



# GIVING ARTWORKS TO MUSEUMS OVERSEAS



KING BAUDOUIN  
FOUNDATION  
UNITED STATES

FACILITATING THOUGHTFUL, EFFECTIVE GIVING ACROSS BORDERS.

Donating art is a philanthropic tradition dating back centuries. And today, the passion among donors for passing on beloved artworks and sharing them with broader audiences is as intense as ever. However, while charitable contributions of art can be highly rewarding, they also pose unique challenges, especially when they involve an art institution overseas.

**The King Baudouin Foundation United States (KBFUS) can help you navigate the cultural, legal and tax complexities involved in donating art abroad.**

Through KBFUS ART, we receive artworks from U.S. donors, for the benefit of foreign museums and other cultural institutions. We can work with an institution that you have a close affinity with, or identify an appropriate location in the country of your choice.

KBFUS ART operates under the guidance of our Art Advisory Committee, comprised of leading experts in the field. With their support, we make sure that donated artworks are displayed in the best possible environment, used in temporary exhibitions or made available for research, according to the donor's wishes and instructions.



**Gift from Robert De Niro (2020)**  
**On loan to Musée Fabre, Montpellier, France**  
Robert De Niro Sr., Three Figures after Courbet, 1965

Gift from J. William Middendorf II (2019)  
On loan to Memling Museum, Bruges, Belgium  
Hans Memling, The Wing of a Triptych, between 1460 and 1470

**"I AM DELIGHTED THAT THE PAINTING WILL GO  
BACK TO BRUGES, THE CITY OF ITS MAKING."  
J. WILLIAM MIDDENDORF II**



Gift from Edward T. Wilson (2019)  
On loan to Belvedere, Vienna, Austria  
Eduard Charlemont, Receiving a Letter, 1884



**"VIENNA'S BREATHTAKINGLY BEAUTIFUL  
BELVEDERE MUSEUM IS THE MOST FITTING HOME  
FOR THIS SMALL JEWEL." EDWARD T. WILSON**

# HOW DOES IT WORK?

## REVIEW OF THE ARTWORK

Before accepting a donation of artwork, we will ask you to provide us with detailed information on its provenance and a copy of its appraisal report. We will also discuss your recommendation for a host museum overseas. This information is reviewed by our Art Advisory Committee, which approves all donations of artworks to KBFUS.

## CONTRIBUTION TO KBFUS

Upon approval by our Art Advisory Committee, we will formalize your donation through a gift agreement, which will transfer the artwork's ownership to KBFUS. The gift agreement will confirm that KBFUS will use the donated artwork in a manner that is related to its mission.

## LOAN TO THE HOST MUSEUM

KBFUS will then sign a loan agreement with the host museum. Such agreement will stipulate the institution's responsibility to protect the artwork from potentially damaging conditions, and its commitment to display the artwork, make it available for research, and/or include it in temporary exhibitions. The agreement will also confirm expectations in terms of donor recognition, and clarify whether shipping and insurance expenses are to be covered by the donor or by the institution.

## TRANSFER OF OWNERSHIP

If requested at the time of the donation, KBFUS allows a donor to later recommend that KBFUS consider re-granting a previously donated artwork to a designated cultural institution overseas. While we can not be bound by such recommendation, the transfer will likely be approved if KBFUS determines that such re-granting will best advance its charitable purposes.

**Gift from David Zwirner Inc. (2016)**  
**On loan to Royal Atheneum, Antwerp, Belgium**  
Luc Tuymans, Munich, 2013

OPPOSITE PAGE: **Gift from Jan & Trish de Bont (2017)**  
**On loan and then granted to Rijksmuseum,**  
**Amsterdam, Netherlands**

Ed van der Elsken, 14 original gelatin silver prints, 1947 to 1980

## FEE STRUCTURE

KBFUS charges a management fee for all contributions of artworks, as follows: 5% of the first \$100,000 of its appraisal value; 2% of the next \$400,000; 1% of the next \$500,000; and 0.5% of the appraisal value in excess of \$1,000,000. A minimum fee of \$2,500 applies.



# IMPORTANT TAX CONSIDERATIONS

When planned carefully, donors contributing artworks during their lifetime will benefit from an income tax deduction for their contribution. They may also avoid paying capital gains taxes. A brief summary of the tax rules governing such gifts is provided below. This summary is for informational purposes only. We encourage you to consult your legal advisor to see how these rules apply to your specific circumstances.

## A BENEFICIARY INSTITUTION IN THE U.S.

When making a charitable gift of art, a donor may be eligible to receive an income tax deduction for the contributed item, but solely if the gift is made to a nonprofit institution based in the United States, such as KBFUS. No deduction is allowed for lifetime gifts made directly to institutions abroad.

## A GIFT OF CAPITAL GAIN PROPERTY

If the donor held the artwork for at least one year, it will generally be considered capital gain property and the donor could claim a deduction for its fair market value. On the other hand, if the donor (i) owned the artwork for less than one year, (ii) created the artwork themselves, or (iii) received the artwork from the artist, the deduction will be limited to the cost basis - i.e. what the donor paid to acquire or create the artwork.

## THE RELATED USE RULE

A donor contributing an artwork that is considered capital gain property will qualify for a charitable deduction for the work's fair market value, but solely if the beneficiary organization will use the artwork in a manner related to its exempt purposes. This 'related use rule' is not met if the recipient chooses to sell or otherwise dispose of the artwork within three years of the contribution. In such cases, the deduction will be limited to the lesser of the fair market value and the donor's cost basis.

