

# Professional Guidelines

## **FUNDRAISING AUCTIONS: Issues and Checklist for Artists**

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### **I INTRODUCTION TO FUNDRAISING AUCTIONS**

This Professional Guidelines topic is intended to more fully inform artists about the impact of fundraising auctions on their work and careers, what questions need to be asked prior to and after donating work, and to recommend how artists can maximize the benefits when participating in auctions. Ultimately, we believe, the behavior of the artists can and should change the way fundraising auctions are conceived and conducted.

**This is one of four Professional Guideline documents about Fundraising Auctions, each addressing a different perspective.**

**Fundraising Auctions: Issues and Checklist for Artists**

**Fundraising Auctions: Issues and Impact for Galleries**

**Fundraising Auctions: Issues and Recommendations for Collectors**

**Fundraising Auctions: Issues and Alternatives for Art Organizations**

These documents provide insights and helpful suggestions for all members of the community. You're welcome to read all four to see a thorough discussion from all perspectives.

Auctions can be a successful way for organizations to raise needed funds. However, frequent auctions or multiple auctions from various groups can have a significantly negative impact on the art community—the very constituency they wish to support. Unfortunately, fundraising auctions have gained a reputation for selling artwork at considerably less than market value. Reliance on auctions as fund raising mechanisms may ultimately harm galleries, collectors and individual artists by siphoning off gallery sales, devaluing artists' work, replacing art exhibitions, and reducing the artist's ability to make a living.

Organizations sponsoring or benefiting from fund raising auctions, especially those involved with the art community, should act responsibly when planning fundraising efforts. Artwork needs to

be handled and displayed with care and respect. Every effort should be made to obtain the highest price for donated work, minimum bids should be established and honored, and all information regarding the purchaser forwarded to the donating artist.

Bidders at auctions should be encouraged to feel generous in support of the organization (and the art community), and not on finding bargains.

## II MYTHS ABOUT AUCTIONS

Artists are often asked to donate work for an auction. An organization requesting donated work properly justifies donations as a show of support for the organization and an opportunity for artists to show their work. However, some rationalizations are overextended. Here are a few:

**Myth #1: Donating work does not cost the artist anything.**

**Fact: There are very real expenses incurred by the artist in making a piece of artwork.** Materials, time, out sourced labor, rent, utilities and general overhead all must be paid by the artist for every piece that they make. For some artists or craftspeople, material costs, fuel and studio expenses may be significant. In addition, if there exists any possibility for the artist to sell the piece, that opportunity is gone: the entire revenue at the wholesale or retail price is lost. Some auctions mitigate this by sharing a percentage of the auction purchase price with the donating artist or compensating them otherwise with tickets or memberships. But the net difference to the artist may be a significant loss of income. In addition, if an artist donates an important piece any extended exposure that it may have generated in a gallery or exhibition space is lost.

**Myth #2: Artists won't mind giving away unsold inventory for a good cause.**

**Fact: Although artists don't sell everything they make, work at auctions selling far below retail prices may affect future sales viability.** While it is true that most artists or crafts people rarely sell everything that they make, giving it away to a fundraising auction which then "sells" the work below the established retail price, affects the ability of both artists and the galleries to sell similar work. Their market is adversely affected with low prices and competition from auctions.

**Myth #3: Auctions are an exhibition opportunity.**

**Fact: Auctions may provide exposure, but they are a marginal venue for exhibiting work.** Artists should keep in mind that the work presented at auctions is rarely curated or juried. The work is sometimes uneven and usually not exhibited in a cohesive manner. Works donated to an auction are rarely professionally installed, as in a gallery or museum, but often placed on tables casually, crowded into cases, or used as centerpieces on tables. Works are rarely lighted advantageously and, in the case of live auctions, often carried out onto a stage where it is difficult for it to be seen. Furthermore, the work to be auctioned is usually displayed at the preview for a very short time, typically for only a single evening.

