One of the barriers to collections mobility in Europe is the cost of loans, particularly of fine art. Many museums believe that the cost of lending and borrowing high-value cultural objects is beyond their means while others may borrow single objects but expect that taking an entire exhibition will be financially impossible.

Moving cultural objects requires skill and care because it is essential that our cultural heritage is preserved for posterity. Any move must be thoughtfully planned and executed to the highest standards in order to ensure the safety of the object. Because the works of art that are on the move can be unique, fragile, and valuable, transportation is undertaken by a small number of highly specialised fine-art transportation agents and is often rather expensive. Museums lending their precious objects generally demand the greatest care in moving and handling. All of this can be costly simply for the logistics of the loan — moving it from one museum to another — before all the other costs of creating an exhibition are taken into account.

However, loans are not always, or necessarily, expensive. It depends on many factors and even if costs are high, there are ways of reducing them. There will always be a cost for moving a cultural object but it may be more manageable than many museums think. It is normal to negotiate with lenders in order to try to come up with solutions to costly problems. What is important is to have good communication between the lender and borrower so that borrowers have the confidence to ask for objects and lenders show a willingness to make loans financially viable.
It is important to convince any lender that you have good standards of security and environmental control in your gallery space and that you are experienced in administering, handling, and caring for cultural objects. This really has nothing to do with costs and is all about professionalism and competence.

Sustainability is important in any loan negotiation. Sharing costs or collaborating with other museums to share an exhibition is a good way of saving energy. Renting equipment and display furniture rather than buying new and discarding it all at the end of the display will go far in energy efficiency. Renting, rather than constructing crates and using part-loads rather than exclusive-use vehicles should also be considered. Being energy-aware is important for the museum sector and is also a good way of keeping costs down.

There are many financial considerations when planning a loan but there are many ways of reducing costs. Loan fees and loan costs are two different things and will be explained fully with suggestions for what is reasonable and what is not along with recommendations for reducing the cost of borrowing.
RECOMMENDATIONS FROM LENDING TO EUROPE AND
LOAN FEES GROUP

Since the beginning of the twenty-first century, the Collections Mobility project has been working to facilitate lending and borrowing across Europe. The Loan Fees Group produced the following recommendations:

Key issues

1. minimise any loan charges
2. avoid unnecessary or unfair costs
3. promote twinning and exchanges
4. do not expect museums to raise funds through loan fees

Immediate actions

1. every museum should have a loan strategy
2. reduce or abolish loan fees
3. encourage long-term relationships
4. promote non-insurance for long loans

LOAN FEES

There are two types of loan fees – the real cost of preparing and shipping the object, which is normally passed on to the borrower, and a fee for administering the loan, which may or may not be charged. While the real costs have to be paid by someone, asking for a loan fee for what is essentially the normal work of a museum is not in anyone’s best interests. Any public collection has a duty to lend, since the objects are in their custody for the benefit of all and are in fact paid for by the citizens of that respective country. Public collections should be aware of this duty and ensure that the loans department is adequately staffed and funded in order to administer loans free of charge to the borrower. Loan activities should be recognised as an essential and valuable part of the museum’s purpose and should be adequately supported by the museum.

In some museums, loans administration is of relatively low importance and remains invisible compared to the high profile of exhibitions. Every museum should be proud of its lending record and of the active service that it performs to increase access to loaned works. To increase this profile, loan figures could be listed on the website or in annual reports. Tours of exhibitions generated by the museum could be advertised and celebrated. Visitor figures for works on loan to other institutions could be included in the lending museum’s statistics.
Loans should not be seen, therefore, as a way to generate money. Lending is a part of the activities of a museum and to charge a fixed fee for administering a loan can be considered unreasonable. Most museums do not charge loan fees and willingly lend only for the actual cost of the loan. Others, however, see a loan as an opportunity to charge the borrower and regard loans as fundraisers, thereby increasing the cost of borrowing.

