

KBFUS ART!

HELPING YOU CREATE
A LEGACY AT AN
ART INSTITUTION OVERSEAS

An initiative of



KING BAUDOUIN
FOUNDATION
UNITED STATES

The King Baudouin Foundation United States (KBFUS) facilitates thoughtful, effective giving to Europe and Africa. Through KBFUS ART!, KBFUS accepts donations of artworks to be displayed in European or African museums and other cultural institutions. Because KBFUS is a public charity, within the meaning of Sections 501(c)(3) and 509(a)(1) of the IRC, donors may claim the maximum tax benefits allowed by U.S. tax law for their contributions.

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The Opportunities for Gifts of Art

Donating art is a philanthropic tradition dating back centuries. And today, the passion among donors for passing on their much-loved artworks is as intense as ever. Gifts to cultural organizations preserve precious cultural assets for future generations and help donors create a legacy by allowing paintings, sculptures, and other art objects to be viewed by a far broader audience than if they were under private ownership.

However, while traditionally philanthropists have wanted to place their art gifts near to home, what does that mean today? **In an increasingly mobile world, individuals may live in one place but have strong connections elsewhere. And these connections inspire gifts.** You might live in California but want to help build a museum's collection in Paris, where you have a residence. Or per-

haps you are an American who cherishes his family's South African roots and still calls that country 'home' - a home with which you would like to re-connect through art. And what if you spent the past 30 years acquiring precious Greek artifacts, and feel that it is now time for your valuable collection to return to Athens or Heraklion?

Today, the opportunities for making such gifts are expanding. **Cultural institutions around the world are looking for acquisitions that can enhance their collections.** And as national budgets tighten, putting pressure on funding for culture and the arts, institutions that could once rely on government support find this diminishing. **Gifts from private individuals can do much to fill this gap, enriching the cultural life of citizens from Barcelona to Budapest, and from Cairo to Cape Town.**



Unknown Cantonese artist

Portrait of Catharina van Braam Houckgeest and daughter, reverse painting on glass, ca. 1795

Gift from Margaret G.A. Elliott to the King Baudouin Foundation United States (KBFUS),
On loan and later gifted to the Rijksmuseum (Amsterdam, Netherlands)

The Challenges of Creating a Legacy at an Art Institution Overseas

Charitable contributions of art can be highly rewarding, even a matter of great personal satisfaction. However, such contributions can also pose unique challenges. Careful thought is thus required when considering a donation.

If you are considering creating a legacy at an art institution overseas, the immediate question is over the choice of the museum, gallery, or other institution.

Should you approach a large, international organization such as London's National Gallery, the Rijksmuseum in Amsterdam, or the Prado in Madrid? Depending on the nature of the artwork, this might be appropriate. In other cases, it might be better to find a regional or more specialized institution for which the work would represent a major addition, and where it might be displayed more prominently. Identifying the right home can

be difficult when you are living thousands of miles away.

Many other questions can arise: How do I make sure that my gift is properly displayed, used in temporary exhibitions, or available for research? In case of a collection, will it be possible to keep it together? Is there a risk that my artwork will end up in the museum's storage? How will my gift be acknowledged? And who will make sure that my instructions are properly followed after my death?

KBFUS can help you answer the questions and navigate the complexities involved in donating art overseas. Before you donate an artwork to KBFUS ART!, we will invite you to tell us your goals and aspirations in making the donation. And after your donation to KBFUS ART!, we will make sure that your work is preserved for the enjoyment of future generations, in the best possible environment.



Jo Delahaut

Untitled, oil on canvas, 1963

Thomas Neiryck Collection - Gift from Thomas Neiryck to the King Baudouin Foundation,
On loan to Beaux-Arts Mons (Mons, Belgium)

Donating Artworks through KBFUS ART!

KBFUS receives artworks and collections from U.S.-based donors and places these in museums and other cultural institutions all across Europe and Africa. We can work with an institution that you have a close affinity with, or identify an appropriate location in the country of your choice. We navigate the cultural, legal and tax complexities involved in donating art overseas.

Scheduling a preliminary discussion

Before you donate an artwork to KBFUS ART!, we will schedule a call or meeting to discuss the specifics of your potential gift: a description of the artwork or collection, an estimated value, a suggestion for a host museum or location overseas (if any). We will invite you to tell us more about your long term goals and aspirations in making the donation, such as donor recognition and wishes relating to display or availability.

Approval of the gift by the Advisory Committee of KBFUS ART!

