

## **SUGGESTED GUIDELINES FOR ART AUCTIONS & ARTIST DONATIONS**

Maintaining Institutional Credibility with the Arts Community  
Z-ARTS! AUGUST 2011

This document has been produced because of the proliferation of art auctions scheduled by nonprofit organizations as a means of generating funding support. Z-Arts! has developed suggested art auction guidelines which can protect contributing artists and benefit the art auction sponsor. These suggested guidelines will help the value of the artists work by setting appropriate pricing and in the number of auctions that artists participate.

A Resolution for adopting these Guidelines as official policy was enacted by the Z-Arts! board in August 2011.

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### **Guidelines for Institutions**

- 1) **Is your organization a 501 c3 non-profit institution?**  
Organizers should supply a copy of their IRS 501(c)3 tax exempt letter to the donating artist. *This is for tax issues for both artist and buyer.*
- 2) **Establish a minimum bid that is approved by the artist** by setting the minimum bid at the retail price, the artist and their galleries are respected.

It is becoming customary to offer 60/40 split with the artist (or other equitable percentage agreeable to artist and organization - a suggested minimum of 50% of the sale should go to the artist. It is regarded that requests for donations greater than 50% is an abuse to the artist and an unfair business practice. The organization needs to provide the artist with a tax receipt for the donation. Please understand artists are NOT allowed tax deductions for the value of their donations. Artists are only permitted to deduct the cost of materials.

- 3) The Auction organizers should provide the following information to the artist prior to acceptance of artwork:
  - a) Contact
  - b) Name:
  - c) Contact Phone:
  - d) Contact Email:

e) Organization:

f) Description of Event:

Event Name:

Event Date:

Location:

How many people will be attending?

Who will be attending the event?

What other items are being donated?

g) Will the artist's name/item be promoted?

- 4) **Invite the artists to attend your event.** This allows the highest degree of exposure for the artists.
- 5) **Thank the artists after the event.** Supply in writing (by email or letter) the total amount raised by the event, auction sale price of the artists piece and the purchasers name & address.
- 6) It should be understood that artwork that does not sell at the auction should be returned to the artist, unless specific agreements are in place. The artist may determine to donate the piece outright to the organization following the auction, but those arrangements should be separate from the auction agreement.
- 7) **A written signed agreement or receipt** between the host and the artist noting the value at which the piece will be insured in case of theft or damage. This agreement should include the topics above.

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### **Donating Artwork Guidelines for Artists**

- 1) **Is the organization hosting the auction a bona-fide 501(c)3 non-profit institution?**  
Organizers should supply you a copy of their IRS 501(c)3 tax exempt letter.  
*This is for tax issues for both artist and buyer.*
- 2) **Artist should set the minimum bid for the artwork.** A suggested minimum of 50% of the sale price should be paid to the artist. This allows the artist to determine if he/she will make a complete donation or a partial donation. You should be provided with a tax receipt for the donation. But please understand that as an artist you cannot take tax deductions for the value of your donations.  
Artists are only permitted to deduct the cost of materials. If you, the artist would like to donate - give cash. Come tax time you can deduct the full price of the donation.

- 3) **The Artist should provide the following information** to the organization at the delivery of artwork:
  - a) Contact Name:
  - b) Contact Phone:
  - c) Contact Email:
  - d) Art Title
  - e) Medium
  - f) The minimum bid price.
  - i) An artist statement
  - j) If appropriate your gallery representative.
- 4) **You should be provided with a ticket/invitation to the event.** This allows the highest degree of exposure for you as the artist.
- 5) After the event you should receive in writing (by email or letter) the total amount raised by the event, auction sale price of your piece and the purchasers name & address.
- 6) **If unsold, your artwork should be returned to you.** If you decide to donate the piece outright to the organization following the auction, those arrangements should be separate from the auction agreement.
- 7) **A written signed agreement or receipt between the host and the artist** noting the value at which the piece will be insured in case of theft or damage. This agreement should include the topics above.