

Fundraiser Issue (A note to Duluth Art Institute)

by Lee Zimmerman <http://duluthartists.org/zimmerman.html>

Requests for art donations to fundraisers create conflict for local artists. Many artists want to donate to a fundraiser's cause, but if they do so they hurt themselves financially.

i) Little to no tax benefit to artist for donation - Visual artists cannot deduct the retail price of their work from their taxes. They can only deduct the cost of materials. This means that to the IRS, a handmade Raku pot is worth only the cost of the clay it took to make it.

ii) Tendency to suppress prices and saturate the local area with the artists work- Most donation request come locally and personally. Often the fundraisers, without meaning to, undersell the artwork which greatly suppresses the price at which the artist can sell their work. The artwork from the fundraiser is often purchased locally. This process saturates the local community, often an artist's best customers, with the artist's work.

iii) Multiple requests per year - In any community there are many competing groups that are doing great work, that fund a portion of that good work through fundraising events. Local Artists are often the recipients of multiple donation requests.

iv) Minimum bid often doesn't cover the cost of framing- Because art is often auctioned together with other kinds of business donations, there is an impression that they are equivalent in value (Tennis shoes = watercolor). This can greatly undervalue the artwork. A participant in an auction may find a "good deal" but in the end devalues all the work created by the artist and in essence devalues their own purchase.

v) Artists can only afford to donate less saleable work - If an artist is receiving no financial benefit from the donation, it only makes sense that they donate less saleable work to the fundraiser. I have seen a working artist, whose paintings regularly sell for more than \$20,000 apiece, donate a lesser work to a fundraiser which sold it at auction for \$5,000 from which he received no financial benefit. He could not afford to donate a better painting.

Suggested Solution:

- 1) The minimum bid would be paid to the artist – minimum set at 30-50% retail cost.
- 2) If the artwork did not reach that minimum bid, it would be returned to the artist.
- 3) Make it easy for the artist to donate the money they earn from their work, back to the

fundraiser.

How This Might Work for **Duluth Art Institute** **Art Donation Program**

This is an example Artist/Event contract <http://duluthartists.org/ARTcontract1.html> - notice that this is a contract strictly between the artist and the fundraiser. The DAI would not have to be mentioned at all in this document.

This is an example of a Certified Event Contract for the DAI <http://duluthartists.org/dulcontract1.html> - This contract simply says that the fundraiser will use the artist/event contract (outlined above) when dealing with artists. It does not preclude them from setting up different types of contracts with individuals. It says that the DAI will provide them with a list of artists who might donate under the provisions of the artist/event contract and that the DAI will add them to their list of Fundraisers who support artists. The Fundraiser would be able to use the (not created yet "this group supports artist - Duluth Art Institute) logo on their advertising. This would act as a "good housekeeping seal of approval" for the fundraiser and raise the visibility of the DAI in communities all over the region.

This does not require the DAI to audit the fundraising organization, approve the donating artist or artwork, or broker anything beyond an agreement for the fundraiser to use the Artist/Event contract.

Ideas for Implementation of the **Art Donation Program** for the **Duluth Art Institute**

I believe the **Art Donation Program** could be implemented at minimal cost and minimal energy by the **DAI**. The core of the **Art Donation Program** is to bring a focus on the economic value of art - a subject central to the DAI's mission. This program can also act as a wedge that can be used to connect the DAI to a new community's artists and art supporters.

1) Design a logo, something that clearly states the DAI's name and this fundraiser

strongly supports artists. This will be used like “the good housekeeping seal of approval”. This could be done as a contest to generate interest in the **Art Donation Program**.

2) Initially Contact artists that have been involved with DAI’s program in the past. Send them a note explaining the **Art Donation Program** and asking if they would like to be included on your list of artists willing to donate artwork to designated Fundraisers. Indicate that this carries with it no requirement that they donate. Ultimately, you should open this program to any artist in your region. This initial contact could be made using your own artists lists and then become part of your initial artists contact packet. This list should probably be indexed by regions so that local fundraisers can find local artists. This list probably only needs to include the artists name, type of art, website, and a contact point.

3) Begin with art related fundraisers that the DAI has interacted with in the past. These groups will often be aware of the issues surrounding artist donations. This will probably require a direct meeting with their board or their fundraising committee to get them to sign on with the **Art Donation Program** and to use the logo on their advertisement. This could be done slowly, setting up maybe one meeting a month with different fundraisers.

This sounds like a pain in the butt, but it is really part of the strength of the program. The **Art Donation Program** gives you an excuse to talk directly to the wealthiest art supporters in any community. You would get a stage from which you can explain who you are, what your mission is, and how you and they can come together to help each other.

It also allows you to enter any community in your region in a way that connects you with the artists and the arts supporters in that community.

4) Expect the **Art Donation Program** to grow slowly at first. Maybe only a handful of organizations around Duluth will use the program in the first year.

5) There are many natural metrics for evaluating the **Art Donation Program**. The number of fundraiser board meetings, the number of fundraisers using the seal, the number of Artist/Event Contracts used - all would provide a direct measure of its impact.

Draft contract by Lee Zimmerman
Artist/Event Contract
Donation of a Work of Art
Professional Services Contract

Date:
Artist:
Artwork:
Fundraising Organization:
Fundraising Event:
Date of the Event:

Whereas the above named Artist would like to contribute to and support the Fundraising Organization named herein, and
Whereas the Fundraising Organization recognizes the value and worth of the Artist's Artwork
Therefore, it is agreed:

The Artwork is donated by the Artist to the Fundraising Organization for the Fundraising Event. The Artwork has a retail value of \$ _____. If the Artwork is sold at the Fundraising Event, the Artist will be paid \$ _____. This is the suggested minimum bid for the Artwork.

If the Artwork is not sold at the Fundraising Event, the Artwork will be returned to the Artist within a week of the date of the Fundraising Event.

The Artist desires that _____% of the money earned by the Artist through the sale of the Artwork be donated directly to the Fundraising Organization. This action will be deemed a direct monetary donation from the Artist to the Fundraising Organization for tax purposes.

Agreed for the Fundraising Organization _____ Signature, Title and Date	Agreed for the Artist _____ Signature, Title and Date
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 <p>The logo for the Duluth Art Institute, featuring the letters 'dAi' in a stylized font with 'd' in orange and 'Ai' in red. Below this, the words 'duluthART' and 'institute' are stacked in orange lowercase letters.</p>	<h1>Artist Certified Event</h1>
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<p>Date: Fundraising organization: Fundraising event: Date of the Event: Location of the Event:</p>	
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If the **Fundraising Organization** is willing to use the professional services contracts “Donation of a Work of Art” provided by the **Duluth Art Institute**, that the **Duluth Art Institute** shall: Provide **Fundraising Organization** with a list of artists willing to work with the **Fundraising Organization**, to promote the **Fundraising Event** on the **Duluth Art Institute** website and to allow the **Fundraising Organization** to use the “Artist Certified Event by the **Duluth Art Institute**” or the, “This Event Supports Local Artists —the **Duluth Art Institute**” logos. It should be noted that working with artists under these conditions does not in any way preclude other contracts that may be initiated between an individual artist and the **Fundraising Organization** for this specific **Fundraising Event**.

<p>Agreed for the Fundraising Organization</p> <hr/> <p>Signature, Title and Date</p>	<p>Agreed for the Duluth Art Institute</p> <hr/> <p>Signature, Title and Date</p>
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