

ESSENTIAL GUIDE TO COLLECTING ART

A R T W  R K
A R C H I V E

HOW TO PURCHASE, PROTECT
& PRESERVE YOUR COLLECTION

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WHY COLLECT ART?

We are all drawn to art for different reasons. Some appreciate the historical context of the work, others gravitate toward prestige and price tag, and many of us are inspired by the emotional connection that forms with the work itself.

That connection is what drives us to invest and care for the works that hold meaning in our lives.

Over the years, we've had the privilege to connect with passionate art enthusiasts and understand the questions and challenges that come with collecting art. We've also had the honor of learning from inspirational art collectors and art professionals across the globe.

This guide brings together those voices and provides expert advice to those in search of better collecting practices.

Our goal is to equip collectors with the tools and knowledge they need to purchase, preserve and protect their art collection.

We are committed to staying up to date with the most current and useful tips for growing and caring for your collection. I hope you find something new and valuable in this guide.

Justin Anthony

Co-Founder, Artwork Archive

A R T W R K
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TIPS FOR STARTING AN ART COLLECTION

Know Your Tastes

"While there are a small percentage of people buying on a speculative nature, most people are buying art because they have a connection with it. There is a desire to create a home and an identity through art," says Editor-in-Chief of [Fine Art Connoisseur](#), Peter Trippi.

All you need is a true sense of what you like.

Think about how many hours you've spent walking through museums, galleries, art fairs, or following social feeds, watching for trends and learning various stories about historical pieces. Which subjects speak to you? Are you pulled toward one medium, like oil paintings or finely-painted porcelain objects, or another, like encaustic photographs?

This is where you start.

Know the Market

This step is crucial. In order to get a fair price and understand what's valuable in the art world, you have to put in the work to research the art market.

"Visit as many galleries, art fairs and museums in your local area as possible. This can help to get a feel for the market and to identify which art movements or styles appeal to you most."

- Liz Parks, [Liz Parks Fine Art](#)

Start asking questions and listen to what other collectors, gallery owners, art dealers and historians are saying. Capture bits of wisdom whenever you can, and you'll invest wisely.

Build Relationships

Building relationships with curators, consultants, conservators, directors for community arts, and gallerists can give you access to information on new artists and trends.

One of the best ways to get started as a collector is to first become a patron.

Set a Budget

Your budget is an essential starting point. A few key factors can affect the final sale price of an artwork, including a direct purchase from an artist is typically less expensive than buying from a gallery.

Prices in the secondary market, when a piece is sold again to a new collector, are typically higher.

High-end galleries that show established artists traditionally charge more than less-established galleries that show young and emerging artists. Factors such as scarcity, materials and media, and period during an artist's career all influence the overall price of an artwork.

Remember to factor in costs like:

- Specialty insurance policies
- Packing and shipping
- Framing and preservation
- Buyer's premiums on auction purchases
- Any special care instructions
- Consultancy fees

Reach out to other professionals

Just like any industry, the art world is a multi-faceted network of experts. From appraisers to conservators to wealth management firms, these professional consultants help you manage the numerous details of your collection. Sometimes you can find a specialist in an area you never expected to find, but they may offer profitable advice.

We recommend reaching out to the following:

- Art Appraisers
- Art Insurance Agents
- Wealth Management Advisors
- Art Restorers
- Art Conservators
- Art Advisors & Consultants

Art advisors can help you build your collection's value with their industry knowledge, relationships, and professional experience.

We discuss in more detail what an art advisor can offer your collection in the [Managing Your Collection](#) section.

Get Your Feet Wet

Auctions aren't for everyone, and negotiating with a gallerist can be intimidating. But, you don't have to make a purchase when it's your first time buying. Go in for a trial run before you intend to actually make a bid. When there's no pressure to buy, you can get more comfortable with the climate and process, which will help you feel confident and collected once you're ready to start bidding.

Assess Before You Buy

While falling in love with an art piece often motivates us to buy it, an experienced collector reviews a list of items before taking the plunge, ensuring the piece is authentic and priced accordingly.

Make an effort to see each potential piece of art in person, especially if you found it online. Also take into consideration:

The artist: Find out his or her background, reputation, accomplishments, and community involvement. Consider their current fan base and if their prices fit your budget.

The art dealer: Work with someone you trust to give you a fair price, and don't hesitate to get a second opinion. Do your homework and double-check the dealer's paperwork.

Acquire Documentation

Before buying a piece, secure certificates of authenticity and all provenance documents.

Ideal provenance documents the ownership history of a piece all the way back to the artist's studio. This information is crucial to prove authenticity, increase value, and give collectible significance to the piece through the story it tells.

When you purchase an artwork, you should receive all original documents from the dealer, complete with official signatures. Create copies of these documents, and be sure to store them securely.

CHAPTER ONE

ACQUISITION

A R T W R K
A R C H I V E

IS ART COLLECTING A VALID INVESTMENT?

Seventy-five percent of collectors report buying art with an investment in mind. [CNBC]

However, these investments involve more than meets the eye. And when it comes to your finances, you need to make sure you have all the facts before you take the plunge.

Answering these seven questions will help you determine if collecting art is a smart investment for you.

Have you done the research?

Like any investment, you have to do your homework. What research have you done to learn about the artist, their background and the story behind the artwork? Knowing this history can boast better returns on your investment than blindly buying an artwork. Why? The more you know going into a purchase, the better you can assess the value of the piece.

Value can be affected by everything from sales price history and to the condition of a piece to the story and life of the artist. So, ask yourself these questions to educate yourself about an artwork.

Do you have the work's provenance?

Art collecting can be a valid investment, but again, it comes down to the valuation of your pieces. That's where provenance comes into play. This documentation of an artwork's story, ownership history, and accolades provides authentication and context that can point to the long-term value of a piece.

Do you have a good strategy?

There are so many moving parts to art collecting that it can be hard to know where to begin. A well-designed strategy is essential in order to come out in the black.

A successful art investment strategy has:

- A well-defined scope
- Thorough research and documentation
- Strong relationships with other professionals
- A set budget
- An understanding of activities and trends taking place in the art market

Do you understand this type of investment?

"Loving the artwork you buy should always come first, but if you are thinking about acquiring a work by an emerging artist that might increase in value, it is definitely worth spending time doing research by going to exhibitions and degree shows to see work by recent MFA graduates. The more art you see, the more knowledgeable you will become, which is important for anyone thinking about art as an investment."

Rebecca Wilson, Chief Curator and VP, Art Advisory at [Saatchi Art](#)

While the art world is changing thanks to technology, traditional gallery-focused systems still play a significant role in art's valuation. The bigger problem is that the fine art market is highly manipulated by collectors, galleries, and auction houses—and this influence can greatly affect the perceived value of a piece.

Another layer of complexity is the costs associated with buying, maintaining, and selling art. In fact, you may be responsible for a lot more than the purchase price, including a buyer's premium at auction, sales tax, insurance, travel costs, maintenance, appraisal fees, and so on other incidentals. If you decide to sell, remember to consider the capital gains taxes the Internal Revenue Service will collect when you sell.

Composition
Piet Mondrian, 1921
Oil on Canvas

UNDERSTANDING THE MARKET

The art market constantly fluctuates, and you must be prepared to see how this reflects on your art investment. For instance, the contemporary art market, which is most popular amongst today's collectors, is also the most volatile.

High demand for one artist's work can, and usually will, affect the market for a similar artist. For this reason, collecting a diverse array of artists and styles is key for your long-term investment, as well as following the age-old investing motto: "buy low, sell high."

The riskiest investment is collecting in the primary market, when artwork is sold the first time directly from the artist or their gallery representative. It's impossible to predict when an artist will gain notoriety, but your early investment will grow along with the artist's work.

Unlike Warhol and Picasso, the increase in value over time for lesser-known artist's work is typically much smaller. However, since you are also buying art at a much lower price, the return on investment could prove profitable if you find the right artist. When you take the time to pound the pavement, make connections, and see lots and lots of art, you'll be ready to buy the right investment piece.

Learning about art movements and history while staying up-to-date on the latest art trends will enable you to follow along with the changing market.

Do you have a reputable art advisor?

If the world of art investing seems too complex, you are not alone. That's why many art collecting experts recommend hiring an art advisor who is not only knowledgeable but also trustworthy. Art advisors can guide you through this complex terrain and assist with a myriad of collecting endeavors. They can guarantee you have the proper insurance, inform you when it's time to sell, and much more.

Art collecting is like any investment.

Investing wisely takes knowing what goes into your investment, how the art market works, and the people and strategies that will make collecting art worthwhile. Think through these issues carefully to help decide if collecting art is a valid investment for you.



The Repast of the Lion
Henri Rousseau, 1907
Oil on Canvas

WHERE TO BUY ARTWORK

Similar to other wholesale and retail markets for consumer goods, collectors can buy artworks from two market categories, the primary and secondary art markets. Each have their advantages and unique approaches for negotiating and determining prices.

The more you understand about the market, the better you will be at collecting art.

Let's begin with the primary art market.

In the primary market, you deal directly with the artist, or a gallerist who represents this artist's new work. Prices are determined by the artist's reputation, demand, prices for comparable works, and material and labor costs.

Galleries

Gallerists can display works straight out of an artist's studio, or they can choose to bring in artwork from their own collections or other dealers. Experienced gallerists will already have specific interests, aesthetics and focus. They choose works that have compelling stories and techniques, and those which are likely to sell. The gallery earns a commission with each sale.

Retailers

Retailers who are involved in the wholesale market will buy an artwork directly from the artist, usually at half the retail value. They display the art at their retail shop, priced to make a profit.

Art Dealers

Art dealers stay in tune with trending tastes and latest news of the art world. Most try to remain on the cusp of exciting, new and collectible artworks, keeping a finger on the pulse for both primary and secondary markets. They acquire pieces in a variety of ways—direct from artists, auctions, estate sales and other private dealers and collectors. They'll resell pieces on the secondary market through a gallery or other consultants once they feel the market is optimal.

Art Fairs and Directly From Artists

Art fairs have had a major impact on how we consume art in general. Whether you are talking about Art Basel or a local art fair, both provide people with the ability to see and experience the art in person and engage on a deeper level.

- Peter Trippi, [Fine Art Connoisseur](#)

Art Advisors

Art advisors help clients shop for artwork, meeting with people to learn what styles they prefer and what budget they can afford. By understanding desires and aesthetic tastes for each client, these keen observers find possible matches to present to their clients. Using their relationships, advisors work with other dealers, galleries and other consultants to negotiate prices, taking a percentage of the final sale price to cover their fees.





The secondary art market is full of enticing possibilities, too.

The secondary market focuses on artwork sold beyond its first owner. Sellers usually seek to make a profit with sales, or a family has decided to publicly auction portions of its collection to sustain their estate.

In any case, prices can be affected by the availability of other works by the same artist and how popular their work is. The higher the demand but less available the works are, sale prices will keep going up. Provenance is crucial in the secondary market, which helps deter fraud and theft and validates a work of art's authenticity and value.

Some of the players on the primary market also cross over to the secondary market, such as experienced dealers and well-established galleries. Auction houses, museums and new online platforms also extend the secondary market's reach.

Auction Houses

Auction houses accept art that they think has a high chance of selling—because they are trying to stay in business, too, and each sale brings them commission. Unless a world-famous name alone beckons collectors, these sellers will review how well art sold in previous auctions or galleries. Many times, collectors can find artists with little auction experience and buy pieces for bargain prices.

Museums

While museums don't typically sell artworks from their collections, they abide by certain rules when deciding to deaccession certain pieces. Museums will have their deaccessioning process outlined in their collection management policy. Most museums keep this process transparent to the public, keeping in mind the integrity of the decision with its operating policies. Acquiring a valued piece from a museum could be an impressive addition to your own collection.

Online Art Vendors

A rising trend in the primary art market, online sales in the secondary market are also increasing. Auction houses have incorporated online bidding capabilities, and some new platforms make it easy for collectors to advertise pieces for sale and find buyers quickly. Even eBay has seen its share of secondary market art sales. This technology is making artwork more widely available to a growing number of collectors, simplifying communications between buyer and seller and securely storing important provenance documentation.