**Myth #4: Auctions introduce your work to a new and wider audience.**

**Fact: Auctions rarely yield introductions that are meaningful to the artist.**

An auction may offer exposure to an emerging artist, but an auction is an ineffective marketing approach for an established artist. Collectors attend auctions with a variety of motivations, but they know that artists cannot afford to give their best work away as a

donation. Until the structure of auctions change, artists and their work will still be at a significant disadvantage under these circumstances.

**Myth #5: Artists benefit the most from art organizations**, therefore it is the responsibility and duty of artists to show their support by donating work to auctions sponsored by art organizations.

**Fact: Everyone in the community benefits from local art organizations, not just artists.** Art organizations deserve support and are challenged to raise funds. However, over-reliance on auctions of donated artwork may hurt their constituency.

### III FINANCIAL IMPACT OF FUNDRAISING AUCTIONS ON ARTISTS

- A Artists receive little or no compensation for donated work.** Often, there is considerable pressure on an artist to donate work outright – receiving no percentage of the winning bid. Only the most generous auction organizers offer a percentage of the selling price to the artists. Since the work offered at auction typically sells well below the retail price, even with a percentage, the artist only receives an amount far below the wholesale value.
- B Artwork sold at discounted prices in auctions may affect your retail values elsewhere.** Every artist should maintain control over the selling prices of his or her work. (Please see the discussion about *value* in the *Discounts* document, section *II. Some Remarks About Pricing*). Since auctioned artwork often sells far below retail price, maintaining control of pricing is impossible. The ultimate result of this discounted selling price is that the value of an artist's work and the ability of a gallery to command full retail prices for the entire body of an artist's work is adversely affected.

Another concern regards the donation of an artist's work to a Fundraising Auction by another party. Sometimes collectors, galleries (who may own an artist's work due to late customer returns, etc.), or any owner of a piece of artwork may, for whatever reason, donate a piece from their collection to an auction. This in essence is work traded on a secondary market. In such instances the artist has no control whatsoever over pricing. While the Professional Guidelines Committee cannot at this time make recommendations on how to resolve this issue, it is heartily suggested that the auctioning organization inform the artist that their work has appeared as a donation to the auction and the final price realized at the auction's conclusion. In most states, the artist has no rights to any funds received on the secondary market.

- C Federal tax deduction for work donated by an artist is limited to the cost of materials only.** A few states allow a deduction for the wholesale value of the work donated to auctions (check with your state laws). Most states do not allow a deduction beyond the cost of materials.

### IV RECOMMENDATIONS FROM THE PROFESSIONAL GUIDELINES COMMITTEE

- A Set a Reserve Price**
- 1 The Professional Guidelines Committee recommends that the auction sponsor set a "reserve price" for work offered in an auction. The "reserve price" is the price below

which the artwork will not be sold. This reserve would ideally be **80%** of the retail price. **The artists should be offered 40% of the retail price for their donations.** The art organization will receive 40% of the retail price for fundraising and the collector has the possibility of receiving a 20% discount. Work sold above the retail price (as a result of generous bidding) creates additional revenue for the auction sponsor.

#### **B Possible Tax Deduction for Artists**

- 1 **There is a way for artists to take tax deductions** for the full amount that their work generates at the auction. If the auction sponsor reimburses the artist for the total amount generated by the work sold at the auction, then the artist can agree to write a donation check for this amount back to the auction sponsor. Thus the artist will have documentation for their “donation” to the auction acceptable to the I.R.S.
- 2 **Another variation on this idea is for the artists to loan their work to the auction.** Once a bid has been accepted, the sale processed and the artist paid, the artist then donates the funds back to the auction sponsor. This allows the artist to realize the full tax deduction and, perhaps, to have a greater degree of control over how the work is handled, displayed and promoted.