There is no objection to a small, reasonable administration fee if it can be justified. A small fee is quite common for international loans, except where there are reciprocal arrangements. A fixed and costly charge, however, is not a good way to encourage loans. Most of these fixed fees take no regard of the amount of work for the staff, the complexity of the loan, or any complications or special requirements about moving and preparing the object. The borrower is usually met with a take it or leave it attitude with no room for negotiation. The borrower has to agree, otherwise he will not receive the object that is crucial to his new display. This method of increasing income at the expense of other museums does not help the free exchange of cultural goods. It also makes no sense for museum A to charge museum B for a loan, only for museum B to then make a similar charge the following year. Apart from wasting money, it is not the best use of administration time.

There are, however, a few exceptions:

1. collections that lend but never borrow
2. museums with exceptional demands for certain key works
3. collections with few resources in-house that have to buy-in all the services for loan administration

For example, an exception would be made for an institution that exists only as a permanent collection with no exhibition space and no exhibition programme. This organisation is a net lender and never a borrower. It finds itself constantly reacting to other people’s requests to borrow and spends much staff time in administering loans. There is no obvious benefit for the museum in lending (since, as we said, lending is an invisible activity) and the financial burden on the museum is caused by the activities of others. In this case, it is reasonable for the museum to charge a small fee in order to continue this work.

Museums that have many wanted objects but that do not borrow in return can be excused for charging loan fees. For example, drawings collections may find themselves sending out large groups of works on paper, or even entire exhibitions, all of which require considerable work in administering, conserving, and framing. They seldom borrow, however, as they have only a small display space.
If a collection is not established as a museum, for example a historic house, then there may also be a justification for a loan fee to administer the loans as, in this case, they are outside the primary function of the institution.

In all of these cases and others, any loan fee charged should be reasonable and affordable to borrowers in order to encourage loan requests.

Loan fees can seldom be justified and should be discouraged except in certain circumstances. Any such cost should be stated at the outset of any loan request. Lenders should be flexible, costs should be negotiable, and everything should be clearly stated in the contract.

Every museum should be proud of its lending record.

Loan costs

The actual costs of the loan, however, are real and do have to be paid for. In general, it is the borrower who pays all the costs as they have the benefit of the loan. However, the lender has a professional duty to keep costs low and to do what they can to facilitate the loan. Any costs should be open to discussion and both parties should explore the alternatives and work together.

Preparation, conservation, and framing

If the object is not up to display standards, it will have to be treated before the loan can go ahead. The object must be sound and fit to travel in order to prevent any damage during transport or handling. It is necessary to conserve and consolidate any object that requires it, but this work must be directly in relation to the purpose of the loan. Not every object requires preparation and not for every loan. Borrowers should ask about the need for conservation and make sure that the object was not already scheduled for work as part of the owner’s conservation programme. Work could include cleaning, con-
solidating loose or flaking paint surfaces, or securely attaching parts of an object. Sometimes major structural conservation work has to be done, in which case the borrower has the right to decline the loan if the cost is too high. Borrowers are usually required to pay the costs of the conservation and preparation for their loan but it should be made clear that the work is specifically for the purpose of the loan.

If the painting or object does not have a mount or a frame and if there are no plans to create one in the near future, framing and mounting costs can be passed to the borrower. Although works should be mounted to ensure their safety, not all works need to be framed because, on occasion, they may be placed in a display case. The borrower should decide on the method of display before agreeing to cover any framing and mounting costs.

All of these costs can be negotiated. The lender and borrower could agree on who is best placed to undertake conservation or framing and mounting. If the lender has in-house conservation and technical departments, the costs should be for materials only and not for staff time. If conservators are freelance or frame makers are outsourced, then the full cost should be agreed between the lender and borrower before any work commences.

Packing and crating

The lender knows the object best and must be allowed to specify the method of packing in order to ensure its safety. The lender will prescribe the method of packing and may use soft-wrap, a transit frame, reusable box, or full-specification purpose-built crate. Whatever the method used, both parties should attempt to keep costs low and not use a purpose-built crate where a simpler option will be sufficient. If a crate is required, it may be that one already exists for the object, or it could be possible to adapt another crate. Renting crates should be considered. The costs of packing materials can be passed to the borrower. The borrower should retain all the packing materials for the return journey.

