

In My Humble Opinion:
The National Trust's Collections Management Policy
is Not Ready to Eat

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Last year, the National Trust for Historic Preservation adopted a new Collections Management Policy (CMP) and widely promoted it at professional conferences and in national publications as a model to house museums and historic sites to resolve some of their stewardship challenges.¹ At its heart is,

“a new approach—one that treats the historic structures and landscapes, and the object collections, as being the same type of resource. This approach places the historic buildings and landscapes on a par with objects and documents, strengthening the interconnected stewardship and interpretation of these historic resources.”²

It’s a good idea but it’s not a new approach.

Early in the twentieth century, museums of various types began collecting buildings. Henry Ford moved Edison’s laboratory and the Wright Brothers bicycle shop to his Greenfield Village, John D. Rockefeller quietly bought buildings to create Colonial Williamsburg, and the Metropolitan Museum of Art installed the facade of the Branch Bank of the United States as the featured object of its American Wing.³ Much later, landscapes were considered worthy of preservation and now most historic estates, such as Casa del Herrero, Miller House and Garden, and Marsh-Billings-Rockefeller National Historical Park, treat their gardens and landscapes with the same respect as the furniture and art works at their sites.⁴

The National Trust’s rationale for their new approach is that, “conflicts between the care of objects, on one hand, and the care of buildings and

¹ The CMP was presented through several regional and national outlets, including *Forum Journal* (Summer 2014), *History News* (Summer 2014), Annual Meeting of the American Association for State and Local History (2014), and the National Preservation Conference (2014).

² Tom Mayes and Katherine Malone-France, “When Buildings and Landscapes are the Collection,” *Forum Journal* (Summer 2014): 19.

³ Warren Leon and Roy Rosenzweig, *History Museums in the United States: A Critical Assessment*, (Urbana: University of Illinois Press, 1989); John Harris, *Moving Rooms: The Trade in Architectural Salvage* (New Haven: Yale University Press, 2007).

grounds, on the other, are inevitable and can be detrimental to the long-term stewardship of all of those resources.”⁵ The Association for Preservation Technology International (APT) and the American Institute for the Conservation of Historic and Artistic Works (AIC) responded to this challenge more than twenty years ago when they issued the New Orleans Charter in 1992. The Charter recognized that “historic structures and the contents placed within them deserve equal consideration in planning for their care” and that “institutions’ statements of mission should recognize the need to preserve the unique character of both the historic structure and artifacts.” While the National Trust’s CMP redefinition of collections isn’t provoking much controversy, of much greater concern, however, is that it leaves unresolved several key aspects of collections management that will easily trip up those who adopt it without scrutiny.

Museums and historic landmarks face a tremendous amount of deferred and ongoing maintenance. For some, the National Trust’s CMP opens up new sources of funding to better care for their buildings and landscapes. Revenues from the sale of objects, such as books, paintings, and furniture, can be used for the “direct care of the Museum Collections,” which can include buildings and landscapes, according to the National Trust. Many CMPs allow for deaccession funds to be used for the conservation of a table lamp but not a wall sconce, simply because one is attached to the wall and the other isn’t, although both are equally important to the interpretation of the room. That seems to be a tradition, however. No current professional code or standard defines collections based on mobility, size, type, or age—although that frequently occurs in the policies of individual museums. Instead, you’ll find

⁴ Cari Goetcheus and Nora Mitchell, “The Venice Charter and Cultural Landscapes: Evolution of Heritage Concepts and Conservation Over Time,” *Change Over Time* 4, no. 2 (Fall 2014): 338-357.

⁵ Tom Mayes and Katherine Malone-France, “When Buildings and Landscapes are the Collection,” *Forum Journal* (Summer 2014): 19-24.

that the American Alliance of Museums (AAM) simply states that collections should be, “appropriate for [the organization’s] mission.”⁶

The Most Troubling Word in the Museum Lexicon

Much more vexing is “direct care,” a term that is undefined by the field and as elusive as “art” or “obscenity.” *A Legal Primer on Managing Museum Collections* notes that AAM introduced “direct care” in its Code of Ethics in 1994 in response to a growing number of museums facing financial difficulties, such as the New York Historical Society.⁷ To achieve financial sustainability, these museums proposed paring down their collections to a manageable size. Rather than acquire more objects, they successfully lobbied that these funds from sales could be also used for the “direct care of collections.”