## **V ARTIST CONSIDERATIONS**

#### **A Read and consider the Recommendations from the Professional Guidelines Committee** (See Section IV above.)

#### **B Investigate other information about fundraising auctions.** Tom Starland, editor of the Carolina Arts newsletter, makes several suggestions to artists concerning fundraising auctions. Look at Carolina Arts newsletter at: <http://www.carolinaarts.com/pastcomments-sept03.html> and <http://www.artfaces.com/artvoices/article.php?s=featured&a=feb013>.

#### **C Develop your own policy.** Set your own rules. Think carefully about what you can realistically offer. The cost of materials and labor are very real concerns.

- 1 **Do not give work that you cannot afford to donate.** Remember that the perceived benefits offered to artists by auctions—increased exposure and new marketing opportunities—may not, in fact, exist. Keeping your most important pieces or your best works for other venues (galleries, exhibitions) may be a responsible financial decision. The generosity of artists is not on trial here: you should not feel obligated to give to an auction.
- 2 **Limit yourself to a number of donations per year that you find comfortable.** For example, “I can only afford to support three auctions a year and I am already committed for this year.”
- 3 **Donate work only to organizations that you want to support.** You may decide to limit yourself to certain types of non-profit organizations, museums or specific causes that you fervently believe in.
- 4 **You may decide to only participate in auctions that meet these criteria** or others that you establish:
  - a Auctions with reserve pricing.
  - b Auctions that offer the donating artist the wholesale price.
  - c Auctions that feature a public preview or catalogue.
  - d Other criteria of your personal choosing

- 5 **Consider donating work once every couple of years and give a better piece.** It might be a better representation of your work to give one piece worth \$4,000 once every four years rather than four pieces worth \$1,000 every year that does not represent your best work. (Make sure the auction can support this price range.)
- 6 **Consider donating a small production piece.** Often times a smaller, perhaps less challenging piece will attract more bidding, sell more quickly and in the end generate the same funds as a larger more important and sophisticated piece. In this scenario, your piece generates the same dollars while not devaluing your more important work.
- 7 **Make a gift of your work to a friend, a collector or a relative** (not filing jointly on your tax return) **and have them donate the work to the auction.** They can then take the full deduction (of the appraised value) that the artist is disallowed. *The down side is that the artist still receives no tax deduction for their donation*
- 8 **Consider another donation instead.**
  - a Consider donating your time.
  - b Consider making a financial contribution in lieu of donating work. At least you can fully deduct the full amount of a check or cash donation. If you cannot afford to give money, how can you afford to keep giving your work away? Remember that your work represents dollars to you and to them.
- 9 **Donate work only if you know the auction audience is familiar with your type of work.** It is pointless to donate work to an inappropriate venue. No matter how fantastic the piece, or how well received by critics, if the auction audience is not familiar with your genre of work or willing to understand it, they will not place bids. For example, most elementary school parents would rather get a donated Blockbuster gift certificate than a piece of jewelry that they do not appreciate or will never wear. This is not an insult; it is just a fact. Similarly, if your work is bold, contemporary, and conceptually challenging, then giving work to an auction for a folk art museum may not be consistent with the target audience.
- 10 **Consider offering to demonstrate a process or technique during the auction.**
  - a This could be in lieu of a donation of artwork.
  - b A demonstration provides entertainment as well as educational value. The import of either one should not be underestimated.
  - c A demo can give the auction attendees an opportunity to “meet the artist” --and perhaps pick up a business card for future purchase or commission—adding to the artist’s visibility.
  - d The demonstration “piece” itself can be donated to the auction.
- 11 **Be cautious donating to auctions held on T.V.** This is usually not a good forum for selling craftwork or artwork. For example, it is unlikely that a local television newscaster acting as auctioneer will be knowledgeable about your work. An unfamiliar person selling your work to what may be an equally unfamiliar T.V. audience is a recipe for disappointment.
- 12 **Be cautious when donating to auctions on the Internet.** Internet sales of art and craft are still in their infancy. The computer screen is inadequate in conveying the richness of actually viewing an object or painting in person. Unless people are very familiar with your work from other venues, they are not likely to be seduced into placing bids. The best use of the Internet is to increase exposure for an auction, extend the bidding to a wider audience that is already familiar with the work and extend bidding hours. Artists should ask for a hyperlink to their web site and/or their gallery’s web site, as appropriate.