The lender should inform the borrower if the packing is done by an in-house team or by the agent. Staff costs for packing should not be passed on to the borrower. If an agent is used, the estimated costs should be agreed in advance.

Transportation

The lender and borrower may have their own transport, in which case, it should be used if appropriate. If neither party has transport or if the object(s) require specialist transport or handling, such as oversized objects or a large number of works, outside agents will have to be employed. These must al-
ways be professional fine art transporters with experience in moving mu-
seum objects and with a high degree of security. Comparative bids for the
best value should be sought by the borrower and discussed with the lender.
The lender should not be too fixed to one carrier but should be flexible in the
choice of an agent, provided that they meet all the required specifications for
safety and security. The lender should agree to part-load or load sharing in
order to reduce costs, provided of course that this meets the insurance or
indemnity requirements. The borrower usually pays for the transportation
costs but the lender should not make any unreasonable demands such as
adding additional works to the vehicle that have no relation to the loan. Both
parties should be flexible as to the day and time of collection in order to keep
costs down. Scheduling a shipment a day earlier in order to have a part-load
can greatly reduce a transportation bill.

**Insurance & Indemnity**

The high cost of insurance has often been named as a major barrier to lend-
ing. The best way to reduce this cost is to use state indemnities. If the bor-
rower has a state indemnity, it should be accepted by the lender. Some muse-
ums insist on commercial insurance even in cases where state indemnity
exists. This is unfair to the borrower and also to the public whose taxes partly
go to support the museum. If the lender does not agree to accept the state
indemnity that is offered by the borrower, an explanation should be given.

Many government indemnities do not cover 100% of the value to where the
shortfall may be topped up by commercial insurance. Insurance should be
arranged and paid for by the borrower with policy and terms agreed in ad-
vance with the lender. A copy of any insurance /indemnity certificate should
always be sent to the lender before the loan commences. The lender should
not insist on using his insurance agent, unless the provision offered by the
lender’s agent is inadequate.

The lender should not ask for coverage for war, negligence, or the deprecia-
tion of value.

The lender should consider insuring for repair only and not for total loss.

The high values of fine art and decorative art objects often put commercial
insurance out of reach. Museums have a duty to keep values realistic. Any
valuation must be reasonable and justifiable. The borrower has the right to
question any valuation in order to exclude artificially inflated values and ex-
cessive premiums. The lender should consider keeping values low and con-
sider self-insurance with partner museums where there is a history of shared
standards and long-term trust.
Couriers

There are many different views on when to send a courier. For objects that are particularly fragile or that need specialist installation, the lender naturally wants to ensure that his loan arrives safely and is carefully handled. However, some museums have a policy of couriering every object, even when the object is robust and the borrowing institution is highly experienced. In order to encourage lending and borrowing throughout Europe, there should be a general presumption that a courier will only be used when there is a proven need. If the lending institution sends a courier, they should explain why this is necessary. The most suitable person for the specific job should be used, for example, a conservator for a fragile work, a technician for a complex installation, or a registrar for a difficult journey or to inspect an unknown premises. The lending institution must always make sure that the courier is properly trained and well-briefed about the job at hand.

Although many indemnity schemes insist on a courier, this is usually one courier to accompany each shipment rather than one per object.

Costs for the courier must be covered by the borrower and should be reasonable costs that cover travel, accommodation, and per diem only. Terms and conditions should be set out by the borrower stating the upper limits of time and cost, and the lender should not make unreasonable or expensive demands. In all cases, the lender should give adequate notice of the courier’s details so that travel arrangements can be made well in advance and costs kept low.

No additional costs, e.g. use of taxis when public transport is adequate, should be paid. The lender should accept the borrower’s provision and should not try to bargain or increase the sum. Only in exceptional circumstances should there be any increase, and this should be agreed in advance between the parties.

Couriers could be shared in order to reduce the overall numbers and cost. By questioning the need for a courier and for agreeing on upper limits, lenders and borrowers can work together to ensure that costs are reasonable.

