

Donation Policies and How to Respond to Donation Requests for Your Art

SPECIAL REPORT

Art Biz
Success

All artists are, at some point, asked to donate their work for a good cause. Most artists have soft hearts and want to help out anyone who asks.

The problem is that U.S. tax laws prevent artists from deducting fair market value for their donations. **You, the artist, can only deduct the cost of materials.**

In light of this rule disfavoring artists, you might think these philanthropists are taking advantage of you, but they're only doing their job. Please understand this.

Rather than get upset about being asked, resign yourself to the fact that you *will* be asked for donations. You need to be prepared with a response that reflects your boundaries while educating those doing the asking.

It's perfectly fine to have a policy against donating your art under any circumstances. This is your prerogative, and you shouldn't feel bad about doing so.

Say No With Grace

"Thank you for the opportunity to donate to your organization. I have heard such good things about the work you do and I would be honored to have my name associated with yours. However, until the current U.S. tax laws are changed to favor deductions for artist donations, I am unable to participate. Thank you for your understanding."

If you choose to donate, you'll be well served with a written policy that you can share in a moment's notice. I'll get to the parameters you can include in such a policy shortly, but first it's wise to remember a very important step to include in any response.

EDUCATE THOSE ASKING

People should be reminded that the tax laws do not favor gifts from artists – that you cannot receive a full tax deduction from a donation. Many people have no idea about this bad deal for artists.

They should also understand the value of your art and why you can't donate to every worthy cause.

It's your job to educate them in your response.

They need to know that your art career is a serious endeavor, and that you rely on the full-value sale of the work to feed yourself and your family.

FIONA PURDY'S RESPONSE LETTER FOR DONATION REQUESTS

Thank you for contacting me regarding your event. The "X" Zoo is a wonderful place.

~~*When a patron purchases a piece of artwork at a fundraising event, they can claim the entire purchase price as a charitable deduction.*~~

However, when an artist donates a piece of artwork, they cannot claim the retail price of it as charitable contribution. An artist can only claim the cost of the materials, which normally is a fraction of the price of the finished artwork.

A piece of art is different than say a vacation, or a spa visit, or donation of that kind. Artwork has an intrinsic value, especially portraits, a deeper value than say a golf package.

After donating many paintings (or portraits), I've come to realize that many of the people that attend these events expect to get a "deal," to be able to purchase artwork at less than market value. This devalues my artwork and it is extremely unfair to my clients who have paid full price for my work.

I would never do this to my clients. It is unacceptable to me.

In light of this I no longer donate my artwork outright to any charity.

I do want to help you in your fundraising efforts however, and there is a way that we can still do this.

You can purchase one of my paintings at full price, and then offer it in the auction, where you will be able to price it at more than the cost to you. You could also get the attendees to understand that the event is a fund raising venture and they should get behind the Zoo by bidding big to raise as much money as possible for this worthwhile cause.

Please let me know if you would like to pursue this avenue.

Regards,

Note: This second paragraph is incorrect, though it might have been true in the past. In the U.S., according to IRS regulations, purchasers may only "claim a charitable contribution deduction for the excess of the purchase price paid for an item over its fair market value."

<http://fionapurdy.com>

CREATE AND STICK TO GUIDELINES

Creating parameters around your donations is the best way for you to continue donating art without being frustrated by all of the requests. People will keep asking until you inform them of your boundaries.

I suggest writing down guidelines (not keeping them in your head!) so that you're very clear. There are three boundaries you can place on your donation responses. You may use one or a combination of the three.

1. Donate only to organizations that give a percentage of the sale to the artist.

This is where I get on my soapbox and preach to artist organizations that ask for donations from their members. I believe that any organization whose mission it is to support artists should offer artists a percentage of sales to artists – even at fundraisers.

Artists should be offered 50% of the sale, but have the option to donate the entire amount.

ALICIA LEEK'S RESPONSE TO DONATION REQUESTS

Thank you for the opportunity to donate art to your organization. I have heard such good things about the work you do and I would be honored to have my name associated with yours.

However, because the current U.S. tax laws are unfavorable to artist donations, I am only able to donate to those organizations in which the organization returns a percentage of the work back to the artists.

I urge you to consider this as an option as you will receive better quality artwork. That way the artist is given a percentage of the art they create, the buyer gets the tax write off and you receive a donation.

If your policy changes to address my concerns, I would be glad to participate.

<http://alicialeeke.com>

Alicia writes:

I got this idea from your Art Biz Success newsletter and it worked surprisingly to my advantage in selling one of my prints at a price that was fair to the market and to me and not devalue the work. The finished piece was a framed print of a palm that was 24 x 24 inches, double matted and framed with glass, so they got a very large quality piece they might not have otherwise gotten had it been a straight donation.

If these guidelines are agreeable to you, please sign below and return this form via e-mail attachment/scan to [nancy's email] or mail to Nancy Teague at the address provided.

If there are questions or concerns please contact me. Thank you for your interest in my artwork to help with your charitable organization's event.

I/We agree to the above terms:

Organization _____

Name (Please print) _____ Title _____

Signature _____ Date _____

<http://nancyteagueart.com>

Two other boundaries you can place on your donations ...

2. The Organizations You Support

You cannot support every cause, so choose one or two that are closest to your heart. Identify specific organizations by name since you can't even support every organization within a cause.

3. The Monetary Value Limit

Even though you might not be able to deduct the full-market value of a piece you donate, you are still losing the potential of the full-value income from it. What are your donation value limits?

Set an amount for the year and stick with it.

Too many artists have been burned by disorganized events, lousy auctioneers, and devastating sales prices after donating their art.

With policies and expectations in writing, you should be able to spread the love of your art to the nonprofits whose work you support.

ABOUT ALYSON

Alyson B. Stanfield is the creator of the Art Career Success System and author of *I'd Rather Be in the Studio: The Artist's No-Excuse Guide to Self-Promotion*.

Alyson teaches artists how to use reliable systems that expand their art business and, as a result, build their confidence.

Alyson's mission is to empower artists to say goodbye to excuses and hello to success.



Let Alyson help you get your business systems ready for big growth:

ArtCareerSuccessSystem.com

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