Detailed information on the intended gift will be reviewed by the Advisory Committee of KBFUS ART!, which approves all donations of artworks to KBFUS. If you have a suggested museum in mind in which you would like to see your artwork displayed, the Advisory Committee will consider your suggestion. On the other hand, if you do not have a recommendation, the Advisory Committee can help KBFUS to identify an appropriate institution in a country or region suggested by you.

Formalizing your gift to KBFUS

Upon approval of the Advisory Committee, your gift to KBFUS will be formalized through a gift agreement. The agreement will confirm that KBFUS will use your contribution in a way that is related to its mis-

theo,
Dank voor je brief,
het deed mij genoeven dat je
weer goed d'ang gekomen zijt.
Ik heb je de eerste dagen ge-
mist & het was mij vreemd
je niet te vinden. als ik omid-
dags thuis kwam.

Wij hebben prettige dagen sa-
men gehad, en tuschen de
druppeltjes door doch nog al
eens gewandeld & het een en
ander gezien.

Wat vreeselijk weer, je zult
het wel benauwd hebben
op de wandelingen naar
de wijke. Eischen is het hard.
draverij geweest ter gelegenheid van
de tentoonstelling, maar de illumina-
tie & het vuurwerk zijn uit-
gesteld, om het slechte weer, het
is dus maar goed dat je niet
gebleven zijt om die te zien. Groeten
van de familie Hoanebeek & Roos.
Steeds je lief. Vincent

Translations into English of letters by and to Vincent Van Gogh

Gift from Steven Naifeh and Gregory White Smith to the King Baudouin Foundation United States (KBFUS),
On loan to the Van Gogh Museum (Amsterdam, Netherlands)

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sion and in furtherance of its tax-exempt purposes. Please note that all donations of artworks to KBFUS are subject to a \$2,500 handling fee to help us cover the operational expenses of KBFUS ART!

Signing of a long-term loan agreement with a cultural institution overseas

KBFUS will sign a long-term loan agreement with a European or African cultural institution stipulating its responsibility to protect the artwork from potentially damaging conditions, and to display the artwork, make it available for research or include it in temporary exhibitions.

The agreement will include additional clauses as warranted by the specific circumstances of the gift, such as donor recognition, and will clarify whether the expenses for shipping, insurance and handling will be paid by the donor or by the institution. Please note that KBFUS will not pay for such expenses.

Recommending the transfer of the donated artwork to a foreign art institution

When requested at the time of the donation, KBFUS will allow a donor the privilege of later recommending that the previously

donated artwork be re-donated by KBFUS to a museum or other cultural institution in Europe or Africa. KBFUS will give serious consideration to such donor recommendations. If KBFUS determines that its further donation of the artwork would best advance KBFUS' exempt purposes, the donation will most likely be made.

In such a case, KBFUS will charge a management fee to help us cover the operational expenses of KBFUS ART!. The management fee will be calculated as a percentage of the fair market value of the artwork, as follows: 5% of the first \$100,000 of the value of the artwork; 2% of the next \$300,000; 1% of the next \$300,000; and 0.5% of the value in excess of \$700,000.



