a rotating basis.
  - ~~meetings, conference calls and both written and verbal feedback on Board activities.~~ ASC staff will not routinely attend work sessions, conference calls, closed sessions or committee, subcommittee or subject matter expert panel meetings, but, but will be available for those meetings on an as needed basis.
  - Written memos prepared by ASC staff for Foundation staff regarding Foundation meetings will be provided to the Foundation for review and comment prior to finalization, with a one-week turnaround time.
- ASC staff will request meeting materials and minutes for all meetings (public and private).

<sup>1</sup> Title XI § 1103 (b), 12 U.S.C. 3332 (b).

### *Audits and Investigations*

Formal reviews of the Foundation may be periodically commissioned by the ASC through engagement of a professional audit firm. Audits will be to generally accepted government auditing standards (GAGAS) and may include agreed-upon-procedures audits, inspections, or examinations of the Foundation's practices, procedures, activities, and organizational structure.

DRAFT

## **Policy on Monitoring and Reviewing the Appraisal Foundation**

[insert date]

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<sup>1</sup> Title XI § 1103 (b), 12 U.S.C. 3332 (b).