Proposed Definitions for NACVA EAB Guidance Categories
Dated May 28, 2026 (this will be updated when finalized)

Purpose and Scope

This document establishes two categories of non-authoritative guidance issued by the NACVA Executive Advisory Board (EAB): the Advisory Brief and the Practice Aid. Its purpose is to promote consistent classification of EAB work products so that members understand the nature, intended use, and authority of each guidance type. Neither category constitutes a professional standard, and neither modifies, supplements, or supersedes NACVA Professional Standards or any other authoritative standard. The category of a given work product is determined by the EAB at the time of issuance based on the criteria below. Note: to date, NACVA has not issued any Practice Aids but has issued a number of Advisory Briefs.

Advisory Brief

An **Advisory Brief** is a concise, principle-based guidance document issued to provide professional insight, interpretation, or recommended considerations regarding a specific valuation, financial forensics, litigation, tax, or consulting issue.

An Advisory Brief is generally intended to:

- Address emerging, evolving, controversial, or narrowly focused topics.
- Clarify professional considerations, risks, methodologies, or practice concerns.
- Promote consistency and informed professional judgment.
- Provide **educational guidance** without establishing mandatory standards.
- Respond to developments in law, regulation, court decisions, market practice, or professional trends.

An Advisory Brief typically:

- Is shorter and more **conceptual** than a Practice Aid.
- Focuses on "**what** practitioners should consider" rather than "how to perform" a complete engagement process.
- May include background discussion, technical observations, cautionary guidance, or best-practice recommendations.
- **Does not** attempt to provide exhaustive procedural instructions, templates, or step-by-step implementation tools.
- May be authored quickly to address **timely issues**.

Typical Characteristics

- Interpretive or analytical in nature.
- Educational and directional.
- Often issue-specific.
- May address risk management, professional judgment, or evolving practice areas.
- Usually limited in scope and length.

Examples

- Valuation considerations for digital assets.
- Risks of relying on prior gift tax valuations for charitable contributions.
- Emerging issues in qualified small business stock (QSBS) valuation.
- Considerations in valuing promissory notes after restructuring.
- Guidance regarding AI use in valuation engagements.

Practice Aid

A **Practice Aid** is a detailed implementation-oriented resource designed to assist practitioners in performing, documenting, managing, or supporting professional engagements in a consistent and technically sound manner.

A Practice Aid is generally intended to:

- Provide practical procedures, frameworks, methodologies, or tools.
- Assist practitioners in executing assignments or complying with professional standards.
- Improve consistency, efficiency, documentation quality, and defensibility.
- Offer operational guidance that can be directly incorporated into professional practice.

- Support, but not establish, mandatory standards; a Practice Aid is a non-authoritative resource and compliance with it is not required.

A Practice Aid typically:

- Is more comprehensive and procedural than an Advisory Brief.
- Focuses on "how to perform" or "how to implement" a process or methodology.
- May include checklists, workflows, templates, **examples**, sample language, calculations, exhibits, forms, or model analyses.
- Is designed to be referenced repeatedly during actual engagements.
- **Often has a longer useful life than an Advisory Brief. A Practice Aid may evolve from an earlier released Advisory Brief based on perceived need from the membership and developments within the industry.**

Typical Characteristics

- Operational and implementation-focused.
- More detailed and structured.
- Designed for direct practitioner use.
- Often includes examples, templates, or procedural guidance.
- May support training and quality control processes.

Examples

- Checklist for reviewing valuation reports.
- Template procedures for valuing promissory notes.
- Workflow guide for fair value analyses under ASC 820.
- Documentation framework for qualified appraisals.
- AI-assisted valuation review procedures and safeguards.

Selecting the Appropriate Category

The two categories are distinguished primarily by their dominant purpose, not by length or topic. When a proposed work product appears to fit both categories, the following guidance applies:

- **Dominant-purpose test.** Classify by the document's primary objective. If its main contribution is helping the reader decide what to consider or how to think about an issue, it is an Advisory Brief. If its main contribution is helping the reader perform or document work, it is a Practice Aid.
- **Tie-breaker.** If the dominant purpose remains genuinely unclear, classify the work product as an Advisory Brief. The Advisory Brief carries the lower implied reliance, which is the more conservative default when the EAB does not intend to provide procedural tools the reader may rely on operationally.
- **Hybrid work products.** Where a topic warrants both conceptual guidance and implementation tools, the EAB may issue two separate, cross-referenced work products (an Advisory Brief and a companion Practice Aid) rather than a single document that blends the two. A single work product should not be labeled as both.

Suggested Distinction Test

Question	Advisory Brief	Practice Aid
Primary purpose	Explain considerations	Help perform work
Focus	Concepts, interpretation, professional judgment	Procedures, execution, implementation
Depth	Concise	Detailed
Longevity	Often issue- or trend-driven	Longer-term operational utility
Includes templates/checklists?	Usually no	Usually yes
Intended use	Educational guidance	Day-to-day practice support
Answers primarily	"What should I think about?"	"How do I do this?"
Authority/status	Non-authoritative; not mandatory	Non-authoritative; not mandatory
Typical length	Typically brief (a few pages)	Typically longer; may be substantial