Henri Evenepoel

Charles in a Striped Jersey, oil on canvas, 1898

Gift from Anne and André Leysen to the King Baudouin Foundation

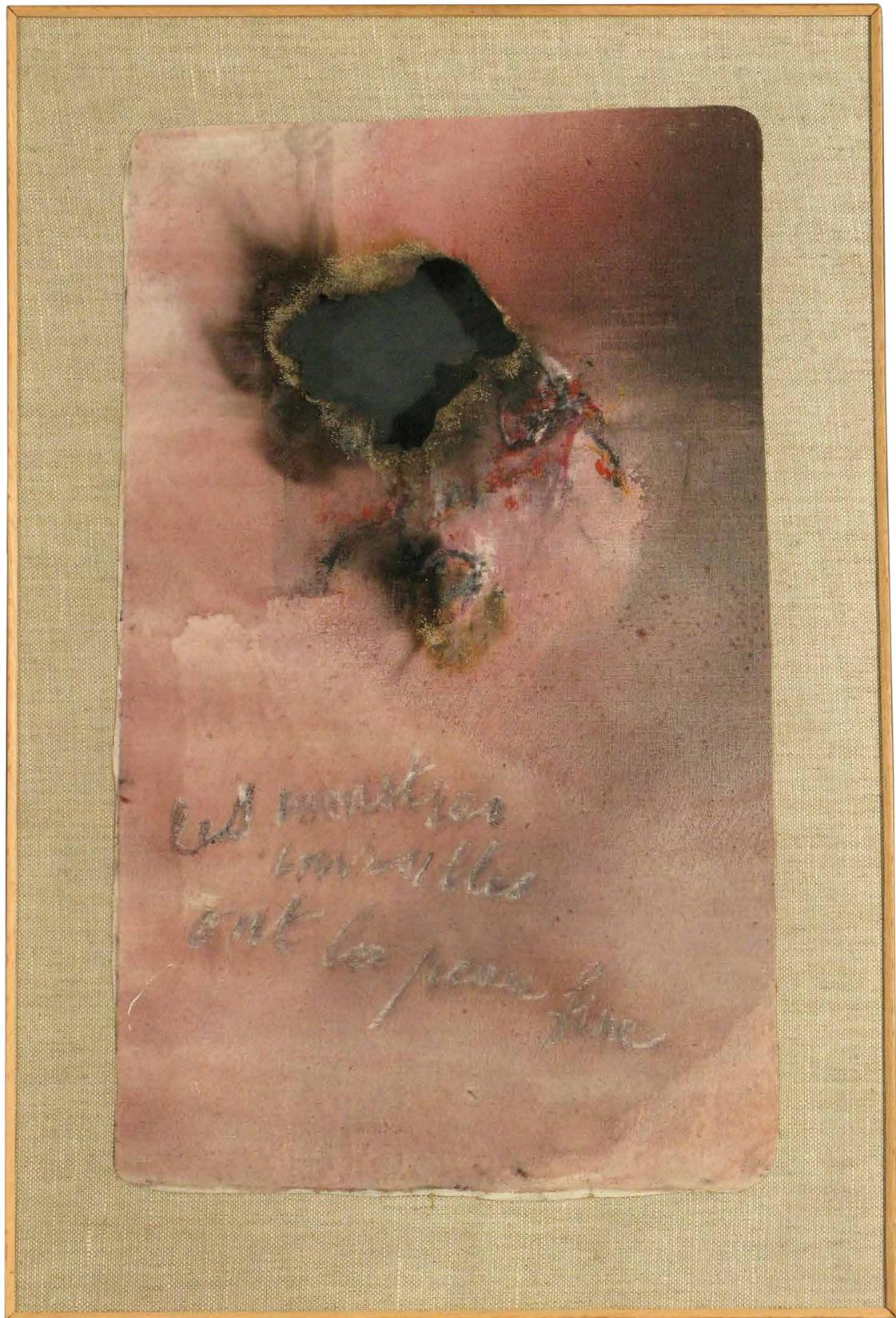
Why KBFUS?

In launching KBFUS ART!, KBFUS is building on more than a decade of work advising American donors who have international interests. Operating as a domestic, Section 501(c)(3) public charity, we have facilitated over \$40 million in grants over the past three years to support a wide variety of causes in Europe and Africa - including several gifts of artworks to museums overseas, such as the Rijksmuseum, the Van Gogh Museum, and the Royal Museums of Fine Arts in Brussels.

In addition, KBFUS has developed a vast and expanding network among cultural organizations across Europe and Africa. Since 2007, over two hundred executives from leading European and African museums, theatres, libraries and universities have participated in our study visit program on the "American fundraising model", organized every year in New York City.

Meanwhile, for more than 25 years, our Belgium-based parent organization, the King Baudouin Foundation, has been enriching that country's rich heritage by acquiring important works of art and historical documents. Today, its collection comprises more than 7,000 works. All are entrusted to well-known institutions across the country. You can find more information on this initiative at www.heritage-kbf.be.

Working with KBFUS, you will gain a knowledgeable and experienced partner. You can rely on us to make sure that the donated artwork will be enjoyed by students, academics and art lovers. KBFUS will identify a museum or other cultural institution to serve as the perfect home for your donated artwork or collection. KBFUS will welcome any suggestion you may have as to a particular organization and will give that suggestion the most serious consideration.



Serge Vandercam and Christian Dotremont

Les monstres invisibles ont la peau fine, oil on canvas, fire, 1959

Gift from Stéphane Janssen to the King Baudouin Foundation United States (KBFUS),
On loan to the Royal Museums of Fine Arts of Belgium (Brussels, Belgium)

Important Tax Considerations

The tax benefits from making gifts of art can be generous, but the tax rules governing such gifts are extremely complex. When planned carefully, donors who contribute artworks to certain U.S. tax exempt organizations during their lifetime avoid paying capital gain taxes and benefit from an immediate income tax deduction for the full fair market value of the donated artworks.

