



# THE PHILADELPHIA RARE BOOKS & MANUSCRIPTS CO. (PRB&M), LLC

The Arsenal, #4  
2275 Bridge Street, Ste. 314  
Philadelphia, PA 19137  
rarebks@prbm.com ~ 215.744.6734  
www.PRBM.com

## A PRB&M “FAQ” for DONORS

As of the 2019 filing year, the IRS changed the prerequisites for those preparing appraisals of significant charitable donations (“Noncash Charitable Contributions”) and changed the standards for the appraisals themselves as well. This affects the cost of accomplishing an IRS Qualified Appraisal and it can also affect the appraised value of the donation. • **Formal “Qualified” appraisal is not required unless the value of the material in question is greater than \$5000; below that, the donor can “self-declare.”**

**IRS REQUIREMENTS relating to THE APPRAISER:** Qualified Appraisals must now be performed by a Qualified Appraiser having both verifiable experience and training. That is, s/he will have “successfully completed . . . professional or college-level coursework in valuing the type of property being donated and [have] two or more years of experience in valuing the type of property” (quoted from Regulation 26 CFR § 1.170A-17). The appraiser must additionally have mastered the Uniform Standards of Professional Appraisal Practice (USPAP), and, ideally, s/he has earned a recognized appraiser designation for the specific type of property being appraised. (Please see below for a link to the regulation’s full text at the Cornell University Law School website.)

**IRS REQUIREMENTS relating to THE APPRAISAL:** Appraisals submitted to the IRS in association with claimed 1040 deductions of more than \$5000 must conform to the standards of the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation, which is congressionally authorized to develop and set standards for appraisers and their appraisals. The Fair Market Value used in IRS noncash donation appraisals must now be based on actual, *verifiably achieved* sale prices, e.g., reported auction prices (including buyers’ premiums) and documentable private sales; and the sources of the reported prices must be shown in the appraisal. • **No longer can an appraiser simply list what s/he believes something is worth or use the aspirational price found in a dealer’s catalogue or associated with an item being offered in an online database.** Establishing value now requires not only extensive online and other research but, typically, extensive and time-consuming correspondence with pertinent members of the trade.

That only verified achieved prices may be cited also means that if items in an appraisal were purchased at obscure auctions or privately from a dealer who will not share sales data with the appraiser, and the appraiser cannot find true comparables in other, presently researchable markets, then the only useable results might be those reported on eBay or in other less than truly satisfactory venues, with their documentable prices therefore being lower than what was paid for them.

It should also be noted that a Qualified Appraiser is required by USPAP and the IRS to maintain a file of all the searching, correspondence, and work done relating to a Qualified Appraisal. This administrative requirement adds to the time required and, since Qualified Appraisers usually bill by the hour, the requirement means that appraisals are more expensive now than they were before 2019. • **Your appraisal must be kept in your own files for at least five years.**

**OTHER FACTORS affecting APPRAISED VALUES & THE COST OF APPRAISALS:** Trustworthy appraisal involves eyes-on, hands-on engagement; it almost never can be done entirely from lists, descriptions, or photographs. Although USPAP protocols now admit of some exceptions, the Qualified Appraiser will at some point(s) need significant physical access to the donated material, and travel expenses may need to be budgeted for.

If a detailed, accurate list of the material to be appraised can be supplied at the start of the appraiser’s work, efficiency is enhanced and the cost of the appraisal is significantly reduced. Such a good early overview of the project becomes essential in the case of a very large appraisal, as USPAP requirements for handling of specific items, sampling, and averaging must be planned for *as to the whole* and then executed systematically.

Values have declined for some categories of books and manuscripts, which may mean that the appraised value of some appraised items will be lower than their prices when purchased.

**REQUIREMENTS AFFECTING THE TIMETABLE for a QUALIFIED APPRAISAL:** Typically, a donation is received and vetted before the Deed of Gift is issued, and the donation's Deed of Gift sets the date of the donation for IRS tax purposes. It must be dated in the year for which the deduction will be claimed, and the appraisal of the material claimed as donated must then be accomplished before the 1040 is submitted. • **A donor is wise to be sure that the schedule for completing that process is understood by all, and that it allows time afterwards for completion of the appraisal.**

A two-page, five-part "[Form 8283](#)" must be submitted to the IRS along with the donor's 1040 when claiming a qualified Noncash Charitable Contribution of over \$5000. Sent by the appraiser to the donor after final payment for the appraisal has been received, this has sections to be completed by the appraiser, the donor, and the donee institution. The approved process calls for the appraiser to complete Part IV before sending the document to the donor, who is required to send it on to the donee for completion of Part V; the donee must then send it back to the donor, completed, for the donor to complete Part III. The donor, keeping a copy, must then attach the fully completed document to the submitted 1040. • **Time must be allowed for this by all parties, at the end of the appraisal process, and the donor must be prepared to spring into action as coordinator of the 8283's completion.**

**PRB&M'S CERTIFIED APPRAISER:** David M. Szewczyk is a member of the Antiquarian Booksellers Association of America (ABAA) and of the International League of Antiquarian Booksellers (ILAB). He is a full partner in The Philadelphia Rare Books & Manuscripts Co. (PRB&M), has been in the rare books and manuscripts business for more than 40 years, is a Past President of the Mid-Atlantic Chapter of the Antiquarian Booksellers' Association of America, and has sat on the Board of Governors of the same organization. He holds Bachelor of Arts degrees from Temple University in History and Spanish and Master of Arts degrees in the same disciplines from Indiana University, has done post-Master's work at the University of Texas at Austin, and is the author of several scholarly publications. A former Ford and Fulbright scholar and holder of a cataloguing grant for manuscripts from the National Endowment for the Humanities, he has worked for two major American rare books libraries (Lilly Library, the Rosenbach Foundation), has taught in the California Rare Book School at UCLA, and is a recognized specialist in the fields of rare books and manuscripts.

As a Certified Member of the Appraisers Association of America, PRB&M's David Szewczyk is a fully Qualified Appraiser for donors' IRS tax purposes. He regularly performs appraisals as an integral part of PRB&M's business, often for donors of collections to universities and other special collections repositories, including, for example, Princeton, Penn, Columbia, Rutgers, Villanova, Bowdoin, and Vanderbilt; the Universities of Delaware and Michigan and Penn State; the Pierpont Morgan and John Carter Brown Libraries; and, in Philadelphia, the Chemical Heritage Foundation (now the Science History Institute), Independence National Historical Park, and the Library Company.

His appraisals prepared for estate filings, for insurance purposes, for risk management, and for purposes of equitable distribution may also, of course, be arranged.

**FEES:** Our fee schedule will be sent upon request. PRB&M's fees are always based directly on time expended and documented expenses, and an estimate of total cost will be sent once the full nature of the work to be done is known. Changes in the amount of work will change the cost and necessitate a new estimate.

<https://www.law.cornell.edu/cfr/text/26/1.170A-17>

**YOUR INQUIRIES ARE WELCOME!**

[rarebks@prbm.com](mailto:rarebks@prbm.com)

David Szewczyk  
Partner & Qualified Appraiser for PRB&M

Cynthia Davis Buffington  
Partner

