

## Having Your Coins Professionally Certified And Graded (Slabbed)

Allan T. Presentation at Manhattan Coin Club Meeting, August 14, 2018

Prior to 1958 there were few standardized sources to guide collectors and dealers in the grading of coins and authenticating them. Among the early printed sources was A Guide to the Grading of United States Coins by Brown and Dunn (Fourth Edition, 1964). Illustrations of each coin in various states of preservation were drawn by hand. Only adjectives were used to describe the condition of coins, with only one Uncirculated grade! Numismatists recognized that something had to be done to address the problems of over-grading and counterfeiting.

The first professional coin authentication and grading service was formed in 1972 by the American Numismatic Association (ANA). These first holders were nothing like the current thick plastic “slabs” but the sealed, thick plastic envelopes did contain the coin, an assigned grade, and photos (obverse and reverse) of the coin. Curiously, “split grading” was used for a while in those cases when both sides did not merit the same grade.

The next published grading guides were Photograde and The Official ANA Grading Standards. While these were improvements, the quality of the early edition photos was poor. ANA soon formed ANACS, coming up with the first thick plastic “slabs,” grading that used the Sheldon Numerical (1 to 70) Grading Scale. ANACS also began the process of compiling Population Reports—essential to determine true scarcity of many coins.

In subsequent years, several career numismatists formed the Professional Coin Grading Service (PCGS), the Numismatic Guarantee Corporation (NGC, 1987), and Independent Coin Grading (ICG, 1998). They all claimed to provide accurate and fair grading, reliable authentication, secure packaging, and detailed record keeping. Their services were soon expanded to include, tokens, medals, and currency. A dozen “me too” grading companies soon arose, but their reputations have been poor in comparison. Stories abound about coins being vastly overgraded, their holders being easily tampered with, and cleaned or damaged coins being graded with no comments.

The U.S. Mint began production of silver and gold bullion coins in 1986. NGC and PCGS agreed they wouldn't grade these new issues because of the high numbers of near perfect coins and the potential for accusations of favoritism toward large volume customers. The potential for high profits soon abolished that policy. NGC, the official grading service of the ANA, and PCGS are rated the “best” by most numismatists. However, we must remember that coin grading and authentication has become a billion dollar a year business. NGC and PCGS advertise heavily and they have formed partnerships with major auction houses. By comparison, ICG has no financial ties to coin dealerships.

In order to submit coins for authentication and grading, most services require membership in their respective collector societies. NGC credits membership fees toward future submissions. Submission forms may be printed off the internet and either completed on-line or by hand. Fees charged vary depending upon:

- 1) the number of coins submitted,
- 2) fair market value (FMV) of the coins,
- 3) turn-around times requested,
- 4) return shipping and insurance costs,

- 5) variety or error labeling, and
- 6) conservation (“cleaning”) fees—if any.

Major grading companies have tables at all national coin shows, offering “walk-through” grading for large fees. For customers who don’t mind waiting, coins may be submitted for much lower (Economy or Standard) fees.

Finally, a few words of advice are in order for collectors considering the purchase of “slabbed” coins or submission of coins for authentication and grading.

- Always buy the coin, not the holder.
- Unless a coin has significant potential value (\$100.00 or more), don’t waste your money on professional grading.
- Learn to grade the types of coins you wish to collect, using a reliable grading guide.
- Contact a local coin dealer for an opinion on a coin’s authenticity and grade before submitting it to NGC, PCGS, etc. Some dealers are willing to submit coins for valued customers for a reasonable fee. Be prepared to wait several weeks.
- Whenever considering the purchase of a high cost “slabbed” coin, be sure to verify on-line that the identification numbers and photos match the slab.
- Be sure to notify the coin grader whenever you “crack out” coins from their Holders. This will help keep Population (Census) Reports accurate.
- It may be wise to photograph coins before submitting them by mail and also an aid to filing any insurance claims for loss to theft.