- D Understand the difference between “live” auctions and “silent” auctions.** An auctioneer conducts a “live” auction with bids taken from an audience. This differs from “silent” auctions where bids are written by attendees on a card posted with the work. At the scheduled close of the auction, the highest recorded (and anonymous) bidder wins. Generally speaking, a live auction gives your work more visibility, generates more excitement and receives higher bids. In addition, where an auction has a live and a silent component, there is a subtle stratification between the two: Work featured in the live auction section may be perceived as having a higher significance than that shown in the silent auction area. Often times, works selected for live or silent auctions are chosen by media, size or cost. For instance, jewelry is often consigned to the silent portion of the auction.
- E Consider the impact that auctions have on your gallery and the relationship you have with your gallery.** Also read, *Fundraising Auctions: Issues and Impact for Galleries* in the Professional Guidelines.
- 1 If the artist is planning to donate work to a fundraising auction within the gallery’s exclusive territory** (under a contract between the artist and the gallery), and the gallery did not plan to participate in the auction donation, the artist should speak with the gallery in advance of the auction donation.
    - a The gallery may feel that this donation infringes on the exclusive representation of the artist.
    - b As a representative of the artist, the gallery may have a policy or an opinion, positive or negative, regarding specific auctions or auctions in general.
    - c Possible compensation to the artist or the gallery from the auction sponsor is a factor that is best discussed openly in advance of auction donation commitments.
    - d Ask yourself or the gallery, “Who is making the donation to the auction?”
      - Is it the artist, the gallery, or both? This is a small, but significant difference implying ownership of the work.
      - If the artist is making the donation, then work in the auction should be labeled with the phrase “Represented By...”.
      - If the gallery is making the donation, “Courtesy Of...” is an accurate alternative.
  - 2 If the gallery is planning to donate work to a fundraising auction**, and the work is on consignment in the gallery, artists should ask to be consulted, in advance of auction commitments.
    - a Work on consignment is the property of the artist. Any decision about having your work in a fundraising auction is still your decision.
    - b The artist may have a policy or an opinion, positive or negative, regarding specific auctions or auctions in general.
    - c When consigned work is donated to an auction by the gallery, the full wholesale price is still owed to the artist (unless an alternative is agreed to in advance).
    - d If the gallery is making the donation, (i.e. paying the artist the full wholesale price that would have been received for a regular purchase), then a label with “Courtesy Of...” is an appropriate designation along with the artist’s name.
  - 3 Consider an alternative to fund raising auctions with your gallery.** Perhaps a more equitable and sustainable alternative to fund raising auctions would more directly involve the galleries.

- a Participating galleries would display specific art works, designated by special tags, etc. whose purchase price—full retail—would be partially donated to the sponsoring organization.
- b The buyer is purchasing quality work of their choosing, a percentage of the sale benefits a worthy organization and the retail value and, ultimately, the gallery system are supported.
- c The artist receives financial recompense for materials and labor and the gallery benefits by attracting new visitors and being able to publicize their participation in a fund raising effort.
- d Everyone receives the intangible benefit of supporting a good cause and the weight of donation is not put unfairly on one person.
- e This could evolve into an annual event featuring multiple galleries.
- f Details concerning which artist would participate, if they need be part of the galleries' "stable" of artists, jurying and publicity would need to be carefully considered.

**F Once you decide to donate work to an auction, think about how to make your donation into a marketing opportunity.** This may seem like a contradiction of previous comments, but after you have decided to donate to an auction, then you should try to give your donation more visibility. Make your donation a more positive experience.

