

Basic Estate Planning for Collectors and Artists

By Joy Chambers

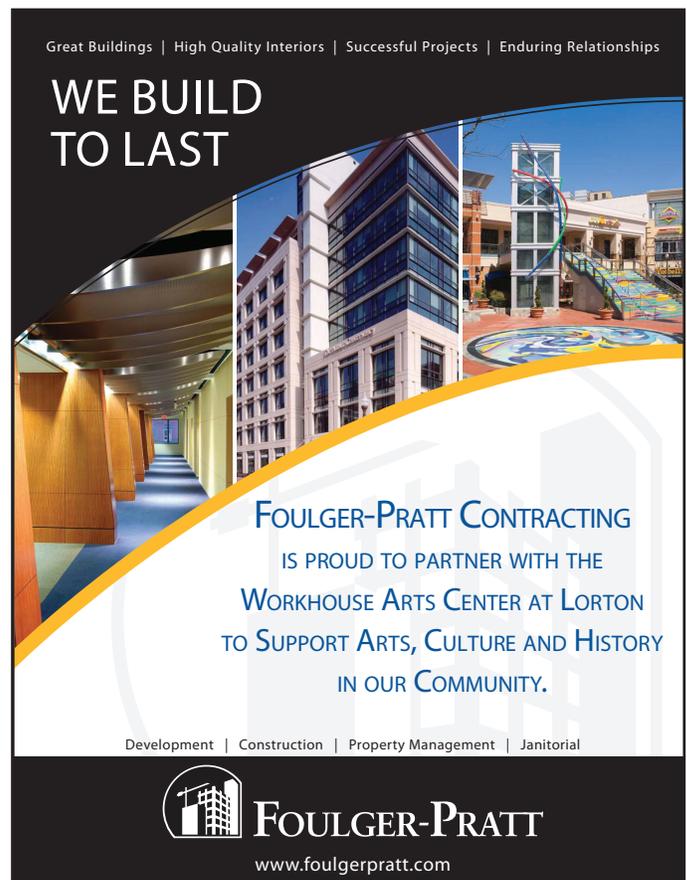
I'd like to propose a "thought project" to help preserve your artistic legacy, whether in the form of a collection, or a lifetime of created art. Both collectors and artists leave behind two bodies necessitating disposal. This "thought project" can help in the disposition of your body of artwork. It contains two primary concepts for you to ponder. Firstly, where do you want your art to end up after you (and perhaps your spouse) are gone? Secondly, what can you do to ease this transition, to minimize the anguish and expense that usually accompany this transition?

Most of us want our art legacy to be given to a combination of family, friends and art institutions. It helps to talk to potential beneficiaries about your wishes. Do they want to receive what you want to give? Family and friends' taste and space may differ markedly from yours. Your art will best be conserved if it is treasured. A conversation might clarify their affection for your proposed gift. And, you can't assume that an art institution will accept your proposed gift. Museums accept about 1% of what is offered to them. Acceptance of your gift means an annual cash outlay for conservation, storage and insurance. A little effort now, pondering who would appreciate a specific work of art, followed by conversations with the potential beneficiary, will go a long way in preserving your legacy. Your Executor, as well meaning and expert as he or she might be, doesn't have the same ability as you to ensure your gift is appreciated.

The transition, no matter how diligently you have discussed it beforehand, can still create friction between family and friends and incur unnecessary expense. A few simple steps now can minimize these dangers. Your art means more emotionally to you than it will to your beneficiaries. In spite of protestations to the contrary, they will be more inclined than you are to look at the monetary value of the gift at the time they receive it. After all, it wasn't bought to please their taste. Nor do they have memories associated with it. Suppose you leave your art equally to a group composed of family and friends. How does your Executor ensure equality

among beneficiaries? Suppose you leave your art to a museum. Establishing date of death value is necessary to obtain a charitable deduction. Art appraisals are expensive because it takes the appraiser a lot of time to search through your records to find the facts necessary to make the valuation. It helps for you to have an inventory prepared and up-dated. The simplest method is to start with a lined-paper notebook and add vertical lines to provide columns, allowing the use of a single line per entry. Suggested column headings are - title, date, medium, size and location. Notes about the work's exhibition history, provenance (history of ownership), sales history and a photograph of work would be helpful. Assembling this information has added advantages. It can help if you ever need to file an insurance claim in the event of a loss due to fire, theft or water damage. It also can make you alert to potential areas of friction among your beneficiaries, which might be minimized by conversations.

In my 30 years of working with artists and collectors estates, I've found that these two simple steps - conversations with potential beneficiaries and compilation of a basic inventory - can help ensure your artistic legacy.



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