“Artists don't necessarily need a gallery to put them on a pedestal because they can find their own following and be their own face to the world.”

- Augusta Morrison, [Museum of Contemporary Art Detroit](#)

DOCUMENTATION YOU SHOULD GET BEFORE A PURCHASE

The word provenance is derived from the French word *provenir*, meaning “to come from”. An ideal provenance documents the ownership history of a piece all the way back to the artist's studio. Collectors and historians depend on these documents to verify a piece and its historical significance.

When acquiring a new piece, carefully review its provenance with the help of an expert. Safeguard these documents, because re-establishing provenance after a loss can be nearly impossible. Storing digital copies in an inventory management system can help protect these documents from loss or damage.

Here's what you should pay attention to when dealing with provenance documents:

Understand That Provenance Comes in Many Forms

A signed statement of authenticity from the artist or an expert on the artist is ideal. An original gallery sales receipt directly from the artist, or an appraisal from an expert in the era also verify transfer of ownership and authenticity.

Some collectors suggest that a verbal confirmation serves as authentication, but without physical evidence, or at least an audio recording of the statement, it's not a convincing method and can be risky to use in valuations.

Keep in mind that many documents can be falsified, which is why original documents with original signatures carry so much value. For everything you can, request documentation in writing with an original signature. Keep digital copies stored securely in an inventory management tool like Artwork Archive, and protect original documents in a safety deposit box.

Additionally, a signature on the artwork does not count as provenance. Only physical, certified documents can prove the artwork's origin.

Never Buy Artwork Without Seeing the Provenance First

This is a case of “I won't believe it until I see it.” Regardless of what the dealer tells you is available, do not trust the provenance or authentication until you analyze it yourself. Any initial concerns could reveal a lot about the person with whom you're working. Some gallerists claim that the provenance must be withheld to protect any previous owner's identity. This is a difficult situation, and purchasing art without any proof of provenance is not advised.

Know That an Appraisal Is Not Considered Provenance

A value appraisal does not authenticate the artist or era. Unless the appraiser is an expert in such artist or era, which is a separate credential, you should not trust their judgment on anything but the work's value. Generally, appraisers assume the work is authentic, and assign a value based on this assumption. [Jump ahead](#) to learn more about professional appraisers.

Be Sure Your Provenance Is Corroborated

Your documents must be investigated—because they are worth nothing until proven to be authentic. You have to be able to trace the qualified individual's signature, the artist in question, or previous owners back to real people. When you do, you can ensure the documents are not fallacious. Unqualified experts attribute art all the time, and the documents might be completely trustworthy.

Once you have confirmed that the documents are factual, stated individuals on the documents are real, the final step is knowing who qualifies as a certified expert.

Only Trust Qualified Authorities

A qualified authority is a difficult concept, because it's more than claiming (or seeming) to be an expert. This individual needs to have significant background and experience with the artist and artwork from the same period, and they have published papers, teach courses, or have cataloged essays about this artist. Of course, the artist themselves, relatives, employees and descendants of the artist are all considered qualified authorities.

When all your documentation is verified and certified by the right experts, you can have confidence in your collection and its provenance.

BUYING ART ON A BUDGET

While the arts have a long history of patronage with wealthy individuals who invest in the art world, not every collector is a millionaire.

You can build an impressive collection following these guidelines, even if you're working with a tight budget.

Let Your Own Tastes Guide Your Purchases

The more years you're in the collecting game, the better you'll be able to judge an artwork's historical significance. With this knowledge, choosing pieces based on their perceived value gets easier.

Let your heart be your guide, and don't let the fickle art market drive your choices too much. Because the art market can be unpredictable your reason for buying a piece should be rooted in your love for it, and you want to live with it.

Over time, you can refine your tastes and make informed purchases by attending art fairs, galleries, and exhibitions at museums and universities. These places show what the current market looks like—which pieces are selling and for how much.

Take a Risk on Emerging Artists

Sometimes, by attending MFA graduate school exhibitions, you can find artists early in their career and get an opportunity to acquire an investment piece before these artists gain widespread notoriety. Even if you choose not to buy anything, following young emerging artists can give you an edge on emerging trends in the art world.

Find art schools around your area and sign up for newsletters to quickly get an idea of the current class of students, the work being done, and what time of year the exhibitions occur. Gallerists often scout these events for fresh talent, and you'll know who's up and coming. You will be taking a risk, but it could pay off in the future—especially considering the significantly lower investment rates.

Make Smart Purchases

The key to building an investment collection when you don't have millions to spare is to make calculated, informed decisions.

You can sharpen your instincts about new artists by educating yourself on both art history, current trends and what's happening in the art world. Read up on publications like [ArtForum](#), [ArtSlant](#), and [Art in America](#).

Also, make a habit to regularly check on auction prices from market leaders like [Sotheby's](#) and [Christie's](#), or check on bids at online auction houses like [ArtNet](#).

Beyond that, build your own personal library of art books. Browse your local art museum store for current books that explore artists that might be of interest to you. [Or check out these five books](#) recommended for collectors.

Look Online for the Next Big Thing

Tech is changing the way we collect art, and more than ever, young collectors are flocking online to discover new work. Platforms like Instagram offer an endless stream of online galleries and artists for collectors to discover.

“Another habit of Millennials driving art collection is that they're not afraid to search on the Internet and discover new things. They use non-traditional ways of discovering art and it's exciting to find an artist no one has heard about it.”

- Thad Mighell, [Museum of Contemporary Art Denver](#).

With more artists online these days, collectors are feeling confident in taking more risks. Oftentimes, collectors can reach out directly to artists, and without gallery representation, an artist's work may be sold at a more modest price. The ease in communication makes it easy to do your own searching and build relationships with artists early in their careers.

Buy From Up-and-Coming Galleries

Supporting young galleries, just like working with emerging artists, ensures the future of the arts remains healthy and viable. Buying from these galleries can be a wise investment, too, because you help a community of art professionals continue to prosper.

Beyond your local area galleries, you can find up-and-coming galleries who participate in Art Basel events. This information will give insight to which artists are gaining traction, and you'll be able to quickly and easily suss out trends and pricing in the art world.

Forge Relationships With Art Professionals

An outside opinion is sometimes the best advice to lean on when making decisions about your collector. Taking the time to find a dependable art advisor can be an invaluable addition to your network of art professionals. Having someone you can turn to—someone you can trust—will help guide your experience.

We recommend starting with [The Association of Professional Art Advisors](#), where you can find advisors in your area. Review each advisor's fees and the consulting services they offer, and decide if you prefer paying commission or a retainer for their work.

Join a Collectors Group

Many art museums have collectors groups that offer certain perks, especially for young or new collectors. These groups allow you to make connections, open conversations and pool together information. Check out your local art museum's programs, join groups on Facebook, and search for Meetup groups that meet frequently.

You don't have to be a millionaire to build an impressive art collection. By investing in emerging artists, educating yourself before making a purchase and seeking out opportunities online and in smaller galleries, you can accrue the art collection of your dreams.

BRIEF GUIDE TO TYPES OF PAINTINGS & HOW TO BUY

Traditional Paintings

Most traditional art pieces are dated from 1860 and earlier. Traditional paintings show a more realistic style and subject matter. Portraits and religious works are very common among traditional paintings. Traditional paintings are generally accurate representations of the subjects painted, and they often document historical time periods before the advent of photography.

Modern & Contemporary Paintings

From the mid to late 19th through 20th century, the Impressionist movement took painting away from traditional methods and into what we now call modern art. Originating in Paris, Impressionism is known for thin brush strokes, outdoor scenery, and vibrant colors focusing on light.

In addition to Impressionism, Abstract Expressionism, Cubism, Geometric Abstraction, Surrealism, and Pop-Art are other modern styles. Modernism ends around 1960, with Contemporary Art rising after World War II and including current artists often working in experimental styles.

How to Buy Paintings

Collecting art is a more distinguished activity than simply buying art. Many people buy art when they find something they love, or a piece they think will look nice in their home. However, collecting art is a more skilled, thought-out process.

A great collector has a style, or a set of preferences, that influences their collection and makes it meaningful to them. Knowing your own personal preferences will also make looking and buying art easier for you. Collectors are free to buy whatever catches their eye, but keeping to certain styles for your collection will help narrow down your options. As you learn more about art over time, you will be able to select paintings not only because you like them, but because you also know the significance of the piece for the artists, how the piece fits in with your collection and any historical importance.

Where to Buy

Both traditional and modern paintings can be found in galleries, websites, auctions and art fairs. Do some research online to find the paintings that fit your preferences and find out the best places to buy them. Your budget will also determine the types of pieces and galleries from where you can purchase works of art.

Distinguishing Originals from Prints

Depending on your budget and what catches your eye, purchasing original paintings instead of prints will make your collection more personal and increase its monetary value. Originals are generally better quality and, if properly maintained, hold up longer than prints.



Portrait of a Woman, 1633
Rembrandt (Rembrandt van Rijn)
Oil on wood

BRIEF GUIDE TO WORKS ON PAPER & HOW TO BUY

Drawings

Because many artists start their works with sketches, drawings can be an intimate way to look into an artist's brainstorming and creative process. Drawings are also widely available from a variety of artists, and they are popular throughout many cultures, making them easy to find and add to any art collection.

Drawings can be an opportunity to buy a piece by a well-known artist at a lower price point. Prices can range greatly, but drawings tend to be less expensive than paintings or more elaborately rendered objects.

Prints

Prints are works on paper created as multiple iterations using a transfer process. Prints are made using ink, paper, and the matrix—a tool used to put the image on the paper. Imagine the matrix is to printer as a paintbrush is to painter. A matrix is used in a variety of prints, including woodcut, etching, lithography, and screen printing.

Fine Photography

Fine art photography is gaining popularity among collectors, which is often more reasonably priced than other paintings and works on paper. Art photography involves the creative use of a camera (and sometimes without a camera) and various manipulations to light-sensitive media—digital sensors, film, photo paper, emulsions and image transfers. A well-executed photographic print expresses emotion, often telling a story or conveying a certain concept.

... What to consider when buying works on paper

Condition

The condition of a piece should be as pristine as possible, and it will determine the overall value and longevity of an art piece. Older pieces will naturally show aging, but the piece's value will continue to increase with more time, especially the longer it stays in pristine condition.

When purchasing works on paper, request a condition report and talk with art advisors, conservators and restorers for their opinion on the condition of a piece.