## **VI QUESTIONS TO ASK BEFORE DONATING TO FUNDRAISING AUCTIONS**

### **A Questions to ask *yourself* about auctions before donating work**

- 1 **Why are you donating your work?** (See sections *II. Myths about Auctions*, and *IV. Recommendations from the Professional Guidelines Committee*)
- 2 **Do you want to support this organization?** If so, then how?
  - a By donating work?
  - b By making a financial contribution?
  - c By donating your time?
- 3 **Have you considered making a different contribution instead?** Is there some other contribution that would benefit the auction sponsor more? Donate your time, volunteer, teach, or give money. Your generosity will be remembered
- 4 **Is this the right audience for the work you will be donating?**
  - a Will attendees of the auction be knowledgeable about your work?
  - b Are they familiar with the materials, technique, content or the artist's reputation?
  - c How will you benefit from donating work to this auction?
- 5 **Have you considered saying "no", politely, that you cannot donate.** If you are already making a donation to another worthy effort or community cause, mention this fact.

### **B Questions to ask *yourself* about auctions before donating work**

- 1 **Who is sponsoring the auction?**
- 2 **Has this organization held auctions before?** If yes, for how many years?
- 3 **Where will the auction be held?**
- 4 **Will the artist be given a percent of the selling price, a flat fee or wholesale value for the work donated?**
- 5 **What percentage of items donated sell for more than the reserve price, and what percentage of items reach full retail price?**

- 6 Is there a price range for the work that sells best?**
- 7 How many pieces overall will be auctioned?**
- 8 Who will be invited to attend the auction events?**
  - a How many attendees are expected?
  - b Members only?
  - c General public?
- 9 What does it cost for guests to attend the auction event?**
- 10 Will the artist receive two complimentary tickets for the auction (for their donation)?**  
Or a complimentary membership to your organization, if appropriate?
- 11 Is the work insured during the auction?** If not, will the auction sponsor take responsibility for damage or theft?
- 12 Will the auction sponsor give you the name and complete address of the person who has purchased your donation?** The auction should furnish to the artist the name, complete address, (not just the city) and telephone number of the client / collector who purchases the Artwork. If a piece appears on the secondary market (donated by a collector, etc.) the sponsoring organization should also make a good effort to provide the artist with this information. Keeping good records for one-of-a-kind artwork can be very important for the artist. Curators or museums working on exhibitions or retrospectives may want to borrow work from a gallery or work owned by collectors. Such exhibitions become part of the work's provenance and may increase the value of the artwork. Thus, artists should keep accurate records for the location of their work.
- 13 If an artist's work does not sell will it be returned to the donor or artist?**
  - a This is very important to find out ahead of time.
  - b Generally, is not acceptable to sell donated work for an auction fundraiser in the gift shop (if there is one) unless the artist agrees to this arrangement.
- 14 Who will pay for shipping (including insurance) to the auction or return shipping (including insurance) for work that has not met the minimum bid/ reserve price?**
- 15 Will an appraisal be necessary?** If a collector is donating an artist's work, there are tax consequences that may require an appraisal (from a gallery or professional in the field) at the time of donation and advice from an accountant. (Read page 230 in the *Legal Guide for the Visual Artist* by Tad Crawford for a brief description; see the Professional Guidelines document *Resources for Legal and Professional Advice* for where to get this book.)
- 16 Ask the auction organizers if they have a contract for donating work for the fundraising auction and READ IT!**
- 17 Questions Concerning Display and Promotion**
  - a How is the auction advertised?
  - b Will there be a catalog? If so, then what needs to be done to have my work in the catalog?
  - c How will the work be displayed?
    - Will the exhibition be professionally displayed or hung?
  - d Will there be labels with information about the artist?
  - e Will there be labels with each item donated indicating:
    - Donor
    - Artist
    - Title of work donated
    - Description and/or materials
    - Date of work
    - Provenance of work

