



NGV FOUNDATION GIFTING WORKS OF ART

INFORMATION ON DONATING ART TO THE NGV VIA CAF AMERICA

Donors may wish to donate artworks to the National Gallery of Victoria Fund via CAF America, with the intention that these works be granted to the Gallery for inclusion in the NGV Collection. This is possible through CAF America, however there are some additional steps in order to accept donations of art and maintain compliance in the United States.

- CAF America is a 501(c)(3) Public Charity and donations to CAF America are eligible for deductions to the fullest extent allowable.
- Since gifts of art advised to the NGV Fund are granted to the Gallery to be added to the NGV Collection, donors may treat the artwork as a donation 'towards a related use' treated as such for tax purposes.
- On this basis CAF America will loan the donated art to the beneficiary for a period of three years to meet the 'related use' requirement. After this period, CAF will be able to fully transfer ownership of artwork to the recipient charity, in this case the NGV.

All donors claiming a deduction for donated art must complete [Form 8283](#) and submit this document to CAF America before the process can begin.

INFORMATION ON INTERNAL REVENUE SERVICE (IRS) GUIDELINES

The Internal Revenue Service (IRS) guidelines help provide further information on donating a piece of art or a collection for charitable purposes. Some considerations include:

- It is advised that donors should have owned the artwork or collection for over 12 months. This allows the donor to treat the donation as an 'appreciated capital asset' and claim a deduction for the appraised value of the artwork or collection rather than the cost basis. However, this is based on the donor's preference.
- Art that the donor created, or owned as part of an art dealer business, is not able to be claimed as an appreciated capital asset.¹
- All art must be appraised by a Qualified Appraiser no earlier than 60 days before the date of donation and no later than the due date of the donor's tax return (including extensions) for the year of the gift.

¹ <https://itsartlaw.org/2019/09/18/art-donations-101-a-guide-for-artists-collectors-and-nonprofits/>



- The Qualified Appraiser must have appropriate experience in 1) art appraisal; and 2) art appraisal of the type of artwork or collection donated. For recommended appraisers review the [IRS | Art appraisal services](#) website or call the IRS Office of Art Appraisal Services at +1 (202) 401-4128.
- The IRS pays special attention to the appraised values of art due to its highly subjective value structure. Further considerations include:
 - For art appraised at \$20,000 or more, donors must submit a copy of the appraisal document to support their claimed deduction.
 - For art appraised at \$50,000 or more donors must request a [Statement of Value](#) for the item before filing their tax return which reports the donation and must include a copy of a qualified appraisal of the item. (note that this may include a separate fee).
 - The appraisal must include the 11 points of information listed in [IRS Publication 561](#), “Determining the Value of Donated Property”.

CAF AMERICA FEES

Gifts of art advised to the NGV Fund at CAF America are subject to the following fees (subject to change).

Administrative fee to each gift.

- 3% of the first \$15,000
- 5% of the next \$85,000
- 3% of the next \$200,000
- 1.5% of any additional amount

CHECKLIST FOR DONORS TO COMPLETE A DONATION OF ART

Speak with the NGV before carrying out your appraisal so you can ensure that your donation aligns with CAF timelines.

1. A signed letter addressed to CAF America advising of the gift to the NGV as the selected beneficiary.
2. Qualified appraisal of the piece(s) completed within 60 days of the donation.
3. A completed [Form 8282](#) and [Form 8283](#) for CAF’s review and signature.

No information provided by the NGV or CAF America is intended to be used as legal advice and should not be treated as such. Speak with your tax expert about how to best ensure the tax effectiveness of your donation.