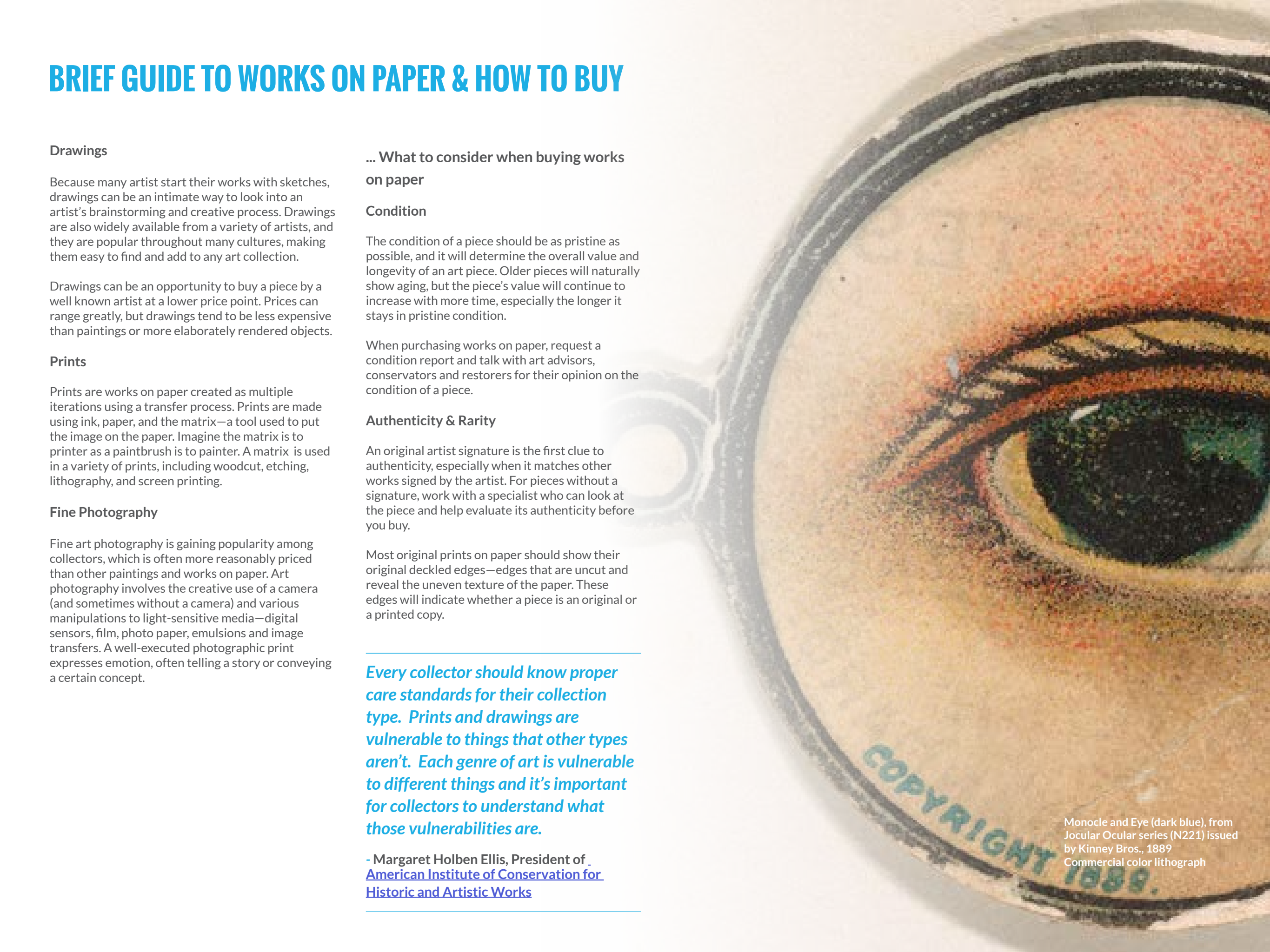
Authenticity & Rarity

An original artist signature is the first clue to authenticity, especially when it matches other works signed by the artist. For pieces without a signature, work with a specialist who can look at the piece and help evaluate its authenticity before you buy.

Most original prints on paper should show their original deckled edges—edges that are uncut and reveal the uneven texture of the paper. These edges will indicate whether a piece is an original or a printed copy.

Every collector should know proper care standards for their collection type. Prints and drawings are vulnerable to things that other types aren't. Each genre of art is vulnerable to different things and it's important for collectors to understand what those vulnerabilities are.

- Margaret Holben Ellis, President of [American Institute of Conservation for Historic and Artistic Works](#)



Monocle and Eye (dark blue), from Jocular Ocular series (N221) issued by Kinney Bros., 1889
Commercial color lithograph

BRIEF GUIDE TO TYPES OF 3-DIMENSIONAL ART AND HOW TO BUY

Sculptures give a unique depth to spaces & add diversity to your collection.

If you are looking to add sculptures into your collection, first become familiar with the different types of three-dimensional objects, materials used and specifics to buying them.

Types of Sculpture

Full-Round: Full-round pieces are sculptures that are freestanding, designed to be seen from all sides. They can come in static forms, not designed to visualize any sort of movement. An example static piece is a bronze casting of a building. Full-round sculptures can also be dynamic forms, which display something with movement, a ballerina, for instance.

Relief: Relief sculptures use a technique to sculpt something onto a two dimensional surface, with the imaging extending outward from the surface. The depth of these levels are defined as low reliefs and high reliefs. The low relief pieces are carved with shallow depth into the surface, making the image nearly flat to the surface. High reliefs pieces have deep carvings, making the image protrude further from the surface.

Frontal: These types of sculptures are meant only to be seen from one side: the front. Generally, the other side will be flat in order to hang on a wall.

Landscape: These large-scale sculptures are designed in coordination with an outside space. The space may be inspiration for the sculpture's design or the artist may design the sculpture with the intent of it being used within a garden or landscape.

Materials Used

Materials are diverse in sculptural artworks. As a collector, the look, price and home of the sculpture are all considerations when buying a sculpture. The following items include some of the most common materials used to create sculptures.

Stone: Can include natural stone, or semiprecious stones like jade and onyx.

Metal: Bronze, copper, and aluminum are common metals used for sculptures. Metals are casted, taking them from a liquid form and molded into a solid.

Glass: Glass sculptures can be made by casting the liquid glass into molds, carving with precision or blown and heat sculpted.

Ceramic: Ceramics are made from shaped clay fired in a kiln. Many collectors have a difficult time distinguishing the difference between fine art ceramics and pottery. The difference is generally functionality. In most cases, pottery is made to be more functional than decorative.

Wood: Carving sculptures out of wood is a popular technique used around the world. Many artists paint on wood sculptures or add other decorative elements.

How to Buy Sculptures

First things first, know your preferences, research authenticity, understand long-term, archival storage, and gather provenance for any piece you consider. Look into the different types mentioned above, find what stands out to you and see if it fits in with your collection. Ask for certificates of authenticity to confirm the true value of your piece.

When you find a piece that keeps your attention, do as much research as possible. Continually learning about artists and their work is key to elevating your collection.

Finally, the place your sculpture will live should influence your decision to buy a piece. Sculpture Grounds recommends keeping the mindset to measure twice and buy once, because sculptures will generally take up more space than other artwork. In most cases, you will not be able to return a piece because it failed to fit where you imagined. Double-check that the space is large enough and any support structures are strong enough to mounted or display on a table.

Landscape art, for instance, should be able to acclimate to its environment. You'll need to consider weather conditions and maintenance for long-term exposure to the elements.

Maintenance and Preservation

Care for your sculpture may be very specific. Ask detailed questions before you buy a piece to learn how to care for it and if any damages can be repaired after you purchase it.

Things to consider:

- Installation requirements
- Weight and structural supports
- Changes to exposed materials over time
- Frequency of cleanings
- Damage caused by animals

Start noticing pieces you enjoy, and start researching three-dimensional works that you think fit with your collection.

HOW TO COMMISSION A PIECE

"Consumers crave experience over objects—a commission satisfies both needs. When someone sees my work, but has an idea—they will often opt for a commission," says artist [Jason Borbay](#).

A successful commission requires collaboration between both the artist and collector. Follow these do's and don'ts for commissioning a custom artwork.

DO

Ask questions and communicate your desires clearly. First, inquire to see if the artist is taking commissions, and ask if he or she accepts the type of work you would like to commission. Ask about the process, prices, and timeline.

Share with the artist what specifically intrigues you about their work and how you see it working with your vision. Next, ask yourself these three questions, as suggested from artist [Jayson Borbay](#):

Is the work as good as the non-commissioned work?

How many commissions has the artist created?

Can the artist clearly articulate the process, from start-to-finish?

Assume that every artist will want to accept your request or wait until work has started to discuss important details.

DON'T

Artists may turn down requests for a number of reasons: they don't take commissions, they've had bad experiences in the past, they are currently working on another commission, or they may feel your project is not a good fit. When important details are discussed up front, the artist can respond quickly and negotiate something that can work for both of you.

DO

Provide the artist with as many details about the piece as possible. They will need to know what materials you desire and any special processes or techniques that might be involved. Do anything that gives the artist visual references, such as images you find inspiring, other pieces from the artist's portfolio, or an example from which to work.

Where are you planning to install the final piece? Provide photographs and descriptions about the overall style so the artist can understand how this piece with fits with your aesthetic.

DON'T

Be vague and don't expect the artist to know exactly what you will like. Even if you feel like you connect well with the artist, and they seem to understand, have the artist repeat back how they interpret your instructions and examples. Don't be shy about asking questions.

DO

Prepare and sign a contract. You should have a contract in place between you and the artists before work begins. It should include price with all applicable expenses and payment terms associated with creating the piece.

In addition, the contract should also include a timeline to mark when certain aspects will be completed and what to expect during the approval process. This timeline should include specific completion dates and a description of the expected progress at those times. Keeping dates on the calendar will help you follow along and check in with the artist at appropriate stages during production.

Finally, the contract will explain what rights you and the artist have for using the work.

Once the contract is approved, many artists require at least fifty-percent deposit up front to get started.

DON'T

Assume that terms, price, and timelines will work themselves out or develop along the way. The contract keeps the process as professional as possible by setting clear expectations for the entire project.

DO

Communicate and have fun while working on a commissioned piece. Keep in touch with the artist to follow along on progress, making sure the project is delivered on time. Double-check to see if they need anything from you—more reference images, materials or time. By communicating any concerns clearly, you and the artist can put doubts aside and be excited about the project.

DON'T

Lose contact with the artist. Do not wait until the piece is nearly finished before you check in. If the artist is on the wrong track, big revisions could be expensive, time-consuming and compromise your relationship with the artist. Communicating often is part of the process—artists should expect you to reach out frequently, and you should always check in if things have gone quiet.

CONCERNS WHEN BUYING ART ONLINE & HOW TO REMEDY THEM

Buying art online can be fast and convenient, and with the right questions and considerations in mind, you can easily grow your art collection with online purchases.

Challenge: Can't See the Piece in Person

[The Hiscox Online Art Trade Report](#) noted that 71% of buyers made a purchase based on the online image alone.

Inspecting an art piece in person is a valid concern when evaluating an artwork's value and quality. Internet shopping, however, limits this in-person interaction, and this challenge can influence what you buy. If you are like many collectors looking to start acquiring artwork online, you might not be sure if the image online is a true representation of what you will get in person.

How can you feel confident knowing that the artwork you see online is exactly what you will receive?

The solution: Research on the artist or seller, and find all the places online you can find this artist's work. If you are not buying from a reputable art gallery, check out the seller's history and reviews. Social media can be a helpful tool to find collector groups and discover new artists that sell their work online.

Reach out to people directly. The more people you can ask, the easier the research can verify online artworks, artists, and the sellers. Ask sellers for a condition report and any provenance documentation.

Challenge: Unsure of Authenticity

Making a purchase only to find out the artwork is a fake, or the website was a fraud, is a fear that keeps many art collectors from purchasing online. As a buyer, one of your top concerns is getting what you pay for. As a collector, having legitimate pieces is imperative to your collection.

The solution: Contact the seller and ask for a [Certificate of Authenticity \(COA\)](#). The certificate should originate and be signed by the artist, a publisher, an established dealer, or an acknowledged expert on the artist. Do not trust a COA without this an original signature.

Challenge: The Website Lacks of Information on the Piece

When shopping for art online, information can be challenging to find on the pieces you want. Provenance for the artwork in your collection establishes its valuation and authenticity. Keep in mind that this information is essential if you ever try to sell any artwork and when estate planning.

Not sure what provenance is? [Take a look at what it is and why it should matter to you.](#)

The solution: Ask the seller about information they have that documents the artist and the piece's history. If they can't give you what you need, do your own research. This is one advantage online shopping has—you can do your own searches on the artists and their work.

As your collection grows, an inventory management tool, like an [Artwork Archive](#) account, keeps provenance and documents organized and protected. Working with cloud-based digital collections keeps your originals stored safely off-site and prevents wear-and-tear for future generations.

Challenge: Vague Logistics and Insurance

Seventy-one percent of collectors in the Hiscox study also wish there was more information online about shipping, handling and insurance for the pieces they purchase. What happens if the piece gets damaged during shipping? What does insurance cover if the piece arrives damaged?

The solution: Before you buy, look into the website's shipping and packaging methods and cost. Ask the seller about their return policy and insurance, especially if it is not clearly stated online. Review the return policy in case the piece you receive does not match the online image.

The Bottom Line

As online art sales continue to grow, and more than 91% of galleries actively use social media to promote artists. It is increasingly evident that art is being consumed outside of traditional brick-and-mortar spaces. Just ask artist Chris Labroy, who told [Hiscox](#):

'It's difficult to see how one can exist without a digital presence. That's how important it is to my career.'