- Gallery representation (if appropriate) “Represented by \_\_\_\_\_” or “Courtesy of \_\_\_\_\_ Gallery”.
  - f Will the work be on display for a length of time prior to the actual auction?
  - g Will there be a preview party of the auction items?
  - h Will there be an on-line Internet exhibition or on-line pre-auction catalog of the items donated for the auction?
  - i Will ALL auction attendees be able to view the work or will work be displayed in a more limited location?
- 18 Questions about Bidding for Live and Silent Auctions**
- a **How will the bidding be handled?** Will your work be in a live auction or a silent auction? There is a real difference between a live and silent auction in how the work in each is perceived by the auction attendees, the bids ultimately generated and the prestige the artist enjoys.
  - b **If there is a live auction:**
    - **Is this a professional auctioneer or entertainer accustomed to public speaking?** Who will be informing the auctioneer about the work prior to the live auction?
  - c **How long will bidding be open?**
    - One month, two weeks, two hours?
  - d **Will everyone be able to bid on the ALL work,** or will just the people nearby? For example, perhaps only the people at a particular dinner table will be able to bid on the centerpiece and not the 100 other patrons at the dinner.
  - e **Will there be a minimum bid?** (See section IV. *Recommendations from the Professional Guidelines Committee* for our suggestions.)
  - f **Will bidding be accepted on line or by phone?**

## VII DONATING WORK TO FUNDRAISING AUCTIONS

### A Maximize the impact of Your Auction Participation

- 1 **Donate a good example of your work.** A professional should always try to make a good impression. Do not donate work that is old, shop worn, dated, seconds, or that does not represent your basic standards for quality work.
- 2 **Ask the auction organizers to establish a reserve price.** The Professional Guidelines recommend that the reserve price be 80% of the normal retail price. (See section IV. A. *Recommendations from the Professional Guidelines Committee: Set a Reserve Price.*)  
As an alternative to setting a reserve price, it is recommended that a “minimum bid” be established, at 40% of retail. This is a less satisfactory solution because it doesn’t assure that the price for the piece will reach the 80% benchmark as a minimum final bid. Extremely low prices should be discouraged. They affect the retail market for artists, galleries, stores, and many other venues such as craft shows.
- 3 **State a realistic value for your work.** Do not inflate the price to get more compensation.
- 4 **Think about how to make your donation a hit so that everyone covets your work.** If your work is the perfect fit for the next upcoming holiday, or if it is eye-catching, it may be chosen as a featured item of the live auction finale rather than sitting forlorn on a table. Give work that might be thematic to the time of year. For example, if the auction is in the beginning of February, anything with a heart or in red will sell better than other items. Consider how your work will be displayed. Consider providing a

display stand or other display prop to help enhance the display of the piece you are donating. Remember that auctions are rarely professionally hung or displayed. If you can think of a way to display your work more effectively, requiring no work from the auction staff, it helps your work tremendously.

**5 Prepare appropriate materials to submit with your donation. .**

- a An accurate description of your work.** Include the artist's name, title of donated work, date of work, complete description of materials and gallery representation, if appropriate. Be clear that the price stated for the donated piece is retail, so there will be no confusion. Do this even if the auction sponsor did not ask for it. Also include information, if appropriate, about prominent museum or private collections that hold your work, in addition to exhibitions or publications featuring your work. Try to make this into an opportunity for publicity and marketing.
- b Photographic images.**
- Send digital images of the donated piece, send these 2 to 3 months (or more) in advance of the auction, if possible. They may use these images of your work for publicity such as newsletter or auction announcements.
  - Send print quality 300 dpi (4" x 6" or larger) for print media.
  - Send web quality images 72dpi (1000 x 1000px).
  - Refer to the Professional Guidelines documents ***Guide to Professional Quality Images*** and ***Working with Digital Images Effectively*** for additional information.
- c A short artist statement with your work.** Be honest and write clearly and concisely: your objective here is not to dazzle the reader but to enhance the work donated. Do this even if the auction sponsor did not ask for it. If appropriate (you may want to consult the auctioning organization), mount the statement on some type of stand or matt board so it can be displayed at the auction with your donated piece. You may also send it as a digital file that they can print on their own paper so that all statements appear consistent.
- d A one-page resume or bio detailing your career highlights.**
- Do this even if the auction sponsor did not ask for it.

