

# Giving Artworks to Museums Overseas

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.

Myriad USA can help you navigate the cultural, legal and tax complexities involved in donating art abroad. Through Myriad 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.

Myriad 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.

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“As a violinist, my job is to bring music to people. I also want to pass on music to future generations through my students.”

CHARLES CASTLEMAN

*A Stradivari violin made in Cremona, ca 1707  
On loan to the Queen Elisabeth Music Chapel, Belgium  
Gift from Charles Castleman (2024)*



# 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 Myriad USA.

## CONTRIBUTION TO MYRIAD USA

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

## LOAN TO THE HOST MUSEUM

Myriad USA 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, Myriad USA allows a donor to later recommend that Myriad USA 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 Myriad USA determines that such re-granting will best advance its charitable purposes.

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## FEE STRUCTURE

Myriad USA 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
- 0.5% of the appraisal value in excess of \$1 million.
- A minimum fee of \$2,500 applies.



“We are only stewards of  
the art we acquire.”

JEFFREY E. HORVITZ

*Jean-Baptiste-Marie Pierre,  
Collection of the Tithes, c. 1741  
On loan and then granted to  
Paris Musées, Petit Palais, France  
Gift from Jeffrey E. Horvitz (2017)*

# 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 Myriad USA. 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 Myriad USA 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

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

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