A brief summary of some of the tax rules is provided below. This summary is for informational and educational purposes only and does not provide specific legal advice. While KBFUS will be happy to help you identify legal and tax issues relating to your gift of artwork, the information we provide is not a substitute for competent legal advice and we strongly encourage you to consult with your own legal advisor as to how the described tax rules would apply to your specific circumstances.

Selecting an appropriate beneficiary organization

When making a charitable gift of art, a donor may be eligible to receive an income tax deduction for the contributed item. However, such a charitable deduction is only available for gifts made to nonprofit, charitable or cultural institutions organized in the United States, such as KBFUS. No deduction is allowed for lifetime gifts made directly to institutions formed abroad.

Donating capital gain vs. ordinary income property

If a work of art is held by its owner for more than one year, it is generally considered capital gain property. In such cases, the donor could be able to deduct the full fair market value of the donation. On the other hand, art will be considered ordinary income property if it was (i) created by the donor; (ii)



Théodore I de Rasier

Silver ewer and basin belonging to Peter Paul Rubens, 1635-1636

Gift from Pierre and Colette Bauchau to the King Baudouin Foundation,
On loan to the Rubens House (Antwerp, Belgium)

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received by the donor as a gift from the creator; (iii) held as inventory by an art dealer; or (iv) owned by the donor for one year or less. The tax deduction will then generally be limited to the cost basis - i.e. what the donor paid to acquire or create the artwork.

Meeting the related use rule

If the artwork that is contributed is long-term capital gain property, the donor would qualify for a charitable contribution deduction equal to the fair market value of the artwork but only if the beneficiary charity will use the artwork in a manner that is consistent with its exempt purpose. This "related use rule" is not met if, for example, the recipient charity chooses to sell the artwork to produce funds to pay its operating expenses. If the "related use rule" is not met, the donor's deduction will be limited to the lesser of the fair market value and the donor's cost basis.

Establishing the value of the donated artwork

If a donor intends to claim a deduction of more than \$5,000, the donor must obtain a qualified written appraisal of the artwork. The appraisal must be prepared by a person who has earned an appraisal designation from a recognized professional appraiser organization for demonstrated competency in valuing artworks, can demonstrate verifiable education and experience in valuing artworks, and regularly performs appraisals of artworks for which he or she receives

compensation. Among other things, the written appraisal must: (1) identify the artwork in sufficient detail to assure that the appraised artwork is the artwork to be contributed; (2) describe the physical condition of the artwork; (3) state the date (or expected date) of contribution of the artwork; and (4) state that the appraisal is consistent with the substance and principles of the Uniform Standards of Professional Appraisal Practice, as developed by the Appraisal Standards Board of the Appraisal Foundation or otherwise was conducted in accordance with generally accepted appraisal standards. The appraisal may not be performed more than 60 days before the artwork is contributed. The donor, and only the donor, bears the responsibility for establishing the value of the donated artwork. KBFUS ART! will neither participate in the valuation process nor express agreement with the appraised value.

Claiming an income tax deduction

Charitable contributions of artworks are reported on IRS Form 8283, which would be filed with the donor's tax return. If a donor claims a deduction of more than \$5,000 but less than \$20,000, the donor must complete the appraisal summary on Form 8283. If a donor claims a deduction of \$20,000 or more, the donor must attach a complete copy of the signed, written appraisal to his or her tax return. For donations of artworks appraised at \$50,000 or more, the donor can request a "statement of value" from the IRS before filing his or her tax return.

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The Rijksmuseum received an 18th century glass painting from the collection of Andreas van Braam Houckgeest, a Dutch-American merchant and ambassador to the Chinese emperor. The portrait is a wonderful addition to our Asia galleries. We are grateful to the generous donor for helping us fill a gap in our collections and to KBFUS for making this possible.

- Erik van Ginkel, Director of Finance & Operations at the Rijksmuseum, Amsterdam, Netherlands

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I have known the King Baudouin Foundation United States (KBFUS) for almost ten years. They do excellent work and their network among European museums and cultural institutions is truly impressive.

- Adam D. Weinberg, Director of the Whitney Museum of American Art, New York

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As a lifelong collector of art, I think of myself as a 'temporary owner'. Art should be shared with others. It is my passion and I want others to get as much pleasure from it as I do. I was delighted to donate five paintings by Serge Vandercam to KBFUS. These works can now be admired at the Royal Museums of Fine Arts and at Beaux-Arts Mons in Belgium.

- Stéphane Janssen, Arizona (United States) and Brussels (Belgium)

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For more information on how we can help you create a legacy at an art institution overseas, please contact us at:



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