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LOAN FEES and LOAN COSTS - GUIDELINES

The high cost of loans is one of the barriers to lending and borrowing cultural objects in European museums. Loan fees, where a museum charges a fee for the transaction of lending an object, may be questioned, since lending can be seen as part of the fundamental work of a museum. Loan costs, or handling costs, on the other hand, must be paid for, but should be kept at a reasonable level.

The care and safety of the object is always paramount. This being accepted, the best value alternative should be sought. There should always be a presumption for accepting state indemnity and a courier should be used only when absolutely necessary. In all cases, there should be a full discussion between lender and borrower at the outset of any negotiations. Costs should be agreed in writing before the loan commences.

These guidelines set out the charges most commonly made and should be used as a basis for negotiation between borrower and lender in order to reduce costs, ensure transparency and create mutual understanding.

LOAN FEES

1. LOAN FEES

The practice of automatically charging a loan fee can be questioned. Public museums have a duty to lend and should adequately fund their loans programmes. Culture ministries should lend their support. In most cases, museums are both lenders and borrowers. However, if the lending museum is a net lender and never a borrower, it may be justified in charging a fee. The amount charged, to whom it is charged, and the policy for loan fees should be clearly stated. In all cases, loan fees should be kept to a reasonable level to enable smaller museums to borrow from larger collections.

LOAN COSTS

2. Conservation and conservation materials

- Verify if the object is fit to travel
- Ask what is the minimum amount of work required to make the object sound
- Find out if the object was already scheduled to be treated as part of the museum's conservation programme
- Ask if the museum employs conservators on staff
- Ask if the lender will charge for staff time
- Find out if the lender will charge for materials
- Ask if the borrower can undertake the work himself at lower cost

3. Framing and mounting

- Find out if a frame already exists
- Ask if work really does need a new frame or if the existing frame can be conserved
- There may be another frame that could be adapted to fit
- Ask if the work could be re-mounted then returned to the existing frame
- Verify how will the work be displayed – framed or in a display case without a frame

4. Packing and crating

- The lender must be allowed to specify the method of packing, but this should be negotiated with the borrower
- Ask if a suitable crate already exists
- Find out if you can hire a suitable crate
- The borrower should retain all packing materials for the return journey in order to reduce costs
- Ask if the lender has an in-house team for packing or if he will employ an external agent
- Will the lender pass on any of these costs to the borrower and will charges be for time or only for materials?

5. Transportation

- If the lender or borrower has their own transport this should be used if possible
- Lender must be allowed to specify transport to ensure the safety of the object but this should be negotiated with the borrower
- Transport agents must always be professional fine art transporters working to museum standards
- The borrower should obtain competitive bids in order to secure best value from the transport agent and should discuss these with the lender
- Lender should agree to part-load shipments (if permitted) in order to lower costs

- Lender should be flexible over time of collection, overnight charges, etc (if permitted) in order to lower costs and should not make any unreasonable demands

6. Insurance

- State indemnity, if it exists, should always be offered by the lender and accepted by the borrower
- Any shortfall in indemnity can be topped up by commercial insurance as agreed between lender and borrower and should be best value
- Policy terms and conditions should be agreed between lender and borrower
- The lender should not specify a particular insurance agent unless the cover offered by the borrower is inadequate
- The lender should not insist on cover for war, terrorism, negligence or depreciation of value as these disproportionately raise premiums
- Values of objects should be stated by the lender and must be reasonable and justifiable in order to guard against inflated values
- Lender should keep values low and consider non-insurance agreements with partner museums

7. Couriers

- There should be a presumption that a courier is not necessary and that the borrower is trusted to handle the object professionally
- If a courier is required, the reasons should be given and agreed
- The lender must ensure that the courier is properly trained and appropriate for the task eg. a fragile work should be accompanied by a conservator, a complex installation by a member of the technical team
- Courier costs should be agreed in advance between lender and borrower and kept to a reasonable level with upper limits on time and cost
- Investigate whether couriers can be shared to reduce numbers

8. Photography and reproduction

- Find out if new photography is absolutely necessary
- Ask if a photograph already exists and if it can be copied
- Find out if the lender has an in-house photography department or if an external photographer will be used
- Ask if the cost of new photography will be passed to the borrower and if so, will this be only for materials
- Lenders are discouraged from charging reproduction fees when they are lending objects

9. Administration time

Generally, the lender should not charge the borrower for the cost of his registrars, loan administrators, curators, conservators or other staff employed in the organisation of the loan. Administrative staff should be employed as part of the general operating cost of the museum. Any out-sourcing or freelance staff required to process the loan must be discussed with the borrower and costs agreed in advance. A particularly large loan or an entire exhibition may justify employing additional staff and costs should be agreed beforehand with the borrower.

10. Additional benefits

The lender should not ask for or expect any benefit from the loan. Lending a work of art to another institution should be undertaken in a spirit of cooperation, shared enquiry and of increasing public access and knowledge of the work. However, in many cases, partnerships between museums are established in order to establish good relations and working practices and to facilitate the sharing of both collections. Such long-term partnerships can give benefits to both parties.