

ASC Appraisal Foundation Grant Policy

[Revised June 2014]

Purpose:

To clarify the criteria used by the Appraisal Subcommittee (ASC) for assessing which of the activities of the Appraisal Foundation (Foundation) are eligible for grant funding and for determining the amounts of such grants that will be considered for approval.

Appraisal Foundation:

The Appraisal Foundation (Foundation)¹ is a private, not-for-profit corporation that sponsors the two independent boards that serve as the congressionally-authorized source of appraiser qualifications and appraisal standards: (1) the Appraiser Qualifications Board (AQB); and (2) the Appraisal Standards Board (ASB). The AQB establishes the *Real Property Appraiser Qualification Criteria* (AQB Criteria) as the minimum qualification requirements for appraisers. The ASB issues the *Uniform Standards of Professional Appraisal Practice* (USPAP), which provides industry standards for conducting real estate appraisals.

Statutory Authority:

Title XI² authorizes the ASC to “make grants in such amounts as it deems appropriate to the Appraisal Foundation, to help defray those costs of the [F]oundation relating to the activities of its Appraisal Standards and Appraiser Qualification Boards.” This policy implements the ASC’s grant-related authority and responsibilities under Title XI.

Annual Grant Proposal:

The Foundation annually submits grant requests to the ASC for its consideration. Since the ASC’s fiscal year ends on September 30th, grant requests from the Foundation must also be based on the ASC’s fiscal year and submitted to the ASC no later than August 1st of the preceding fiscal year for which the proposal is made. Foundation grant requests shall include the following:

- Business Plan for each Board describing:
 - issues prioritized for the Board’s review and planned action during the upcoming fiscal year, and
 - rationale for priorities and the means by which those priorities will be addressed.
- Overview of the most recent changes to AQB Criteria or USPAP, describing what effect those changes have had on appraisers, users of appraisal services, or regulators.

¹ Per section 1121 of Title XI, the terms "Appraisal Foundation" and "Foundation" mean the Appraisal Foundation established on November 30, 1987, as a not for profit corporation under the laws of Illinois (Title XI § 1121 (9), 12 U.S.C. 3350).

² Title XI § 1109 (b) (4), 12 U.S.C. 3338.

Eligibility:

As part of its review of each Foundation grant proposal, the ASC will evaluate whether amounts requested are for “grant-eligible activities.” For ASB, AQB, or Board of Trustees (BOT) expenses to be considered related to “grant eligible activities,” they must meet the following requirements:

ASB

- Relate to the development, interpretation, amendment or advancement of the USPAP associated with federally related transactions, or special projects related thereto
- Included in the annual approved grant award budget³

AQB

- Relate to the:
 - development, interpretation, amendment or advancement of the AQB Criteria, or special projects related thereto; or
 - maintenance of the National Uniform Examination
- Included in the annual approved grant award budget⁴

BOT

- Related to “grant eligible activities” of the ASB or AQB (e.g., expenses associated with the Oversight Committee of the BOT may be eligible for reimbursement if directly related to oversight of the ASB or AQB’s “grant eligible activities”).

In addition to the above criteria, the ASC will also evaluate whether the level of grant funding adequately maintains the ASC’s financial condition, including being consistent with its operating standards for targeted reserves.

Review of Grant Reimbursement Requests:

Approved grant funds are paid on an expense reimbursement basis. The ASC Chairperson has delegated authority to approve the requests with authority to re-delegate to the Executive Director. To receive reimbursement, the Foundation will submit a detailed request that includes a summary of the amount and types of expenses and supporting documentation. ASC staff will review each reimbursement request to ensure that expenses requested for reimbursement are related to the ASB, AQB, or BOT “grant-eligible activities” and that the expenses were included in the annual approved grant award budget. ASC staff will provide regular reports to the ASC that will include information about recent activities of the Foundation that are covered under the grant.

³ Special projects that were not in the approved budget may be considered by the ASC for approval.

⁴ *Id.*

The ASC annually employs an independent auditing firm to perform agreed upon procedures related to Foundation grants in accordance with standards established by the American Institute of Certified Public Accountants. The auditing firm also adheres to the following types of compliance requirements identified in OMB Circular A-122:⁵

- Ascertain that grant funds are expended for the activities allowed in the grant;
- Ascertain that costs charged to the grant are allowed under the grant agreement;
- Note whether specific service or expenditure levels are maintained;
- Ascertain whether minimum or maximum limits for specified services are met;
- Determine whether funds were obligated within the period of availability and obligations were liquidated within the required time period;
- Determine whether revenues are correctly recorded and disbursed in accordance with the grant/program requirements;
- Determine whether activities related to the grant occurred when the Foundation incurred the expenditure;
- Ascertain the costs charged to the meetings are in compliance with the grant agreement; and
- Ascertain that the costs charged to the grant for conference calls are in compliance with the grant agreement.

Additional Eligibility Requirements:

[Effective July 1, 2013]

Proposed revisions to USPAP and/or AQB Criteria must be accompanied by a description of the basis or rationale for the revisions and an analysis showing that the benefit(s) of issuing such revisions outweigh the additional costs to appraisers, users of appraisals, regulators, and others for related awareness and implementation.

⁵ OMB Circular A-122, "Cost Principles for Non-Profit Organizations," revised May 10, 2004. This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations.