Guideline for ICVS Candidates – Checklist for Case Study Report

Please provide a Word and PDF copy of your valuation report.

The below checklist is presented to you as guidance in preparing the ICVS case valuation report. You may refer to it to make sure that your report includes the major required components as per IACVA's Professional, development, and reporting Standards. Missing components, may in certain circumstances, cause an automatic failure grade.

Item	**Available in Report?**
Engagement Letter (check the sample engagement letter in chapter 2 of the UFA Case Analysis Book for reference)	
Opinion letter and its components	
Company overview & summary of strengths and weaknesses	
Industry analysis, growth forecasts, & impact on company	
Economic analysis, growth forecasts, & impact on company	
Common Size Financial Statements	
Ratio Analysis & Peer Analysis	
Adjustments (normalizations) to Financial Statements along with explanations	
Consideration of the 3 valuation approaches	
Discussion of valuation methods considered but rejected	
Detailed discussion of the discount rate calculation & components	
Details on the valuation methods applied and explanation of assumptions and inputs	
Discussion on the applicability (or not) of the valuation discounts/ premiums and explanation of the numbers applied	
Conclusion of value	
Workbook (Excel sheet including all calculations)	
Copies of all sources, articles, third party reports, etc used in the report*	
Lists of assumptions, limitations, & information sources	
Qualification of Appraisal (CV)	
Is the report well structured and presented?	

* **You need to provide copies of *all* your work papers. These work papers should include calculations, assumptions, reasoning and sources used in your valuation. Failure to include your work papers will result in a failing grade. Be sure to keep a complete copy for yourself of EVERYTHING you submit.**

Other Notes and Recommendations:

- The above list is not comprehensive.
- You may use the sample case report (e.g. Master Car – included in Chapters 2 to 7 of the UFA Case Analysis Book) to ensure that all the required components are included in the valuation report and as guidance to each of your report components.
- Refer and follow IACVA's Professional, development, and reporting standards (– included in Chapter 1 of the UFA Case Analysis Book) to ensure that all the required components are included in the valuation report.
- **If the candidate doesn't have access to any needed information for the report components, he/she can make any assumptions he/she needs as long the assumptions are stated in the valuation report.**
- Please note that a case report including all of the above does will not necessarily earn a Pass grade. The grade will also depend on the quality of the report contents.

Additional Guidance by IACVA

In order to help you achieve this goal consider the following:

- Does the report flow in a logical order, is it well written with proper use of grammar, correct spelling and punctuation?
- There is nothing more disconcerting than mathematical errors. Is your report free from them?
- Have you made the report easy to read with a table of contents and properly referenced everything to it in the body of the report?
- Does your summary letter address the client, outline the purpose and scope for the valuation, contain a statement of standards as it relates to FMV or other value as stated in IACVA's "International Glossary of Business Valuation Terms?"
- Summary letter: were the limitations and restrictions of the valuation stated, was the value of the company stated and did you sign the letter?
- In the main body of the report did you include:
  - A description of the company, sufficient information to conduct a valuation, was the objective of the valuation stated as well as the effective date?
  - Who are the owners and how is ownership shared, did you interview management, who/what was your principal source of information, did you make a site visit to the company? **Note:** To document a site visit to this imaginary company, use a company in your city you have visited. In place of its name, use those provided here in this examination, and tell the story of your visit. This simulated site visit can be used or the form from Appendix IV of BV: UFA.
  - Have you done a thorough job of analyzing the financial data? All the data!
  - Is there appropriate discussion of the economic conditions as well as an industry discussion?
  - Have you considered all possible valuation methods and supported the one you chose to use and put your reasons for not using the others?
- Is the appendix complete and contains the detail you didn't put into the body of the report?
- Is this truly a report you would want your client to have?

PLEASE NOTE: There are various areas in the information provided to you THAT REQUIRE YOU TO FORMULATE ASSUMPTIONS. The information included herein is limited. *If information, or a lack of specific information, causes a question, state the question, state your response/assumption, and state what impact these assumptions had on your valuation. Fully document these in your work papers.* (Also see "SIMULATED SITE VISIT" below.)

SIMULATED SITE VISIT:

In completing a "real world" valuation you would likely find it necessary to do a site visit to get answers to questions you have. If, due to the lack of specific information supplied with this Case, you wish to do a SIMULATED SITE VISIT feel free to do so. Be sure to annotate in your work papers what questions you wanted answers to and what "answers" you got in the site visit (simulated answers would be supplied by you of course). A Simulated Site Visit is absolutely NOT REQUIRED and will not affect your score if not included. Many have completed the exam successfully without one. It is strictly up to you to decide whether or not you wish to include it.

The dollar value assigned to your conclusion is not at issue. There is no one "right" dollar answer. However, you must have substantiated your conclusion of value. The math must be correct. Consider both the pros and cons in your valuation, in RR 59-60 (if applicable), in your choice of approaches and methods used to value the Company, and justify all your assumptions and your conclusion of value.