Photography and reproduction

Photography or permission to use an image of a loaned object is often expensive for the borrower. The lender should find out if an image already exists rather than automatically passing on this cost. There could be plans to photograph the object in the near future as a part of an on-going cataloguing programme. The borrower should also ascertain if a copy could be made rather than requesting new photography.
If the lending museum has an in-house photography department, then the charges should be for materials only. If external photographers are employed, their fee must also be covered, but only the basic cost price should be passed on to the borrower. In any case, all costs must be agreed on in advance between the borrower and lender.

There should be no charge for reproducing the image in the exhibition catalogue or in any scholarly publication or lecture associated with the loan. Reproduction fees are only acceptable for commercial and retail purposes associated with the exhibition. In the case of lenders who are not borrowers, or for exceptionally large orders that are beyond the normal capability of the lender, then it would be reasonable to charge. However, any costs should be agreed in advance.

**Administration time**

The lender should not charge the borrower for the cost of his registrars, loan administrators, curators, or other staff employed in the organisation of the loan. All administrative staff should be employed as a part of the general operating cost of the museum. In exceptional circumstances, a particularly large loan or an entire exhibition may justify employing additional staff, but this must be agreed on beforehand with the borrower.

These costs are all more or less justifiable but should always be discussed and agreed on between the lender and borrower. There should never be any unreasonable demands from the lender and no surprises. All costs should be kept to a minimum provided that the care and safety of the object is paramount.

**Suggestions for reducing costs**

1. sustainability – think about recycling materials
2. common standards and procedures save time
3. negotiate to arrive at a satisfactory outcome for both parties
4. question the costs if they seem unreasonable
5. share the costs between the lender and borrower or pool resources
6. keep valuations low and make them justifiable
7. always use state indemnity where it exists
8. shop for the best value for transportation and insurance
9. collaborate or set up partnerships to share exhibitions
10. reuse existing frames, crates, etc., where possible
11. rent equipment, crates, etc., instead of creating new ones
12. consider part-loads instead of exclusive-use vehicles
### Lenders should:

1. accept state indemnities  
2. be flexible with dates  
3. agree to part loads or shared shipments  
4. use couriers only when necessary  
5. keep values low and justifiable  
6. pass on conservation/preparation/framing charges at cost  
7. use standard frames  
8. trust the borrower  

### Lenders should not:

1. make the process complicated  
2. discriminate between types of loans  
3. except higher standards and conditions than those in which the object is normally kept  
4. ask for conservation or framing costs when unnecessary  
5. always send a courier  
6. ask for excessive costs and conditions for the courier  
7. be inflexible or incommunicative  

### Borrowers should:

1. question any costs that they do not understand  
2. negotiate the costs and work required  
3. offer to do any proposed work, e.g., conservation, themselves, if possible  
4. prove that they have good standards and professional competence  
5. consider another object if the one chosen is too costly  
6. take advantage of requests for improved gallery conditions in order to upgrade the gallery  
7. work to the highest standard of care of the objects  

### Borrowers should not:

1. be unprepared  
2. have an insufficient budget for the loan  
3. have poor conditions of care, security, or maintenance  
4. request objects that they cannot accommodate or display satisfactorily  
5. request objects that require lengthy conservation  
6. except the lender to provide everything free of cost  
7. insist on unsuitable objects
**CONCLUSION**

Reducing the cost of loans is vital to increasing the mobility of collections.

We are moving away from the rigid requirements for climate conditions in our galleries to a more flexible attitude. We are increasingly developing shared standards and knowledge (UKRG and NEMO). Our aim is to make loans easier, more accessible, and more sustainable. It is important to continually question the costs and the practice of loans and to make the process simpler and more cost-effective. A willingness to debate and to work together to facilitate loans will increase the sharing of our cultural collections.

Freda Matassa is an independent museum consultant and art collections manager. She was Head of Collections Management at the Tate Gallery. She is a museum representative for the UK UNESCO Cultural Network and a UK Expert Representative on the Commission for European Standardisation. In 2008, she was appointed the first Expert Adviser to the Minister of Culture on Immunity from Seizure applications and has recently been nominated as one of the UK Top 50 Women to Watch in the Arts. She was one of the authors of *Lending to Europe* and is currently writing a book on Collections Management.

**BIBLIOGRAPHY**