- Chris Labroy, Digital Artist
[A Deep Look at Digital Art and Social Media, Hiscox](#)

CHAPTER TWO

CARING FOR YOUR COLLECTION

A R T W  R K
A R C H I V E

HOW TO FRAME YOUR ARTWORK

Framing your new acquisition is usually the first step to take after picking it up. Frames and glazing are an investment, too, because you want to protect your art piece. Using appropriate materials and methods will ensure your collection stays in pristine condition.

In addition to choosing a frame that complements the overall style of the piece, you want to choose the right glass to protect it from the elements.

The most common options for protective glass are:

Non-Glare and Regular Glass: These materials are found primarily for frames at craft and hardware stores. These options provide half to zero protection against UV rays.

Plexiglass: A lighter weight acrylic glass, plexiglass protects against about 60% of UV rays.

Museum Glass: This glass is the most effective glass option to protect your art because it allows less than 1% light reflection and blocks 99% of damaging UV rays.

“A frame is as important as the art itself,”

- Tanya Singh, [ARTmine Collector’s Corner](#)

An original piece, framed for the purpose of preservation, can have 10 or more components beneath the frame. These materials not only protect the piece, they can also enhance the viewing experience and value.

Properly framing a piece should undoubtedly protect a piece, as long as it can be reversed. If a piece of art is affixed to a framing component in a way that makes it difficult to remove without damaging it, you could face irreparable harm and lose value on the piece.

An expert framer will carefully select and assemble framing materials with your input. Together, you can determine glass reflectivity, mounting choices, and other stipulations unique to your needs.

A note of caution: Framing original works of art is not an ideal DIY project for an amateur. A professional framer will follow industry standards and best practices designed to protect your investment. Consulting with a frame store in your area is also a great way to support a local business who are often very knowledgeable about art.



No. 21
Mark Rothko

HOW TO BEST HANG YOUR ARTWORK

Your work is not over if you purchased something already framed. You never know who decides to cut corners and use cheap materials or questionable methods; get the work inspected by a trusted professional.

You bought your new art piece with emotion and considered intention, but you get home and realize the piece is heavier or bigger than anticipated, or it's especially delicate and you're worried it might fall. The following recommendations are common best practices for installing artwork in your home.

DO

Hire a Professional Installer

Professional art hangers work with a multitude of hardware and have a system based on weight and size to hang your pieces.

If you have any doubts about where to install your piece, find a knowledgeable professional who can help.

DO

Hang Art Away from Doors and Ventilation

When planning your art display, assume it's a beautiful day with your doors and windows open. If a breeze or sudden summer rain come in through a screened door and damage your piece, it's a good idea to brainstorm alternate locations.

You also want to keep artwork out of direct draft from your ventilation system.

DON'T

Place Art In Direct Sunlight

Light damage is irreversible to your artwork, but you shouldn't have to keep your blinds closed.

You can still use natural lighting, but you will need to seek out translucent protective film for your windows and skylights.

Companies like [Vista Windowfilm](#) specialize in clear window protections that block UV light and heat. Additionally, remember to protect your art from sunlight with specialty glass in the frame.

DON'T

Hang Valuable Art Over a Fireplace

Keeping your art directly above a fireplace or radiator invites smoke and heat damage.

Your objective is to place the center point of the art piece at between 56" to 62" (measuring from the floor to the midpoint of the image). In other words, at about eye level.

If the artwork will be viewed within 5' to 15', then 58" to 60" center point should be just right. If the piece will be viewed from a further-away distance (more than 15'), center point should be slightly higher (60" to 62"). If the piece will be viewed close up (within 1' to 3"), center point should be lower (56" to 58").

- Jimmy Calano, Collector

MORE TIPS FOR HANGING ARTWORK & HOW TO CONSERVE YOUR WORK

Keep Your Home Around 70 Degrees

The ideal temperature to store artwork is 65 to 75 degrees Fahrenheit. Be conscientious of this setting when you're traveling and leaving your home vacant. If the temperature at home is expected to rise to 90 degrees while you're away, consider leaving the air conditioning on during your trip.

Rotate Your Art Display

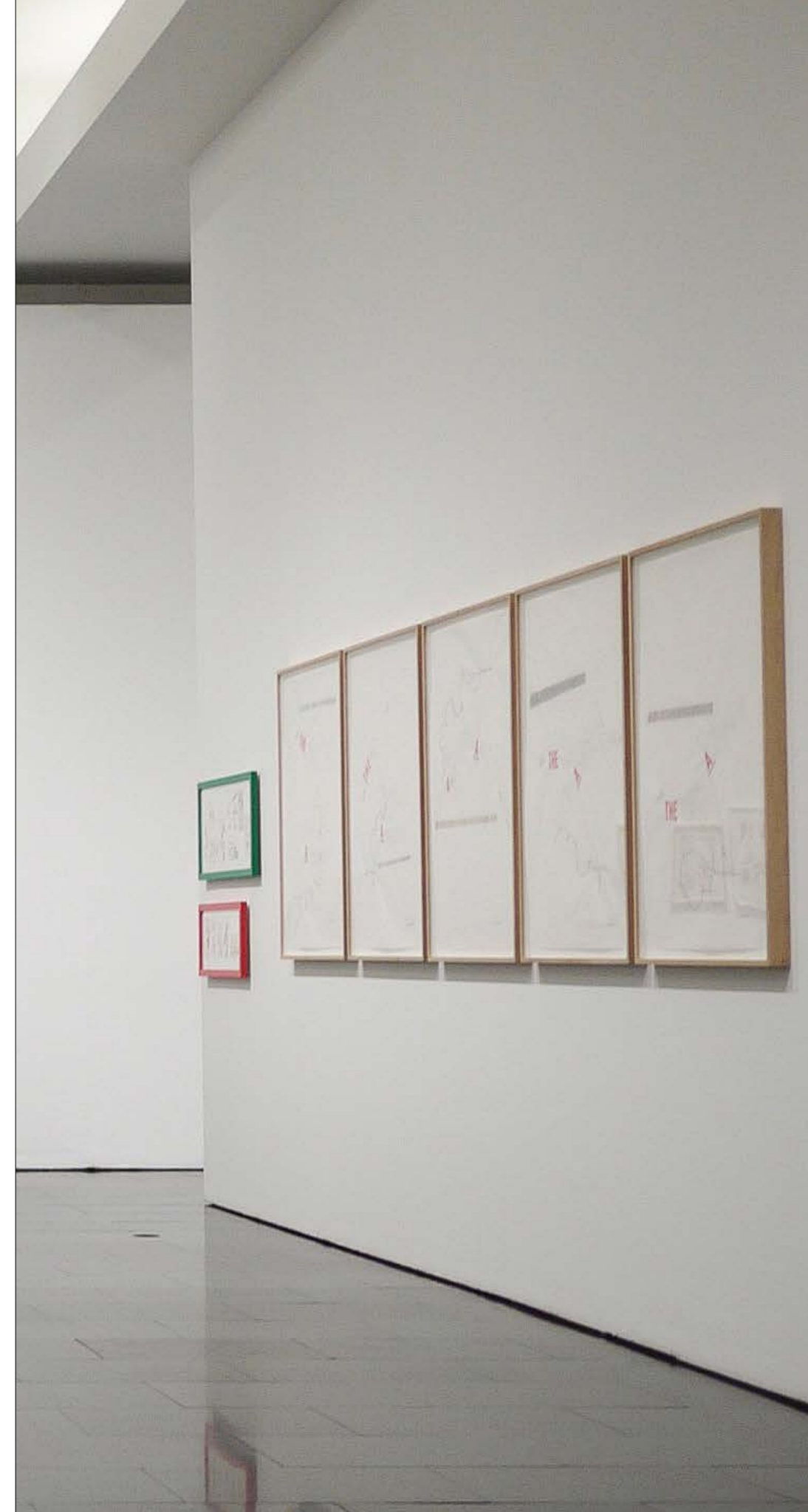
By moving your art display you are intrinsically more aware of the state of your collection. You can make sure the frames and backings are in good condition and double check that the art is hanging securely with the best support available. Rotating your display also keeps your senses fresh when it comes to understanding and adding to your collection.

Preventative care for your collection is like flossing your teeth. You should do it.

- Margaret Holben Ellis, President of [American Institute of Conservation for Historic and Artistic Works](#)

Install & Maintain Smoke Detectors

Ideally, smoke detectors are installed 100 feet from all art in the home. Be cognizant of the difference between a heat detector or smoke detector. Heat detectors are commonly installed in homes because they protect from fire, but they do not protect from cooled smoke entering your home from a distant fire. Be sure that your home's fire protection includes a smoke detector opposed to a heat detector.



WHAT TO KEEP IN MIND FOR ART PIECES IN STORAGE

Storing artwork at home can save monthly costs while ensuring your collection remains pristine. However, there are many potential pitfalls that need to be avoided in order to keep your artwork in excellent condition.

[AXIS Fine Art Installations](#) is an on-site art storage unit that also consults with clients on starting art storage in their homes. We talked with President Derek Smith, an art storage expert, who shared some unique insights about the most important factors to consider when storing fine art at home or in a storage facility.

Choose the Right Storage Room

Turning a closet or small office into an art storage room is an option, however, you need to know what the right room should include.

Your primary concerns are moisture and ventilation. Unfinished rooms provide no protection or control over these elements. Avoid attics or basements unless they are finished and have climate control.

Check where the air vents and windows are located. If a vent opens to your storage space, you can speak to a specialist about creating a deflective device so the air doesn't blow directly on the artwork. Vents can spread dust, mold, and any musty smells indicate an even bigger problem.

Finally, avoid a room that has an exterior wall. Ideally, you want a room that is completely enclosed inside the house. Such location eliminates the risk of sunlight and weather, which can damage and fade artwork.

Ensure Correct Documentation When Storing Art

"You want a photo inventory and condition report for every single piece," Smith recommends. "For a museum condition report, typically the notebook travels with the exhibit, and the contents and condition are reported every time the crate is opened," he reveals.

Managing your inventory includes documenting any changes in the art or its storage space over time.

At the very least, you need a "snapshot, description, and a notation of any existing damage," Smith advises.

A digital inventory tool, such as [Artwork Archive's](#) collector product, will help keep these documents organized. Artwork Archive's system makes keeping details about condition and location simple, and the powerful reporting feature gives a quick overview of all this activity.

HOW TO PREPARE YOUR ART FOR STORAGE

Clean Your Art Using the Right Materials

Microfiber cloths can remove any dust from hard surface, and wood or metal polish can prevent rust and help repair scuffing. Consult with a professional to choose the right polish for your piece so it can stop dust particles and rust damage. Art appraisers can also help find someone to professionally clean your piece for you.

Consult a Professional About Wrapping Your Work

Some collectors make an honest mistake and have their artwork wrapped in plastic before placing it in storage. However, even if it's packed correctly with materials to separate the art from the plastic, humidity can still get trapped inside and cause mold or deterioration.

Use Crescent Board

Art storage experts use Crescent board, which is an acid-free, professional mounting board to separate pieces from touching when stacked or in transit. This keeps the piece protected, but it can still breathe.

Make Sure All Materials are Acid Free

Acid-free framing materials and acid-free storage materials are essential for long-term, archival storage. Materials that are not acid free will age faster, and they could discolor the backing of the canvas or print, which negatively affects the value of the piece.

Maintain the Right Climate

The ideal humidity to store artwork is 40%–50% with a temperature between 70–75 degrees Fahrenheit (21–24 degrees Celsius). When it comes to climate control the number one enemy is rapid changes in temperature or humidity. Severe climates can cause cracked paint, warping, yellowing of paper, and mold growth. A humidifier can help keep these levels stable.

Some antiques have been around since before air conditioning, so they can withstand a certain range of temperatures. However, modern art requires more attention. An encaustic painting, for example, which is made of a wax-based paint, melts very quickly.

The golden rule for humidity, despite your art's age, is avoiding any change greater than 5% in 24 hours.

