

ARTISTS EQUITY

Fundraising & Art Auction Policy

Policy Overview

Artists are often asked to participate (donate) their work to raise funds for great causes. AE has prepared this outline to help artists to make an informed business decision when a request is made of them, by evaluating the pros and cons of participation.

What is the purpose of this policy?

To establish, maintain and promote a fair partnership between the auction host/fundraiser and artists.

Who is this policy for?

Institutions, businesses, & organizations engaged in fundraising or auctions who utilize artists and their artwork.

Below are recommended guidelines for artists participating in a fundraising effort or auction:

- The artist sets a minimum bid and reserve price for their work. This allows the artist to protect their galleries and clients. If a work were to sell below market/retail, a client or gallery might ask, "Why should I buy/sell at retail?"
- The price on the artwork should be at retail or higher. Any markdown or "discount" of the retail price is deducted from the fundraiser's percentage.
- A minimum of 50-90% of the sale should go to the artist. Artists Equity regards requests for donations greater than 10%-50% as an abuse to the artist and an unfair business practice.
- A qualified auctioneer should be hired to insure the best results. The auctioneer should be supplied sufficient background on the artist and the art work to get the best results.
- The work should be displayed and lit to its best advantage.
- The work should be insured and protected from theft or damage.
- An agreement between the host and the artist covering the topics above should be in writing, including insurance in case of theft or damage.

Below is a check list for Artists considering auction as an outlet for their work.

Evaluate the opportunity as it relates to your goals as an artist. Here are some guidelines to facilitate your decision-making:

- How will participation affect my gallery, agent, collectors, and existing market?
- Is the audience one who will be willing to pay market value or above market to support the charity or cause?
- Will you cover my expenses and not undercut my work?
- Will there be a skilled auctioneer?
- Will the auctioneer present my work in an informed manner?
- Will my work be displayed to its best advantage?
- Will a published artists statement or catalogue be available to the audience? A published catalog or artist's statement can communicate value and quality. Consider supplying your own if one is not available.
- What costs of time and resources will I incur?
Can you afford the time and costs associated with participation in the event?
- What is the level of the other artwork to be included in the auction? *Poor quality artwork may affect the perception of your work.*

Artists Equity is a non-profit organization whose purpose is to promote the interests of professional fine artists. For more information or to become a member visit the web site <http://www.artistsequity.org> or send a #10 SASE to Artists Equity, c/o Jay Macrone, 107 Banburry Way, Wayne PA 19087.

Submitted to membership by Karen Kappe Nugent
May 20, 2007, Philadelphia/Tri State Artists
Equity Association, Inc.



PHILADELPHIA/TRI STATE
ARTISTS EQUITY
ASSOCIATION, INC.

Did You Know?

Organizations are asking collectors to donate artwork instead of artists. They, after all, are able to take a full deduction in the U.S., whereas artists are only allowed to deduct the costs of materials.

(Artists who donate their own work, for either sale or exhibition, may deduct only the cost of materials.)

Benefit sales are usually conducted in three ways. There is the raffle, for which collectors buy a fixed-price ticket and choose an artwork as their names are called.

There is the silent auction, with bidding sheets posted beside each work.

(Collectors may battle viciously over pencils as the final bell tolls.) And then there is the live auction, when a few high-value artworks are sold by a celebrity auctioneer, usually over dinner, thus providing, as Ms. Sullivan laughingly put it, "your entertainment component."

More often, though, especially in the silent auctions and raffles, a lot of the art goes for well below market value.

To combat this, some dealers and artists attach resale riders to the work. "I understand when people need to sell something again," the dealer Friedrich Petzel said. "But if the work is being sold for \$5,000, and then resold for \$20,000, the profit should be split between the artist and the charity we were trying to support in the first place." Mr. Petzel's rider lasts for three years, but others stipulate that the artist or gallery has first refusal rights whenever the work next changes hands.

(If a work is donated to an arts organization to be sold, collectors can take a tax deduction equal to the price they paid for it.)