

# PAAO Best Practices©

Key Objective(s): Maintain the public trust in the aircraft appraisal industry by providing credible, reliable reports that meet or exceed industry standards and recommendations.

## ***It Starts with The Individuals (We are “Airplane People”):***

- Individuals must possess the fundamental knowledge, skills and abilities to successfully perform the task of appraising aircraft.
  - **Competence in the Aviation Industry.**
  - Competence in Computer Skills
  - Competence in Writing Skills
  - Competence in Business Practices and Business Ethics
- The individual must undergo a criminal background check (no felonies)
- The individual’s qualifications and background must be approved by the PAAO Board
- The individual must be able to act independently, apart from any biases or interests.



## ***The Training***

- Focused on Appraising Aircraft and ONLY Aircraft.
- Conducted by Senior PAAO Certified Aircraft Appraisers.
- Involves Hands-On Instruction and Real-World Examples
- Utilizes Field Visits as part of the Instruction.
- Introduces **PAAO Analytical Methodology** to the Sales Comparison Approach in the overall Aircraft Appraisal Reporting
- At the Senior Level – Utilization of USPAP Concepts and Methodology.
- Classroom Field Results are Presented to PAAO Board Members for Approval/Rejection – This is Our End-of-Class Test!
- Initial Appraisal Reports are Reviewed by the Appraisal Review Board before Certifying the Appraiser and Allowing them to Provide Appraisal Services to the General Public



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## *The Appraiser's Responsibility*

- Identifies and Understands the Project along with it Scope of Work during Their Initial Discussion with the Client
  - Purpose of the Report,
  - Field Visit Requirements
    - Ensures credible, reliable aircraft details
  - Digitize Logbooks and Records.
- Provides an Engagement Form or Letter to the Client outlining the Scope of Work, the fees and any related Terms and Conditions. The Engagement Form/Letter should be approved/acknowledged by the client.
- When scheduling the Field Visit, identifies the items to see and review during the visit, the location of the aircraft and who the appraiser will be meeting along with the contact's information in the event unforeseen issues develop.
- When Following PAAO & USPAP guidelines, the appraiser ensures currency with related training and certifications
  - PAAO – Recurrency Required Every 3 Years
  - USPAP – Recurrency Recommended Every 2 Years
- Utilizes the **PAAO Analytical Methodology** in their Appraisal Sales and Comparison Approach and Reporting.
- The appraiser acquires all related information about the aircraft including but not limited to:
  - 337s
  - Title Information
  - Type Certificate
  - Advertised Information
    - JetNet
    - ADN
  - NTSB & FAA Accident/Incident Information
  - Service Difficulty Reports (if any)
  - Appropriate Characteristics Unique to the “type”
  - Account for Current Market Issues (ADS-B, RVSM, etc.)
- At the time of the field visit:
  - They show up on time
  - Professional in appearance
  - Display a Photo ID
  - All critical information is digitized
    - ALL Logbooks
    - Equipment List
    - Weight & Balance
    - 337s
  - Photos of the aircraft and any pertinent items of interest (cracked windows, current damage, Hour Meter/Tachometer, dataplate, etc.)
- They maintain a “work file” of all related materials
- The individual must be able to act independently, apart from any biases or interests.



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## The Report

- Professional in appearance (no misspelled words, poor grammar, etc.)
- Not Excessive – *Amateurs Complicate, Professionals Simplify*
- A Certificate of Appraised Value is Recommended
- Includes Photos as Needed
- Provides a Narrative that Supports the Conclusion and Opinion of Value
  - May use the Sales Comparison Approach but WILL use the **PAAO Analytical Methodology**
  - Use multiple data sources



## The Organization

- Interfaces with Clients to **Educate and Inform** in regard to the PAAO Aircraft Appraisal Process
- Provides the Infrastructure to Support Associates and Promote Public Trust
  - Training
  - Aircraft Database Development & Maintenance
  - Associate Business Development
  - Recurrency Programs
  - Mentoring
  - Appraisal Review
  - Ethics Review
  - Criminal Background Checks



**PROFESSIONAL AIRCRAFT**  
APPRAISAL ORGANIZATION LLC