Keep Your Artwork Off the Ground

A well-known rule in the art world, art should never be stored on the ground. Simple shelving or a riser—anything to keep the art off the floor—will do. Finally, always store your art like books on a bookshelf, not piled, flat-side down.

Exercise Due Diligence When Storing Artwork

While you may feel the work is packaged and stored safely, a fierce attention to detail and regular check-ups on framing, storage structures, hanging support and environment will help you maintain excellent conditions for your art collection.



WORKING WITH A CONSERVATOR

“If you are going to invest a significant amount of money into a work of art, you are crazy not to have a conservator look at it”

- Margaret Holben Ellis, President of [American Institute of Conservation for Historic and Artistic Works](#)

We spoke with Margaret Ellis and Laura Goodman, conservator and owner of [Paper Care Studio](#), about what an art conservator can and can't do and what you can expect when working with a conservator.

Conservators Fix Most Poor Framing

“The biggest amount of damage I work on is improper framing,” Goodman says. Improper tapes can cause tearing and other damage. Acidic board and framing materials yellow and darken colors with age.

Another mounting mishap—dry mounted prints. This practice is most common with photographs and is incredibly difficult to remove. The process flattens the artwork on a board using heat, is removed an eighth of an inch at a time.

They Aim to Stabilize the Damage

Conservators operate on the principle that their changes may need to be reversed in the future, in response to the constantly changing technology.

If a conservator ends up working on the piece later, they shouldn't have to risk damaging it to reverse a repair. Conservators follow principles created by the [American Institute of Conservation for Historic and Artistic Works](#).

Some Insurance Policies Will Cover a Conservator's Cost

In the unlikely, yet unfortunate, scenario of flood, fire, or poor framing, your insurance company should also be involved. [If your collection is well documented](#), complete with photographs, appraisals and provenance, your insurance policy may cover work performed by a qualified conservator.

Second, your conservator can provide a condition report recording the damage and the necessary repairs, along with an estimate. “Many times people don't realize they can get their insurance companies to pay for damage,” Goodman notes. “I'm often hired to write condition reports along with an estimate that's submitted to an insurance company.”

Conservators' Estimates Are Based on Technique and Labor

A piece of art could be worth one dollar or a million dollars and yield the same estimate based on an equal amount of work. Goodman creates her estimates based on materials, labor, research, condition, size, and the work that needs to be done on that particular piece. “One thing I'd like art collectors to understand is that the price of the original artwork is not a factor in the estimate I give,” Goodman clarifies.

Conservators Make Both Invisible and Visible Repairs

Each repair is based on the piece and the situation.

At times, conservators might want to make the repairs obvious to highlight and preserve the original work. For example, a broken or incomplete piece of pottery could be comprised of both new and original pieces. Showing the cracks and new pieces keeps the piece authentic and the reconstruction transparent.

Goodman uses the example of Japanese tissue and wheat starch paste to repair tears in paper, an invisible repair that will hold over many years.

Visible or invisible, a repair might take place based on the condition of the piece, or on a client's decision.

Conservators Cannot Affect the Signature of a Work

As an ethical standard, a conservator never touches the signature on any artwork. “Let's say you have a print signed by Andy Warhol,” Goodman suggests. The piece could have been framed in a way that covered his signature, and now, you can barely see it. “Ethically, you're never supposed to fill in or embellish a signature.”

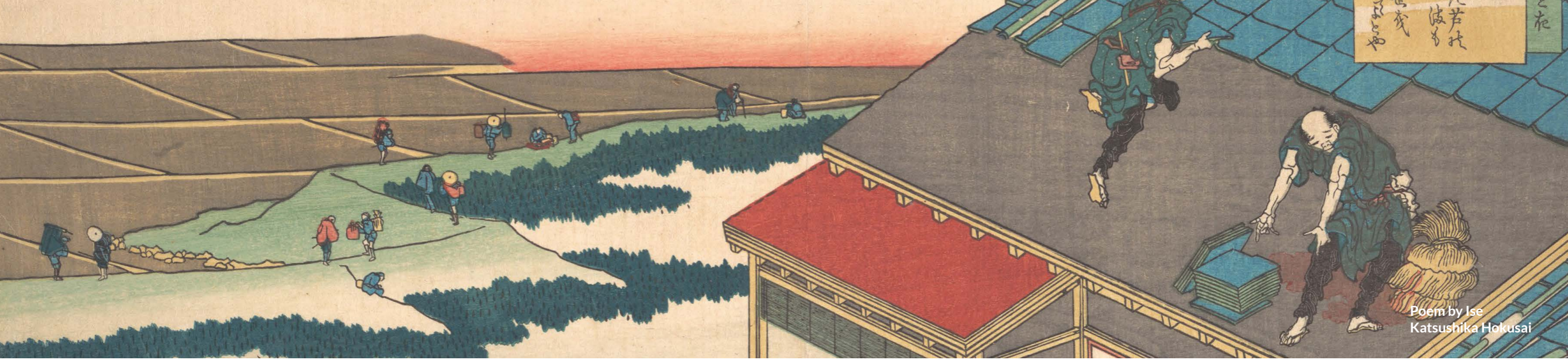
Goodman has worked with documents signed by George Washington. In such cases, Goodman uses certain techniques to protect a signature, which is the only process a conservator can use. In any scenario, a conservator can never add to or embellish a signature.

Conservators Can Help With Fire and Water Damage

In some cases, a conservator is called for a home-visit after a fire or a flood. They will visit the site to assess the damage, make condition reports, and give estimates. Clients use these reports to file claims with insurance and update their collection management account.

“With any kind of smoke, fire, or water damage, the sooner it's brought in the better chance there is to recover it,” Goodman stresses.

Water and fire can cause innumerable variations of damage. Water can cause mold to grow on artwork as well as causing artwork to stick to the glass inside a frame, though both can be fixed with the help of a conservator.



Poem by Ise
Katsushika Hokusai

DO YOU NEED AN ART APPRAISER?

When art appraiser Charles Tovar bought a Joseph Claude Vernet painting at a Sotheby's auction in 1970 he had no idea what it was worth, he simply bought it because he loved it. After a professional cleaning he found out it was worth 20 thousand dollars, more than ten times the purchase price.

That's when Tovar became interested in appraising and authenticating artworks.

We spoke with Tovar on what to look for in an appraiser to best maintain your art collection:

How to Find an Experienced Appraiser

An appraiser needs to be able to discern between dirty varnish and dull colors, authentic signatures, the age of the painting, and how old the paint is.

This work takes practice. Although a recent graduate in the fine arts may be familiar with a famous artist's work, he's not necessarily familiar with the fakes.

In an almost opposite experience to the Joseph Claude Vernet painting, Charles Tovar purchased a painting he estimated to be valued at \$2.5 million at a Nicolas Poussin Expo. However, after sending the painting to the McCrone Institute in Chicago, leading experts in microscopy found titanium white paint on the canvas. Titanium white paint wasn't invented until after the artist's death—which means the painting wasn't real.

Your appraiser should be able to discern these details. "Break it up into categories," Tovar encourages. Every appraiser tends to specialize in an area, whether it's 20th century art, or particular old masters, or million-dollar appraisals. Bottom line: work with someone who is familiar with the type of opinion you need.

Appraisers Help You Define and Maintain Your Collection

Appraisers will consult with collectors looking for an assessment on a piece before they decide to buy. With their knowledge, they can help determine authenticity and the piece's current condition. They can help discover potential repairs, and you can take their recommendations and estimates to the seller when negotiating terms. When an appraiser becomes familiar with your collection, they can also provide suggestions for new acquisitions and help guide the focus of your collection.

Have Regular Appraisals and Condition Reports of Your Collection

Tovar suggests having an updated valuation of your art collection every five years. You should also have a condition report every seven to ten years. A condition report is an update on your collection's state of cleanliness.

Regular cleanings also open doors to new discoveries about the painting's history and its creator. Take Michelangelo's Sistine Chapel, for instance. Its controversial cleaning made historians concerned about the effect the cleaning would have on the paint colors. After the restoration was complete, the shadows were still very apparent, and the color palette used by the famed artist was, in fact, brighter than initially thought.

"The condition is going to affect the value tremendously," Tovar explains. Tovar also suggests photos of your artwork, "Take these pictures and put them away in case of theft. A lot of art is stolen, and a lot of art can be recovered."

What starts as internal instinct could turn into a goldmine—or it could be worth nothing. Working with the experts and becoming an expert yourself is your ticket to maintaining a strong, intelligent collection.

That Vernet painting? Twenty-five years later, the value has increased to more than \$200,000.



Ashoka Tree Flower, Leaves, Pod, and Seed
Illustrated single work, India (Calcutta)
Opaque watercolor on paper

WHAT TYPES OF APPRAISALS ARE THERE?

Remember: an appraisal is different from an authentication.

You hire an appraiser for an opinion on an authentication, asking for thoughts on who created the piece. Assuming the piece is genuine, and once a creator is determined, an appraisal value is made. This value depends on why you need an appraisal.

Appraisal type is determined by the activity you're doing with your art collection, which typically fit into four categories:

Fair Market Value

Fair market value (FMV) is the estimated price the piece would sell on the open market. FMV is generally used for determining charitable donation values and inheritance tax.

Replacement Value

Replacement value is the cost it requires to replace the item with a similar work of equitable condition, purchased in an appropriate market place, and within a limited amount of time. This value is typically the highest value of an artwork and is used for insurance coverage.

Market Value

Market Value is the price a buyer is willing to pay to a seller, with no obligation to transact, in the competitive and open market.

Liquidation Value

Liquidation value is the value of the piece if forced to sell in limited conditions, possibly including time constraints.

Keep each appraisal document in your records, both in hard copy and digital forms. Insurance companies use the appraisal values to file a claim, and estate planners set up your art estate.

As your collection grows, managing your inventory and schedules for cleanings and appraisals gets more complicated. Organized collectors use an inventory management software tool, including [Artwork Archive](#) accounts, to set reminders, store documents, and view reports.

PROTECTING THE VALUE OF YOUR COLLECTION

Here are four ways you can increase and preserve the value of your art collection and why it's essential to the health and longevity of your collection.

Increase Your Collection's Value by Recording Provenance

Authenticating provenance can have a direct correlation with the value of the piece. Especially if the artist is no longer living, the recorded history of the piece's owners and whereabouts is the first step to confirming its creator and origins. Advisors and appraisers will consult the documentation to confirm an artwork's legitimacy. The details that arise in the ownership can lead to increased value.

Scan the paperwork to create a digital record—and don't forget to create that all-important backup copy to store elsewhere. In [Artwork Archive](#), all documents and files are stored with backups in the cloud. If your computer or your files become damaged, these files are easily restored, and you can access your records with any Internet connection.

Take every opportunity to learn more about your art. If the artist is still living, talk to them about the emotion and intention behind each piece you own. If the artist is no longer living, chat with appraisers and gallery owners who are familiar with the work and its significance in the artist's career and the art world. By keeping detailed records for everything, art managers and family members can have access to this information.

Protect Your Collection's Value in the Face of Theft

An itemized record of your art collection will be your first resource when responding to a theft. This itemized report will hold all the documents that prove you own the art and where it was located before it was stolen. The most up-to-date appraisals and valuation documents will support your insurance claim, which is why you want to practice frequent evaluations with appraisers and conservators. These experts can also support your insurance claim and verify the piece and its condition.

Enhance Your Collection's Value by Documenting Its Evolution

The progression of your collection is important to your portfolio. For instance, the first piece that sparked your interest in Neolithic Ceramics has a story to tell, and the story grows as you acquire more pieces.

A well-documented collection gives your artwork the detail and personality that it needs to increase your collection's value.

When you neglect to document the history of a piece of art, you may compromise not only its historical significance, but also its overall value.

Preserve the Increasing Value of Your Collection for the Future

Understanding your investment is pivotal in caring for your art collection and your overall net worth. When you manage the value of your collection with Artwork Archive, you can analyze your collection's value based on location, see the geographic distribution of your art pieces, and review statistical reports that let you see your collection's total value over time.

Armed with this information, you can protect your investment, respond quickly to disaster, plan your estate, and ensure your collection's legacy. Carefully documenting your art collection and its history increases its value for you as the collector, your family, and the community with whom you share your collection.

