

How to Dispose of a Hobby Related Collection Part 2

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Part 1 of this article, focused on considerations, options, methods and important factors involved in the disposal process of a hobby collection. While the principles apply to almost all hobby collections, the information is specifically designed to appeal to members of the CSMMI who collect medals, badges, general militaria and ephemera. There will come a time when important decisions will need to be made for the benefit of all stakeholders involved. There is nothing like an injustice to a collection, and especially the collector, when an executor or beneficiary disposes of important and historic artefacts, without realizing values reflecting the prevailing market rates. Some collectors reach a point in their lives when they wish to gradually or in one fell swoop dispose of their collections. Others find it difficult to let go and hang on till the very end. Some collectors are well prepared and organize inventories noting original purchase costs, while others procrastinate, to the extent that nothing is done to alleviate the stress of the responsibility that others may experience disposing a hobby collection.

This begs the question, what needs to be done before it is too late? It would be of great benefit for one to prepare a detailed inventory and an estimated value of a collection using modern technology and reference resources, which 25 years ago hardly existed. Or, one might consider employing the services of an accredited or registered appraiser specializing in the field of medals, badges and militaria. Such an appraiser is required to abide by a strict code of ethics and is bound to limit his or her undertaking to an appraisal only and not a purchase. This avoids any conflict of interest that may exist. The service provided by this individual may involve considerable time and effort with associated operating expenses. The resulting cost can be expensive however, an accredited or registered appraiser acts in a professional manner and the certification would be reflective of the current market value of a collection. Cataloguing and evaluation would be prepared providing a proper detailed appraisal of the collection. Periodic reviews and updated appraisals can also be certified by the same appraiser, as necessary, and at a reasonable cost. Lawyers, banks, accountants and the Canada Revenue Agency (CRA) would recognize the appraisal as a stand-alone document. This is an important consideration for estate planning or collection disposal. There are no officially accredited or registered appraisers in the CSMMI. To source a registered appraiser the best independent resource in Canada would be among the membership listed with the Canadian Personal Property Appraisers Group (CPPAG).

It is also important to understand that there are different types of appraisals such as market value, liquidation, forced sale and replacement values. An evaluation reflecting

the true market value of an item or collection would be the most appropriate approach though a replacement value might apply as necessary.

Other credible sources for appraisals include established dealers or merchants specializing in selling militaria or other hobby-related merchandise. There are numerous members of the CSMMI who operate hobby-related businesses. Their opinions in the form of appraisals or valuations may also be acceptable for official purposes by the very nature of their experience. In addition to this group, long-time collectors in a hobby also acquire expertise knowledge, including market values, and their contribution is no doubt invaluable.

Without doubt, a proper inventory and evaluation of a collection provides peace of mind to a collector and can ensure an efficient disposition of assets when necessary, as in the event of an unexpected circumstance or as part of a planned process.

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