

# The Art and Special Collection Lifecycle

1

## Acquisition (Purchase, Inherit)

- Investor vs. collector
- Due diligence
  - Provenance
  - Valuation
- Purchase agreements
  - Legal protections
  - Physical possession and/or copyright
- Ownership interest
- Tax issues
- Financing
- Transportation & security

2

## Ownership

- Inventory/appraisal
- Maintenance and care of artwork
  - Physical security
  - Insurance
- Business management
  - Copyright
  - Agreements/loans with galleries/museums
- Choice of entity
  - LLC
  - Family limited partnership
  - Private foundation

3

## Disposition

- Gifts to individuals and/or institutions
  - Lifetime planning
  - Testamentary planning
  - Valuation
  - Tax planning
- Sale
  - Income tax basis and tax rates
  - Proceeds
  - Sales contract