HOW TO START CATALOGING YOUR COLLECTION

As you accumulate artwork, you'll reach a point where knowing all the who, what, when, where, and how becomes impossible. Cataloging your collection may seem daunting at first, but diligently recording all the details will secure your collection's value.

Preparing an inventory of your art and collectibles is not difficult, as long as you understand it takes time and you use a system. For example, start in one room and systematically work your way around, room by room, through the entire house until you've recorded everything.

Work Backwards

It can seem overwhelming to inventory a career's worth of collecting art, so we recommend working backwards. Working this way, you'll start with the art that is freshest in your mind, oftentimes sparking excitement to continue cataloging and adding details. As you go through each piece, you'll get a sense for the amount of time and energy you can spend cataloging your collection, and you can break it up to fit your schedule.

Take Photographs

Photographs provide a visual reference for each artwork, and they are especially helpful for large collections. High-quality images of artworks are useful, too, when you decide to sell a piece, or if you file an insurance claim. Remember to photograph the back and sides of a piece, along with any particular damage or areas with repairs.

Number Your Work

An inventory numbering system can be useful to help track your artwork. This numbering system can start anywhere, as long as it is meaningful to you and can be easily understood by others.

Artist Cedar Lee, for example, organizes her art with a two-digits number for the painting she painted that year, followed by a letter for the month (January is A, February is B, etc.), and ending with a two-digits year. On her blog, [Art by Cedar](#), she writes "for example, there is a painting in my inventory with the control number 41J08. This tells me that it was the 41st painting of the year, created in October of 2008." She resets again each year with number "1" and the letter A every January.

Additionally, you can also signify the type or medium of the work like "OP" for oil painting, "S" for sculpture, "EP" for edition print, and so on. This system works well for a diverse collection.

Add In the Right Details

As much as you can record, you need at least:

- Title
- Dimensions
- Inventory number
- Creation date
- Price
- Medium
- Subject matter
- Description

Additionally, you can include framed dimensions, condition reports, location, and appraisal values.



COLLECTING PROVENANCE DOCUMENTS

Some experts argue that your provenance documents are just as important, possibly more important, than the artwork.

So, what exactly is included in a full provenance?

A Description of the Work

Provenance documents must include a detailed description of the artwork. Starting with dimensions, you want to confirm the materials used, the type of work, and what it looks like. This ties your document back to your piece, unquestionably. A description will also include the title, date created, and the artist. An artist's signature does not prove the work's creator. Only a signed, certified document outlining the details of the piece, including the signature, can verify a work's creator and condition. Provenance documents without these details are not considered authentication.

A Legible, Identifiable Signature

The certifying authority must legibly sign the document, so you can trace their identity. This signature can be verified by the expert himself or herself, if still living, or prove that this person truly existed.

In general, signatures on provenance documents also include the contact information and the certifications or qualifications of the expert. On a sales receipt, for example, the gallery representative is responsible for verifying the purchase.

An Original Copy

Photocopies or PDFs do not serve as provenance documents. Although you always want to store digital copies in your inventory management account in case of emergency, original documents are the best evidence. Of course, some documents are digitally printed these days, but what's important is an inked signature.

A List of Previous, Verifiable Owners

Verifying the work's history is the only way to confirm that your documentation is accurate. If the history of a piece's past owners has loopholes, you may be missing critical pieces of evidence, or it could indicate suspicious activity. Most artwork provenance will list each owner and the years the owner had the work in possession. With this information you can confirm these people existed during that time, and if they are still alive, you can ask them about the work. If you speak with a previous owner, you can also verify the galleries that used to have the work, and from where, exactly, the collector bought the work.

Practice Due Diligence When Buying Art

Especially true with artists who are no longer living, confirm that your provenance documents are legitimate. If you neglect these details and discover, after the fact, that the provenance is fallacious, you may end up with costly legal fees, stress, and disappointment. However, taking time to verify provenance will ensure your collection is legitimate.



Glass compound eye bead
ca. 4th century B.C.
Greek, Eastern Mediterranean



Armchair
J. S. Ford, Johnson and Company
American, 1904



Covered Box
Designed by Louis Comfort Tiffany
Enamel on copper, 1898-1902

HOW TO INSURE YOUR ART COLLECTION

Art insurance defends against the unexpected. Like homeowners insurance or health insurance, although no one wants an earthquake or a broken leg—it's imperative to be prepared.

Victoria Edwards of [Wasserman & Associates Insurance Agency, LLC](#), specializing in fine art and jewelry insurance, and [William Fleischer of Art Insurance Now](#) answered some of the big questions about insuring your art collection.

Does My Homeowners Insurance Protect My Art Collection?

This is one of the first questions new collectors ask about their artwork. The answer? Homeowners insurance covers your valuables, subject to your deductible and coverage limits.

“Some people think that their homeowners insurance will cover fine art,” Victoria Edwards explains. “But if you don't have a separate policy, and think it's covered under your homeowners insurance, you need to check the exclusions.”

“A homeowners policy is normally not as sophisticated as a specific fine art insurance policy,” Fleischer adds. “They have many more restrictions and more underwriting. As the art market has gotten so much more sophisticated, a homeowners policy is not the ideal place to put your coverage.”

Typically, collectors buy special coverage for their art collection specifically. This type of insurance policy will cover artworks for their most recent appraisal value.

What are the Advantages of Working with a Separate Fine Art Insurance Company?

With a common homeowners insurance policy, your art collection is nothing more than a part of your valuables. Art insurance specialists are also more experienced in creating policies to protect your art collection and knowing how to help in claim situations. When you make a claim with an art insurance specialist, your collection is taken very seriously.

“The advantage of working with a broker who actually specializes in fine art insurance is that we work on behalf of the client and not the company,” Edwards clarifies. “There is a personalized attention when working with a broker who is working on your behalf.”

“A specialty art insurance company focuses on the art,” Fleischer says. “They understand how the claims situation is handled, how the appraisals work, and they understand the movement of an art piece.”

Some personal policies exclude restoration. If your piece is damaged and needs to be repaired, you will be responsible for the cost. If you need to send a painting to a conservator, the value may reduce. Fleischer also notes that an art insurance policy will give you the reduction of market value if that is included in your coverage.



On the Southern Plains
Frederic Remington, 1907

What's the First Step in Insuring My Art Collection?

The first step to insuring your art collection is putting together provenance, or all the necessary documentation, to prove that the work of art is yours and what is its current value. These documents include proof of ownership, bill of sale, provenance, a replacement estimate, photographs and the most recent appraisal.

"It's critical to have proper documentation of your collection. Inventory management is essential to keeping an up-to-date provenance."

- Jason Saarm, [Bluewater Insurance](#)

If you use an inventory management system, such as [Artwork Archive](#), you can keep these documents organized and easily accessible in the cloud.

How Often Do I Need to Schedule an Appraisal?

There is no concrete answer, and the appraisal frequency heavily depends on the age and medium of the piece as well as the company's philosophy. Generally, you want to have an updated value from within the past few years.

Fleischer suggests having an updated appraisal once a year while Edwards suggests every three to five years.

"Maybe the piece was originally \$2,000," Edwards suggests, "and five years from now it's \$4,000. We want to make sure that in the event of a loss, you get \$4,000."

When you schedule an updated appraisal, specify that it is for insurance purposes. This will give you the most up-to-date market value of your piece. Not only is this important for insurance, but is necessary for planning your estate, analyzing the overall value of your collection, filing your taxes, and selling artwork.

How Can I Keep My Provenance and Appraisal Documents Timely for My Coverage?

When you're consistently adding pieces to your collection and updating your appraisal documents, it's important to stay organized. An archival system like Artwork Archive is a great way to keep everything you need in one easy-to-find place that you can access anytime, anywhere.

Having all your documents in one place allows you to properly manage the value of your art collection. Accurate information also makes you a lower risk within your insurance policy.

What Are the Most Common Claims?

The most common claims are theft, robbery, and damage during transit. If you are moving or loaning part of your collection out to museums or different venues, make sure your art insurance broker is aware and acts a part of this process. If the loan is traveling internationally, be aware that insurance policies vary from country to country. "You want to make sure there is door-to-door coverage," Edwards says, "so when they pick the painting up at your house, it is covered in transit, at the museum, and in transit back to your home."

Don't Wait to Mitigate Your Risk

The best way to be sure that your insurance policy covers everything you need is to call your local broker, or start calling potential brokers and ask questions. "Ignorance is not a defense," Fleischer discloses. "Not having insurance is a risk," he continues, "so do you take the risk or hedge the risk?"

Your art collection is irreplaceable, and art insurance protects your assets and your investment. It also ensures that, even in the event of a catastrophic claim, you can continue collecting. "You're never expecting something to happen," Edwards warns, "having insurance gives you peace of mind."

CHAPTER THREE

DIVESTING YOUR COLLECTION

A R T W  R K
A R C H I V E

DECIDING TO SELL YOUR COLLECTION

There are many personal and financial reasons for selling parts or all of your collection. In any scenario, your first step to selling your art is to make it “retail ready.”

It's time to line up the necessary documentation. This includes the provenance documents, artist name, materials used, recent appraisal, and dimensions. A dealer or auction house will use this information to outline the costs of promotion and commission. These documents will also determine how to file your taxes.

When you have the appropriate documents pulled, you can begin researching potential buyers and the process of selling art.

Here are a few things to consider when selling artwork:

Discovering Potential Buyers

If possible, start with where you bought the piece. These resources will likely have advice on who might be an interested buyer. The original seller may have interest in buying back the work for re-sale. In some scenarios a gallery will display the piece for a re-sale, meaning you are still the owner if it doesn't sell. If that's the case, you should work with them on the most effective and alluring display. Have the details of how the piece will be marketed or available to potential buyers. Whether you are selling through an auction house or gallery, the commission should be outlined for you at the onset so you are clear on your possible profit margin.

Selling through an Auction House

Working with an auction house is another option, if you are comfortable with them taking a commission. A seller's commission ranges from 20 to 30 percent, according to [Mutual Art](#).

Find an auction house with good communication that is willing to work with you. They should be responsive to your questions and fill you in on the high season and low season for their company.

Here are a few other points to keep in mind:

- You can negotiate their auction house fee to a number you are comfortable with. Work with them on a fair sale value. You want to be happy with this number and also confirm that it is not too high, which might intimidate potential buyers.
- You also want to make sure your insurance company is aware and your policy is up-to-date in the event of damage.
- Confirm transportation restrictions to prevent damage. Read through the contract very thoroughly and consider having your attorney review it.

Selling through a Gallery

Like with auction houses, you want to enjoy working with a gallery. These people are selling your art and the best way to confirm they have top-notch customer service is by visiting them first. Make sure you are greeted at the door and treated well from the start.

Make sure the gallery is a good fit for your artwork by considering their current collection and pricing. You can work with an art advisor on finding the best art gallery that falls within your specifications.

Once you have found the right art gallery, you can either go through an online submission process or an in-person meeting. If the gallery is accepting new artwork, they will either buy the piece outright or it will be displayed on the wall until it is sold. Galleries will generally take a set commission upon the work being sold. In some cases they will lower the commission, but charge a monthly fee for the artwork being on their walls.

Understanding the Contract

When selling your art with a gallery or auction house, there are a few things you want to be sure you understand in the contract:

- Where will the art be displayed?
- When will you be notified of a sale?
- When and how will you be paid?
- Can the contract be terminated?
- Who is in charge of damages?

Choosing the Right Vendor

If you enjoy working with the vendor, and they have good customer service, it's likely that they will treat potential buyers the same way. Selling art is a great way to keep your collection dynamic, and to make contacts in the art world. Whether you decide on an auction house or a gallery, continue asking questions until you feel informed and satisfied.

OTHER OPTIONS FOR DIVESTING

When it comes time to sell a piece in your collection, you want to get top dollar for your investment.

The secondary art market can be a competitive place for a private collector to approach solo. Prices vary widely across short periods of time based on what's available and what other collectors desire. There isn't one right answer that will guarantee huge returns, but where you sell your art matters.