## VIII AFTER THE AUCTION

- A Keep accurate records of the donation for tax purposes.** Be sure to get a receipt for your donation from the organization to which you made your donation. Again remember, charitable contributions are only allowed for the cost of materials on your Federal tax return. (Several states allow charitable contributions of artwork on the basis of the piece's fair market value. Be sure to check your local codes.)
- 1 How are receipts given?**
  - 2 Are they given when the work is taken in?**
  - 3 Are they given after the work is sold?**
  - 4 What is the deduction based on?**
- B Retrieve and record the information pertaining to the person who bought your work.** Add them to your mailing list.
- C Re-inventory returned (unsold) artwork.** Note the condition of the returned piece and reassign it to a gallery or sales venue.

- D Do not feel insulted if your work does not sell for the minimum bid, the reserve price or at its regular retail price.**

## **IX ARTIST CHECKLIST**

**A Why are you donating work?**

- 1 Have you spoken to the galleries or stores that sell your work in the area?**
- 2 Do you want to support this organization?**
- 3 How will this organization benefit from your donation?**
- 4 Is this the right audience for the work you will be donating?**

**B Have you considered a different contribution instead?**

**C Have you considered saying “no” politely, that you cannot donate? A sample written response to a request for donated art work is included below.**

**D How will you benefit from donating work to this auction?**

**E Are you prepared to make your donation most effective?**

- 1 Before the auction** be prepared to send with your piece:
  - a** An accurate description of your work
  - b** Photographic images.
  - c** A short artist statement with your work.
  - d** A one-page resume (or bio) detailing your career highlights.
- 2 After the auction** be prepared to send with your piece:
  - a** Keep accurate records of the donation for tax purposes.
  - b** Retrieve and record the information pertaining to the person who bought your work.
  - c** Add them to your mailing list.
  - d** Re-inventory returned (unsold) artwork, if necessary.

## **X SAMPLE WRITTEN RESPONSE *to a request for donated artwork***

A Sample Letter Written Response To A Request For Donated Art Work:

Date

[Contact name]  
[Auction organization]  
Street Address  
City, State, Zip

Dear (Contact Name);

Thank you for your interest in my work and for inviting me to be part of your upcoming auction to support [Auction organization].

I am frequently asked to donate artwork to fundraising auctions. Most auctions serve worthwhile causes, but I make my living from my artwork and I simply cannot afford to donate it. In addition, auctions that do not set a reserve price near the retail value of my work, can adversely affect the retail value of my work in other galleries and exhibitions.

[STOP here if you are not donating work.]

[CONTINUE, if you might donate, such as the following example.]

I am willing to donate a piece of original artwork to your auction if you will set a reserve price of 80% of the retail price and pay the artist 40% of the retail price. (This is the percent recommended by the Professional Guidelines for artists donating work to fundraising auctions. For further information go to:

<http://www.snagmetalsmith.org/infocentral/professionalguidelines.asp>)

For example, if my piece is donated and it has a retail price of \$400, then the minimum reserve price would be \$320. Upon sale of the piece at the auction, I will receive \$160 (in contrast to the usual wholesale price of \$200). Whatever the piece earns at the auction above that \$160 goes entirely to your organization. If my piece does not reach the reserve price at the auction, it will be returned to me at your organization's expense.

If you are not able to accommodate this request for a reserve price and payment to me (the artist) at the reduced wholesale price, then I will not be able to donate to your auction this time. Please call at [area code and number] or e-mail me at \_\_\_\_\_ if you have any questions.

Sincerely,

Artist Name

Street Address

City, State, Zip

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