## A QUALIFIED WRITTEN APPRAISAL

Charitable contributions of artworks are reported on IRS Form 8283. If a donor claims a deduction over \$5,000, they must obtain a qualified written appraisal of the artwork, to be performed no earlier than 60 days before the artwork is contributed. The donor bears full responsibility for the selection of the appraiser, and KBFUS will neither participate in the appraisal process, nor express agreement with the appraisal value. If a donor claims a deduction of \$20,000 or more, they must attach a complete copy of the appraisal report to their tax return. For artworks appraised at \$50,000 or more, the donor can request a 'statement of value' from the IRS before filing their tax return.



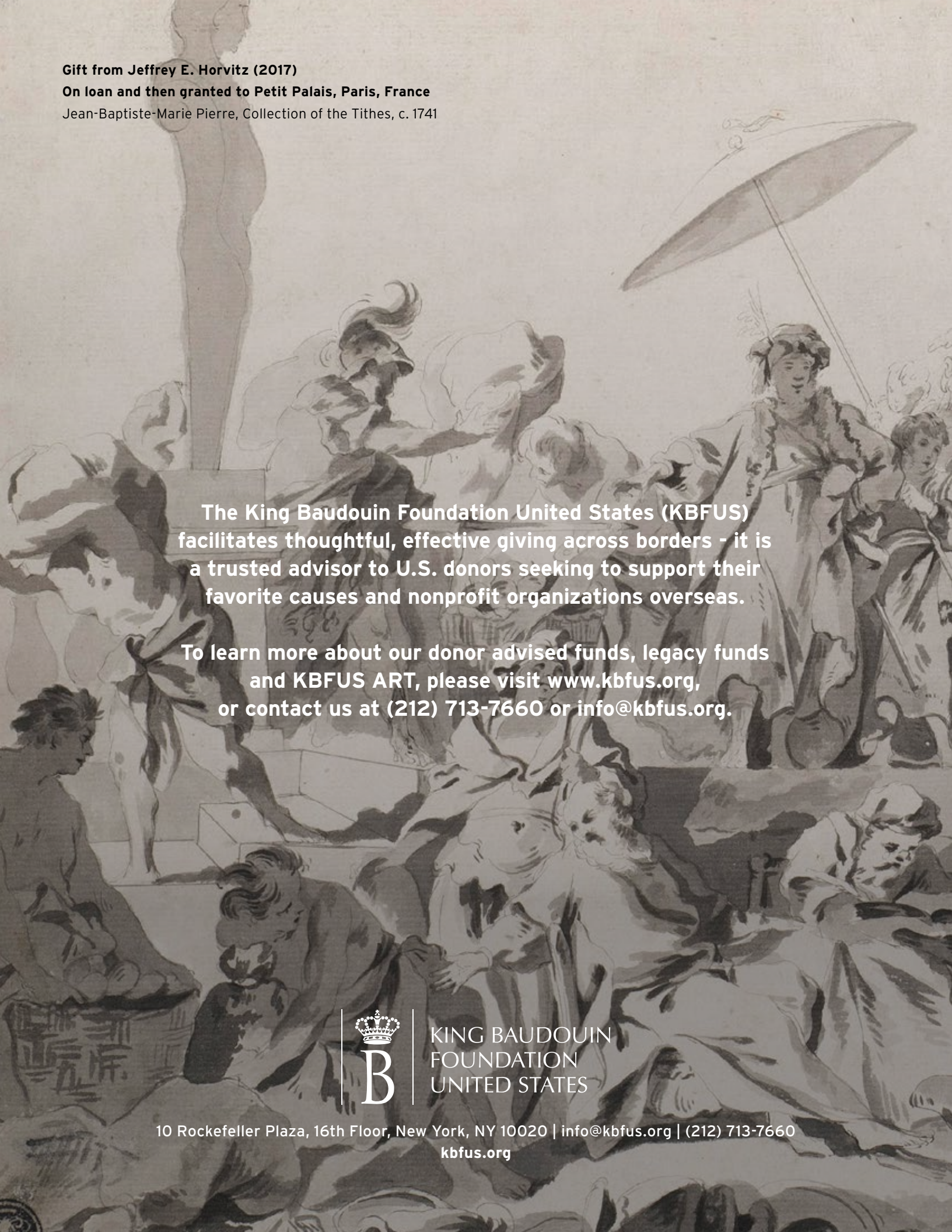
**"IF ANYONE DESERVES TO HAVE VAN DER ELSKEN'S WORKS, IT IS THE RIJKSMUSEUM IN AMSTERDAM."**

**JAN & TRISH DE BONT**

Gift from Jeffrey E. Horvitz (2017)

On loan and then granted to Petit Palais, Paris, France

Jean-Baptiste-Marie Pierre, Collection of the Tithes, c. 1741



The King Baudouin Foundation United States (KBFUS) facilitates thoughtful, effective giving across borders - it is a trusted advisor to U.S. donors seeking to support their favorite causes and nonprofit organizations overseas.

To learn more about our donor advised funds, legacy funds and KBFUS ART, please visit [www.kbfus.org](http://www.kbfus.org), or contact us at (212) 713-7660 or [info@kbfus.org](mailto:info@kbfus.org).



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