Even more so than the primary market, prices in the secondary market are governed by supply and demand. Factors like timing of sale, convenience, region, condition, and type of art, are also important—so, factor those into your decision.

Other Collectors

In general, the fewer transactions that take place between you and the next owner, the better off you'll be. That is, of course, if you know how to negotiate and take appropriate precautions to ensure payment.

If you're going down this road, make sure to get your piece appraised and know how to read the appraisal. Depending on the value of your work, these transactions can be complex and high risk. There's a reason auction houses and other art sales venues take a portion of a transaction. When the sale of your piece looks anything less than straightforward, consider letting a professional handle it.

Art Dealers

Art dealers often sell in both the primary and the secondary market. An advantage of working with a dealer is that they have extensive knowledge and connections within the art world. If they don't work specifically with your piece, chances are they'll know someone who can.

Dealers are able to leverage their network to get high prices for fine art, especially if it fits within the interests of their clientele. It's a good idea to do some independent research to see what type of art a dealer typically works with before approaching them.

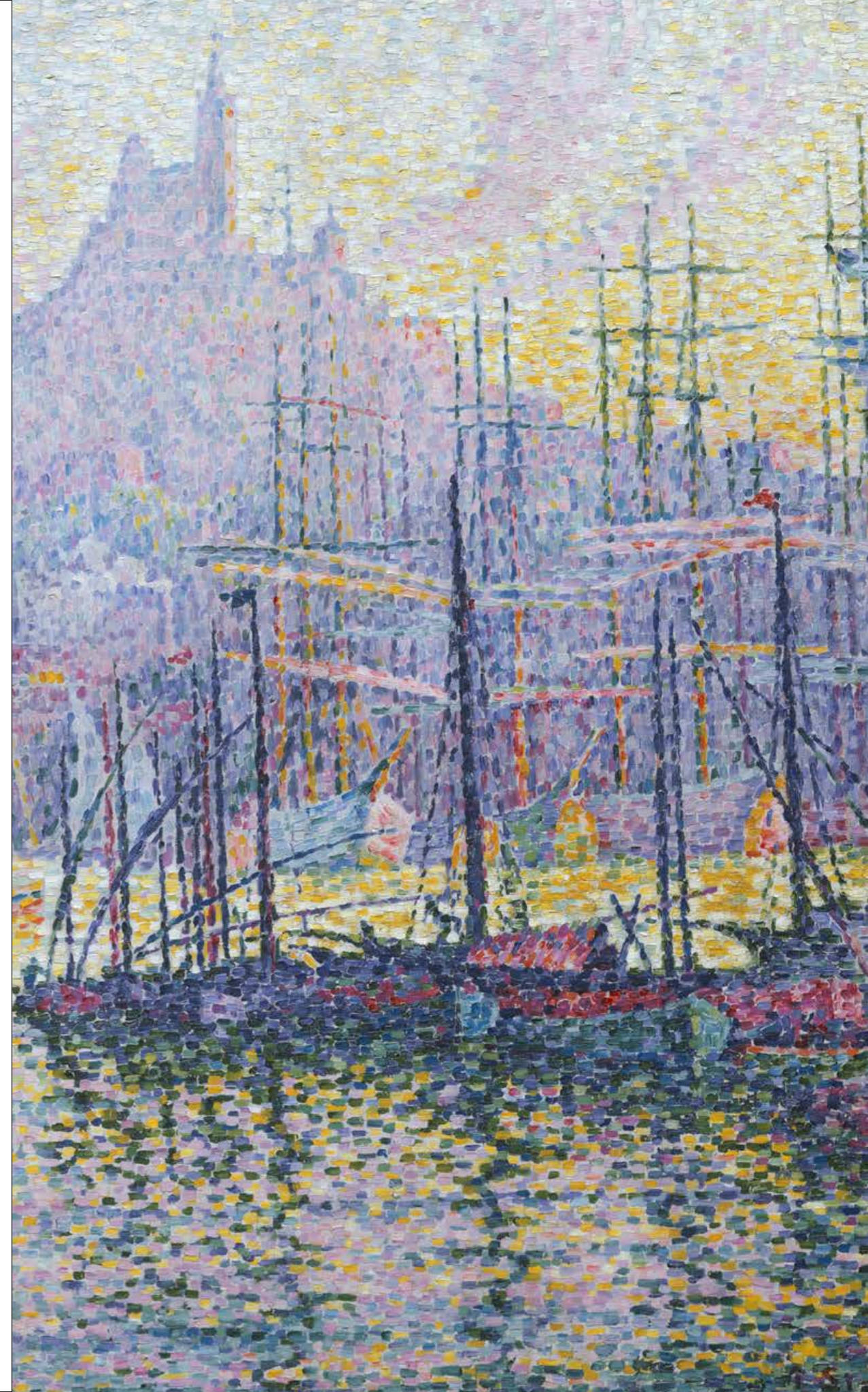
Keep in mind that art dealers likely know the market very well and also need to turn a profit themselves, so a current independent appraisal is a good idea in this setting.

Auction Houses

Auction houses are one of the most common places to buy art on the secondary market. They have the potential to drive huge prices and bring experienced collectors together in one place.

One of the risks when selling your art at an auction is that it may not fetch the price you want. Although you can set a reserve, there's no guarantee that a piece will sell. A bidding war on your piece can see it go for well over asking price.

Auction houses offer appraisals of art and can handle the acquisition and sale from start to finish, which means a lot less work for you.





After Sir Christopher Wren
Charles Demuth, 1920
Watercolor, gouache, and graphite on cardboard

WORKING WITH ART ADVISORS

Art advisors are very familiar with the nitty-gritty details of owning an art collection. They are a great resource when managing facets like taxes and estate planning. Here are six art collection details where your consultant can advise.

Art advisors can help:

Guarantee You Have the Proper Insurance

Art insurance is your defense against the unexpected. An art advisor is well-versed in how to secure the proper insurance for your collection. They can help you understand different coverage plans and what type of claims can be made.

Help You Sell Pieces From Your Collection at the Right Time

If you are interested in selling a piece of art, the first suggestion is always to contact the original seller—whether that be a gallery or artist. Your art consultant can assist in this. If the gallery or artist is not available or interested, your consultant can assist in finding other avenues.

Recommend the Right Person for Conservation

Art advisors will either be familiar with or have the tools to research the different conservationists in your area. They can find a candidate with the experience needed as well as manage the art repairs and restorations.

Take the Headache Out of Shipping & Shipping Insurance

If you need to ship an artwork, special attention and care should be given to packaging and shipping insurance. In some cases, certain works require special crating and shipping materials. You need to know when these situations arise. Your art advisor can handle this for you.

Guide You Through Estate Planning

Advisors are a knowledgeable resource to consult with when going through the beginning stages of planning an estate. While most collectors don't start thinking about estate planning until later in their life, advisors can help you plan out the future of your collection.

Beginning by gathering all the proper provenance documents, advisors will help you set up one of three choices: selling your collection, transferring your collection to your heirs in an LLC, or donating your artwork.

Ensure Your Taxes are Accurate

When purchasing art out-of-state or filing taxes, advisors are experienced in the best way to handle your payments. Sales tax differs from state to state, and advisors can make sure you have everything properly recorded and filed, so that no issues arise and that you save as much money as possible.

HOW TO MAKE AN ESTATE PLAN

Collecting art is less about documents and appraisals and more about passion and a genuine love of the craft. If you're feeling behind on the management of your art collection, you're not alone.

Many art collectors do not consider their art collection as a part of their will until a later stage. When you decide to plan the future of your art collection and your estate, you have a few options that we will review.

The first step, before you choose where your art will go, is to gather all the appropriate provenance documents such as appraisals and bills of sale.

We heard from Mark Van Mourick, president of the wealth management firm [Optivest, Inc.](#), on how to start planning your art estate. "It is important to properly catalog, photograph, appraise and insure your collection," Mourick says.

How To Discuss Your Art Estate Plan with Your Family

One of the harder conversations to have is discussing the future of your art collection with your children or relatives. This is difficult for two reasons. The first being, that no one wants to discuss or prepare for when you are gone. The second being that there is a chance your heirs are not interested in maintaining your art collection, but selling it.

"Have a candid conversation with each child about which pieces have sentimental value to you and to them," Mourick suggests. "Phrase the question in a way that gives them freedom to respond honestly and remember not to get offended by their response."

Once you have established how your family members feel about your art collection, you can begin making plans for the future. The goal of creating an art estate is to ensure that your collection is taken care of and in a place that makes you feel comfortable.

"It is good to establish who you trust to appraise the collection and/or sell it upon your death (if your heirs do not want it)," Mourick elaborates. "These advisors can assist in their areas of expertise and relieve the family of a potential burden after your passing."



Fan
Carl Gustav Klingstedt
1715-25, Dutch



Fan
Early 18th Century
French



Fan
1745-55
European

WHEN PLANNING YOUR ESTATE YOU HAVE THREE OPTIONS:

Sell Your Collection

Selling art is more expensive than selling other assets. The capital gains tax on art and collectibles is 28% opposed to the usual 20%.

You will also be responsible for paying a sales commission, taxes, and possibly shipping. If you know your family is interested in selling all or parts of your collection, it's best if you are a part of the planning process. Your family may not be aware of the pricing of your art collection. If the pieces are sent to an auction, they could be sold at much lower than market value. Secondly, you want to have a say in the next person or organization that will care of a part of, or all of, your collection.

If the decision to sell is made after you pass, then the capital gains tax is usually reduced or eliminated. However, the entire value will be included in the estate for estate tax purposes. Selling your art is likely the most expensive process of the three options. Speaking with an estate planning attorney will help you weigh the pros and cons. If donating would result in a higher return on investment, via a tax deduction, you can be involved in where the artwork is donated.

Leave Your Artwork to Your Heirs in an LLC

You may leave an entire collection or specific pieces to certain people in your will. Your heirs, although likely your family, do not need to be blood related. The technical term for heirs is a "non-charitable beneficiary." You may leave your assets to whomever you choose based on any number of criteria. Include your collection resources with your inventory, such as appraisers, insurance agents, framing experts, gallerists, and any historians or specialists in your collection. The most important thing about leaving your artwork to specific people is giving them the resources to properly maintain it.

Transferring your artwork to an LLC is an alternate way to leave your artwork to your heirs. This will put the entire collection into the LLC, which can be left to multiple people. The family members included will then be responsible for the collection as a conglomerate. For instance if they decide to sell one piece, they will split the profits evenly. This is how you can avoid choosing specific pieces for specific family members, and having the artwork's value get in the way.

When leaving your family members an LLC, they own the interests rather than the art itself. You may select one or more managers, which will be your heirs in this case, to control the art. The managers are usually responsible for maintaining appropriate insurance, display, storage, and making decisions regarding the sales of individual pieces. You will also want to leave collection resources and information with the LLC managers to aid in any sales, restoration, or maintenance.

Donate Your Artwork

If you choose to donate your art to a museum or charitable organization before you pass, you are entitled to an income tax deduction of up to 30% of your adjusted gross income. This is based on the value of the work at the time of the gift.

Donating your art to a museum upon your death is likely the simplest option. Your collection is delivered to the institution and your estate receives a tax deduction based on the current valuation.

In either scenario, it's up to you to specify any requests.

Some collectors request that their art be displayed in a specific wing, or have their name included next to the description, for example. These conditions should be articulated and agreed upon before any artwork is transferred. Arduous conditions could jeopardize the charitable deduction for income and tax purposes, or they can ultimately reduce the value of the collection.

GETTING STARTED DONATING YOUR ARTWORK

Downsizing an art collection is an important part of managing your assets, and there are a number of reasons that could influence you to donate your artwork.

Once you have all your provenance documents in place and are ready to donate, you have a lot of research to do. Here are a few things to consider:

Note That Museums Do Not Accept All Gifts, and Not All Museums Accept Gifts

Donating art is a two-sided decision. Museums generally have a committee that reviews gifts and decides whether they are a positive addition to their current collection. Even if your gift is accepted, it is possible that it will be brought to storage and not displayed. You might only be comfortable donating the art on the condition that it is on display. You may also have specific requirements for the display such as including your name or seeing your piece in a certain wing. It is necessary that you specify this in the donation agreement.

