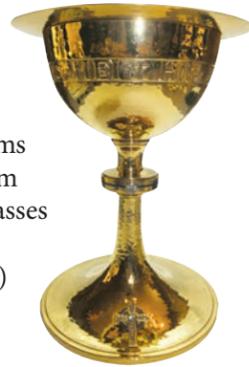




### Defining "Fine Art"

Among institutions and organizations, it is quite common to find many who are unsure of exactly what kinds of items they have in their possession. The term "fine art" is quite broad, and encompasses a wide-range of traditional artistic mediums, including (but not limited to) paintings, sculptures, prints and drawings. However, when establishing your appraisal needs, it is also crucial to consider both decorative and everyday objects, such as porcelain, sterling silver, rugs, statuary and other items.



To illustrate the potential value of decorative and everyday items, stained glass windows provide a useful example. Traditionally, stained glass windows have been valued by real estate appraisers as architectural elements with a purely utilitarian purpose. However, to establish the proper values for insurance coverage or other purposes, it is also important to evaluate the maker or designer, provenance (or the record of an object's ownership), condition, subject matter, design and overall quality of the windows.

*When discussing an organization's assets, terms like "property," "real estate," "bonds" and "stocks" quickly come to mind, while the phrase "fine art" is relegated to discussions of museums and art galleries. However, many religious institutions and organizations also possess fine art collections which represent strong financial assets that should be properly cared for, insured and valued.*

### The Appraisal Process

The first step in the appraisal process is a visual inspection of the item(s) at hand (either on-site or through digital images), where an appraiser will assess the overall quality, medium and condition of the item. At this stage in the process, the appraiser's primary role is to gather as much information about the item as possible, including the name of the artist or maker, the approximate date of its creation, its provenance and other basic information. Based on this initial assessment, the appraiser will determine whether the item merits further research and evaluation as part of the appraisal.

As soon as the visual inspection and information gathering stage is complete, the appraisal will enter the research phase, which is specifically tailored to each individual item. The research phase includes a review of both historical and market sources, including comprehensive industry-level databases and resources, to correctly identify the item and its context. The next step in the process is analysis, where the appraiser will review the current state of the market for comparable items. Finally, the appraiser will make an assessment of value to share with the client, based on both the appraiser's professional experience and knowledge and a holistic interpretation of the information provided during the inspection, research and analysis phases.

### Why Seek an Appraisal?

A professional appraisal can offer a number of benefits to an institution or organization, including the following:

**Insurance Coverage:** A written appraisal report is required to establish proper values for insurance coverage for qualified items. Supplying your insurance provider with a comprehensive, up-to-date appraisal of your fine art collection ensures your assets are protected from future damages.

**Collateral Asset:** An appraisal report for fair market value can provide the necessary documentation for your institution to use the value of your fine art collection as collateral against a loan (depending on the terms and conditions of the lending institution).

**Liquidation, Donation & Charitable Contribution:** Whether your institution would like to realize the value of your appraised fine art assets through liquidation, or donate items to other groups or institutions to enjoy certain tax benefits, an appraiser can make proper recommendations to guide you throughout the process of liquidation or donation. An appraiser can also advise your institution's benefactors as they prepare to make charitable contributions of fine art or art objects to your organization.

**Conservation, Preservation & Collection Management:** The condition of an item or of your overall collection can have an important effect on its value. A professional opinion can help your organization to identify which works

should undergo conservation treatments, offer guidance on proper methods of artwork storage and display, and provide key information that your organization can use to bolster the value of its collection.

**Authentication:** Some works of art require authentication through the appropriate expert or institution to confirm their true value. A qualified appraiser can recommend which artworks require further research or expert consultation to verify their authenticity, and can facilitate the additional research and prepare the item for the process of authentication. For some items, proper authentication can change the value dramatically.

An institution's art collection represents an important asset that should be appropriately evaluated, insured and cared for. A qualified appraiser can offer important guidance as your institution prepares to make decisions related to your fine art collection and determine how to best leverage your fine art assets to your institution's benefit. ☀

*As Director and Senior Appraiser for MIR Appraisal Services, Inc., Farhad Radfar oversees a team of professional appraisers and qualified researchers to provide appraisal services for private, corporate, nonprofit and government clients. As an Accredited Member of the International Society of Appraisers (ISA), he specializes in fine art and personal property appraisals for probate, estates, insurance, charitable donations and equitable distribution.*

## MIR Appraisal



## Services, Inc.

MIR specializes in appraising fine art, jewelry, antiques, furniture and decorative items. They regard research and analysis to be the most important aspects of the appraisal process. Their qualified appraisers, supported by professional researchers, place an overall value on items by taking into account their provenance, examining their historical significance and analyzing the current state of the market for comparable items.

MIR has over 20 years of experience providing appraisal and consultation services for religious institutions, universities and schools. All appraisal reports are written according to the guidelines

set forth by the Uniform Standards of Professional Appraisal Practice (USPAP). MIR's appraisers and researchers also abide by a strict code of ethics set forth by the International Society of Appraisers (ISA) or the American Society of Appraisers (ASA).

MIR also offers a range of consultation services and can advise your organization with regard to preserving and displaying your collection, liquidation and donation and other aspects of collection management.

For more information on fine art appraisal services, contact Brian Page at 800.807.0100 x3092 or [brian.page@cbservices.org](mailto:brian.page@cbservices.org).