

VALUING MUSEUM COLLECTIONS

Seeing through the hype and understanding the importance of a professional appraisal.

While curatorial and registrar staff are careful not to report the value of works in their care, the topic is of great interest to the general public especially in high-profile stories relating to damaged or stolen pieces. Sensationalized newspaper headlines quickly and often inaccurately focus upon the value of works in museum collections as was the case in two recent occurrences.

Example 1: After the destruction of a Han Dynasty-era vase painted by Ai Weiwei, most news headlines proclaimed a valuation of one million dollars based upon speculative hearsay.¹

Example 2: Articles about the Pierre-Auguste Renoir recovered for the Baltimore Museum of Art reported drastically different values for the painting, with an auction estimate of \$75,000 and an FBI appraisal at \$22,000.²

News reporters and the general public have not been educated to understand the difference among market levels, auction estimates, realized auction sales and a professional appraisal, but the difference can be very important for museum professionals. Two areas in which the difference can be critical relate to insuring museum collections and to the deaccessioning of objects.

Insuring Museum Collections

As reported in The Art Newspaper in 2009, Daniel Smith, director at Aon Artscope & Specie, says the valuation of contemporary art is a major challenge. *“If a piece does get damaged and it’s insured for \$5 million and that valuation was done a year ago, it’s probably not worth that now.”* To avoid potential disagreements, insurers monitor the market closely and aim to revise policies to reflect the new economic realities. *“You can’t revisit a policy every five minutes,”* says Smith, but *“we would want to do it every six months depending on the size of the collection, especially for contemporary art.”*³

“A museum’s collections management policy should establish procedures for determining when appraisals will be required and the preferred method for hiring appraisers.”

—as seen in *Museum News*



Photo credit: EuroNews

¹ Mauk, Ben (2014), New Yorker. The Case of the Million-Dollar Broken Vase. Retrieved from <http://www.newyorker.com/online/blogs/currentcy/2014/02/the-case-of-the-million-dollar-broken-vase.html>.

² Barakat, Matthew (2014), Huffington Post. Retrieved from http://www.huffingtonpost.com/2014/01/13/renoir-painting-museum_n_4589122.html.

³ Ruiz, Cristina (2009), The Art Newspaper. Art Insurers on High Alert for Fraudulent Claims. Retrieved from <http://www.theartnewspaper.com/articles/Art-insurers-on-high-alert-for-fraudulent-claims/18707>.



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Not all museums have collections whose values change that rapidly, but even for museums of contemporary art an appraisal every six months is surely impractical and unaffordable. How often should a collection be appraised is a question to which there is no standard correct answer.

Deaccessioning of Objects

In “Object of Appraisal: Legal &.Ethical Issues” an article published in Museum News,⁴ authors Ildiko P. DeAngelis and Lela Hersh refer to A Deaccession Reader by S.E. Weil. They note: “Museums that decide to sell their deaccessioned objects often prefer to do so through a public auction

rather than a private sale to avoid accusations of favoritism or inept bargaining. However, in some cases private dealers may bring the highest price. An appraisal conducted ahead of time will help ensure that any private sale accurately reflects the current market value.”⁵

Recommendations

What should museum professionals do? Authors DeAngelis and Hersh recommend that museums formulate appraisal policies and procedures as part of their collections management strategy. “A museum’s collections management policy should establish procedures for determining when appraisals will be required and the preferred method for hiring appraisers.” The authors suggest that the Collections Management Policy “...should specify that, when possible, museums should deal with accredited members of appraisal associations and that the national Uniform Standards of Professional Appraisal Practice (USPAP) be followed.”⁶

How can ASA help? While the press will continue to report inaccurate or sensational values in news stories, museum professionals can quietly protect their collections by including appraisal guidelines in sections of their Collection Management Policy related to insurance coverage and deaccession. To assist with developing these guidelines, accredited members of the American Society of Appraisers are available to give presentations to museum committees or telephone consultations about current accepted standards of the appraisal profession. Locating an ASA designated appraiser is easy. Simply visit www.FindAnAppraiser.org or call toll free (800) ASA-VALU (272-8258). The website’s “Find An Appraiser” program provides quick and easy search options like location, discipline, specialty, industry, etc. to help pinpoint the right expert for your needs. If additional help is required, the Society’s operators are also able to assist with your search efforts. ■

⁴ DeAngelis, Ildiko P. and Hersh, Lela (2001). Museum News. Object of Appraisal: Legal &. Ethical Issues.

⁵ Weil, S. E. (1997). American Association of Museums. A Deaccession Reader.

⁶ Ibid.