Learn Which Museums Only Accept Unconditional Gifts

An unconditional gift means there are no stipulations the museum has to abide by, such as displaying the artwork in a specific wing. You must also prepare for the fact that an unconditional gift could result in a sale on the museum's behalf. When you agree to donate the piece as an unconditional gift, you are giving up all rights to the artwork. The Museum of Modern Art in New York, for example, only accepts unconditional gifts.

This is also called "unrestricted status." Museums generally prefer that donations come in with zero requirements. This means, your piece can be displayed wherever the museum chooses, stored wherever and whenever, or sold at any time.

Understand that You Are No Longer the Owner

When donating your art, you may feel like the museum is your partner. After thoroughly researching your options and agreeing to relinquish a treasured item, it's natural to feel this way. However, as a donor it is important to understand the relationship that the museum is willing to participate in. Unfortunately, it is possible that the museum is not willing to support any relationship. The museum may take the donation and forgo any further communication about the piece.

At the time of the donation, you may be informed of where the piece will be displayed and for how long. Curators usually have a good idea of the plan for a new piece of art. Things change. When coming from a private collection and starting to work with a larger institution, new management and goals can affect the future of your piece. Once you have donated the artwork, the exhibit may change or your piece may be moved into storage. Regardless, you have positively contributed to the museum's collection.

Know Your Collection May Be Split Up

In the event of a large donation, understandably, you want the grouping of your art to be respected. You curated your collection with intention. Especially when choosing a museum with a similar taste, you may assume that your pieces will be displayed together. This is not always the case.

The museum also may only accept parts of your intended group gift. Although you're hoping to keep certain pieces together, the museum may only be interested in specific works.

Consult the Experts to Learn Your Tax Implications

Any donation above \$5,000 needs to be reviewed by the Internal Revenue Service. Make sure you consult with your tax attorney and file the appropriate forms. Be sure the value is up-to-date and done by an experienced appraiser.

Consider Donating to a Charity

If you are looking to donate art and are not concerned with its whereabouts, you can donate to a charity. There are many charities that accept art donations. The art will likely be sold at the values in a donation. You also want to be sure that you receive the correct, and most beneficial, tax deduction.

WHAT YOU NEED TO KNOW ABOUT LENDING ART

There are times when being an art collector is about giving. Times, for instance, when the public gets to see a piece of art they never would have witnessed had you not lent it to a museum.

Lending your art to a museum or gallery has many positives. You get to share your passion and art collection with the community, increase your contacts in the art world, and may even be eligible for a tax break. It's also a great way to keep your art safe and cared for, if you no longer have room on your walls.

Like most things, there are also risks involved. Your art will be traveling and could be damaged in transit, and is entering the hands of another, outside of your protection. Understanding the benefits and risks of lending your art will help you make an informed decision on whether it's the right move for you and your art collection.

Here are 9 points to consider when lending your art to a museum or gallery:

Prepare a Comprehensive Loan Agreement

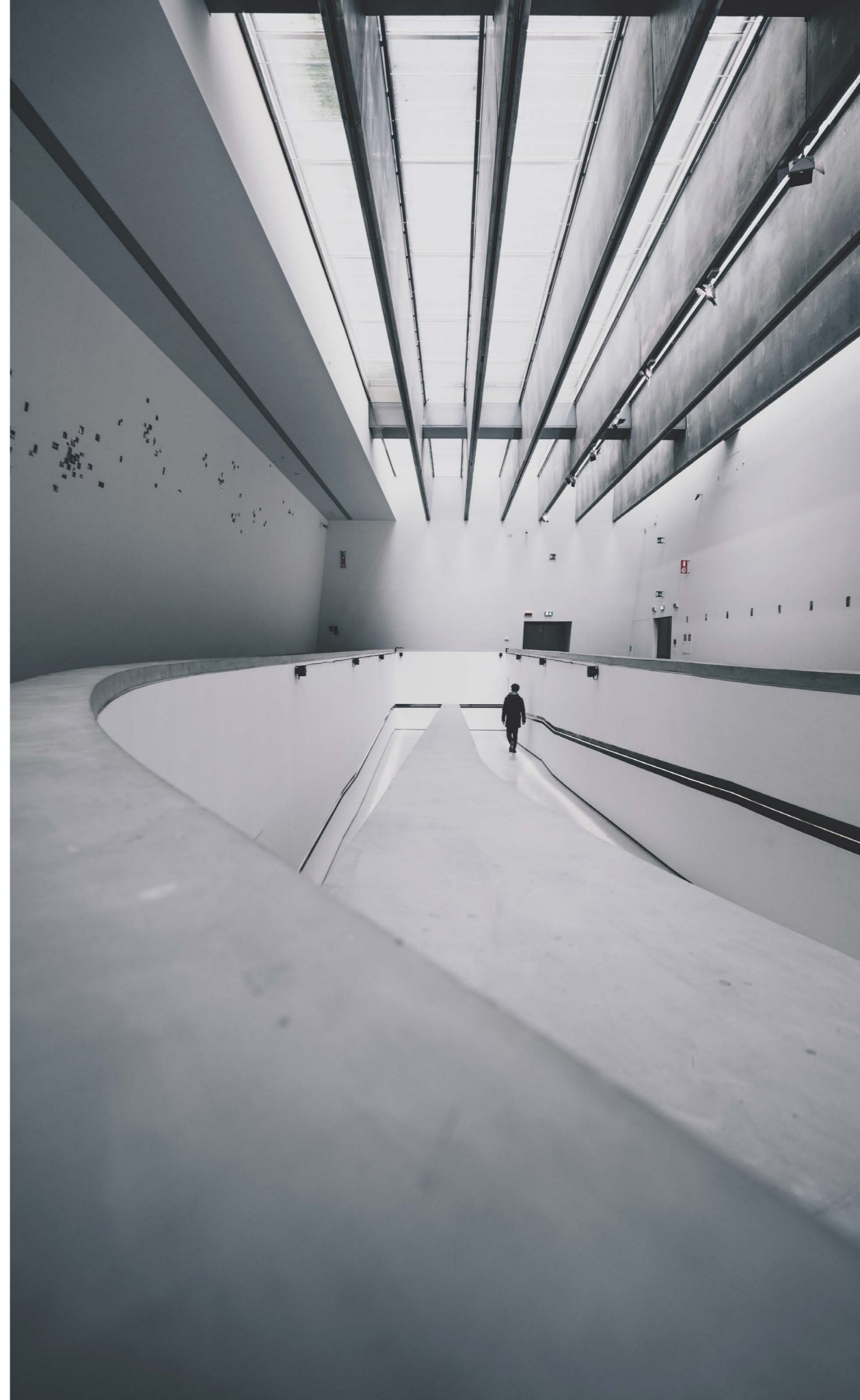
The loan agreement is your contract, naming you the owner of the art and specifying the details of the loan. This is where you can outline the dates you agree to loan out the work, the location (i.e. the borrower), the title(s), and the specific exhibit, if relevant.

You'll also want the most recent appraisal values and condition reports in the loan agreement. This will ensure you are compensated in the case of damage or theft. If you have any display requirements, make sure these are in ink as well. The loan insurance, usually provided by the museum, will also be outlined in the loan agreement. Store this agreement along with any appraisal value documents and condition reports alongside your piece(s).

Secure the Right Insurance

In addition to your personal fine art insurance, the museum should also provide a specific insurance plan. This should be door-to-door, also known as "wall-to-wall," coverage. Meaning the artwork is covered for any restorations or the most recent appraisal value from the moment it leaves your house until the time it's safely back in your home.

Art insurance specialist Victoria Edwards of Wasserman & Associates Insurance Agency, LLC gave us her input on securing coverage when lending your art. "You want to make sure there is door-to-door coverage," Edwards advised, "so when they pick the painting up at your house it is covered in transit, at the museum, and back home." You should also make sure that you are named as the loss payee in any sort of damage.



Know How to Ship Your Art

Any shipping damage should be covered in your insurance policy. However, a condition report of each piece before any of your art goes into transit. This way you are protected from any new damage and reimbursed for any accidents.

According to shipping and storage expert Derek Smith, President of AXIS Fine Art Installation, UPS and FedEx insurance policies specifically exclude artwork in the fine print. Even if you purchase insurance through them, it will not cover fine art.

Consult a conservator for packing and shipping protocols for your specific type of artwork. They have experience in shipping and restoration, meaning they know how to prevent the damage of a piece.

Save on Storage

Lending your art to a museum is usually free. If your art collection is becoming larger than you can display, lending your artwork is an option before outfitting an at-home storage space or paying a monthly storage unit bill.

Consider It a Charitable Contribution and a Learning Opportunity

Although you're not donating your collection for good, remember that you're contributing to an exhibit that benefits the community. By lending your art to a museum, you are sharing your passion for art with the public. Additionally, this can be a wonderful opportunity to learn more about your piece, because the museum will provide scholarly details. By being a part of a specific exhibit or museum collection, the community can learn more about an artist you love, and you might learn something too.

Research Possible Tax Benefits

You might be asking: "If it's a charitable contribution, is there a tax benefit involved?"

Specific to each state, it's worth consulting a tax attorney on any possible tax benefits for lending your art to a gallery. There have been instances of collectors purchasing high-priced art and lending the artworks to museums in order to avoid being taxed on the asset.

As the lender, you should be informed of any tax breaks that you may want to utilize and address them in the loan agreement.

Understand You May Owe Taxes

Varying state by state, some fine art may be subject to a "use tax" when lent to a gallery or used in any other way. For example, if the Washington state use tax is not paid upon the purchase of goods, then the use tax is due when the goods are brought to Washington. Washington's use tax is the same rate as their sales tax, 6.5 percent, and is calculated using the value of the goods when they enter the state. This would be relevant if you purchased fine art in California and wanted to lend it to a museum or gallery in Washington.

Anything tax related is going to be state specific. Generally, you should be aware that your art insurance representatives, attorneys, and the museum or borrower are responsible for notifying you of all possible tax breaks or bills. And it's your job to be proactive.

Protect Yourself from Seizure

You want to make sure that your art cannot be brought to the court of law for any reason. This could happen for something as simple as an ownership dispute, when the bill of sale is not accessible. The United States' Statute 22 protects objects that are culturally significant or of national interest from governmental seizure. Any non-profit museum, cultural, or educational institution may apply to the U.S. Department of state to determine if the artwork or object is protected under Statute 22. This will immunize the object from the judicial process.

If you are loaning your artwork abroad, be sure it is protected under a similar clause. That way it cannot be seized regarding any confusion over its authenticity, owner, or other concerns.

Stipulate Your Requirements

It is your responsibility to outline any specific requests and requirements in the loan agreement. For instance, whether you want your name to be displayed with the piece or where you would like to see it in the museum. Although contracts can be tedious, operate with a fierce attention to detail when putting together your loan agreement. We recommend starting with a list of wants and fears and then consulting with your insurance agent or estate planning attorney to help you address these all in the loan agreement.

Loaning parts of your art collection is a great way to give back to the community and share your love of art. Getting involved with the museums will also connect you with their resources, conservators, and curators who have a wealth of information when it comes to further defining and developing your art collection, purchases, and special care instructions.

THANKS FOR READING!

We appreciate you taking the time to download the guide and hope you found it valuable. For more great content and resources, we encourage you to visit our [blog](#). And, for those of you looking for a better way to organize and manage your art collection, make sure to check out [Artwork Archive](#).

We'd like to thank the following people who kindly contributed their guidance :

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Augusta Morrison, Museum of Contemporary Art Detroit

Liz Parks, Liz Parks Fine Art

Jason Saarm, Bluewater Insurance

Tanya Singh, ARTmine Collector's Corner

Derek Smith, President, AXIS Fine Art Installation

Charles Tovar, art appraiser

Peter Trippi, Fine Art Connoisseur

Mark Van Mourick, President, Optivest, Inc.

Rebecca Wilson, Chief Curator and VP, Art Advisory, Saatchi Art

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