Unfortunately, AAM did not define “direct care” and its vagueness has troubled the field ever since. Witness the recent misguided circular logic at the Edsel and Eleanor Ford House, who sold a painting in its collection to create a \$100 million endowment to care for the collection, with plans to buy plants to restore the historic landscape and reconstruct lost buildings (which no doubt will require more funds for maintenance; perhaps they have more paintings to sell?). This wasn’t an ordinary painting hidden in storage for years—the Fords owned and displayed the Cézanne landscape in their house since the mid-20th century, so it clearly fell within the scope of collections and now no longer available to the public.⁸ Clarity is on the horizon. Twenty years after it introduced “direct care” into museum vocabulary, AAM formed a taskforce in May 2014 to define this troublesome term and hopes to present its recommendations in 2016.⁹

⁶ American Association of Museums, *National Standards and Best Practices for U. S. Museums*, (Washington: American Association of Museums, 2008): 44.

⁷ Marie C. Malaro and Ildiko Deangelis, Chapter 5 in *A Legal Primer on Managing Museum Collections, Third Edition* (Washington, DC: Smithsonian Books, 2012).

⁸ Mark Syria, “\$100M for Cezanne Painting? Ford House Couldn’t Refuse,” *Detroit Free Press*, December 22, 2014.

⁹ For more details on the AAM Task Force on Direct Care, visit <http://www.aam-us.org/resources/ethics-standards-and-best-practices/direct-care-task-force>.

The National Trust’s CMP attempts to define “direct care” but it still lacks precision: “proceeds from the sale of deaccessioned objects...may be used for (1) the replenishment or care of other objects . . . And/or (2) the preservation of historic structures or historic landscape features.” Replenishment? Care? Preservation? Could funds be used to install a new roof, replace a dead tree, mow the lawn, fill a pothole in a driveway, or breed historic cattle? The National Trust stated they would be cautious and that they need to establish “appropriate protections to ensure that collections are not ‘cherry-picked’ to provide operating funds for the site”—but those protections do not seem to have been put in place when its board adopted the new collections policy in June 2014.¹⁰

Remember When Good Fences Made Good Neighbors?

Those protections could perhaps be found in a Scope of Collections. According to AAM, a Collections Management Policy should include a Scope of Collections, which is:

“a broad description of the museum’s collections and an explanation of how and what the museum collects and how those collections are used. This section can include a brief history of the collections and a review of the collection’s strengths and weaknesses. It often sets guidelines for growing and developing the collection, which museums can then use in collections planning.”¹¹

The Scope establishes the boundaries of the collections—what’s in, what’s not—so that the organization can make decisions about what to acquire and remove. The Scope also establishes priorities for care and responsibility, which is especially important when deciding what preservation work is eligible

¹⁰ Tom Mayes and Katherine Malone-France, “When Buildings and Landscapes are the Collection,” *Forum Journal* (Summer 2014): 23.

for deaccession funds.¹² The National Trust encourages buildings and landscapes to be part of the collection, but that doesn't get you very far when developing a Scope. It's no better than saying collections should have furniture, paintings, or clothing. A Scope should define time and place, and perhaps even association, such as "paintings owned or displayed by James Madison at Montpelier from 1817 to 1836" or "seating furniture made in New Mexico by Spanish settlers during the Colonial Period." Cliveden in Philadelphia adopted a Collections Scope in 2009 that could serve as a model for other historic sites.

The National Trust's CMP requires a Collections Plan, which includes a vision, rationale, and scope for its collections, but ironically, the National Trust itself lacks a scope or plan for its collection of historic sites. Instead, it pushes that responsibility out to the individual sites, most of whom do not own the collections (they are owned by the National Trust) or have a collections plan (or even a dedicated curator or collections manager). Indeed, most museums and historic sites do not have a collections plan and in this regard, the National Trust could help the field by developing and providing models of plans from a variety of sites.

Unintended Financial Consequences

"Direct care" can be defined and collections scopes developed, but there's a third big issue that was overlooked: finances. The Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB) establish the standards for audited financial statements. According to their rules of accounting, organizations can choose to either "capitalize" their collections or not. If they capitalize their collections, they must list their value as assets on their financial statements, along with other equipment it owns, such as furniture, computers, and automobiles. Indiana Landmarks, for

¹¹ American Alliance of Museums, *Developing a Collections Management Policy* (Washington, DC: American Alliance of Museums, 2012): 4.

¹² Deaccessioning in museums is a complex topic. To explore various perspectives in the field, see *Museums and the Disposals Debate* by Peter Davies, ed. (London: Museums Etc., 2011).

example, records historic structures, collection items, and business equipment “at cost upon acquisition or, if donated, at fair value as of the date of gift. . . . Historic structures and collections are reported as property held for permanent use and demonstration and are not depreciated.”¹³

Most collecting institutions do not capitalize their collections because it treats them as assets that can be used to support operations and sold to pay salaries. The Metropolitan Museum of Art states that non-capitalization conforms with, “accounting policies generally followed by art museums” and George Washington’s Mt. Vernon argues that, “the cost of the properties is not readily available... and it is impractical to assign values.”¹⁴ Under FASB 116, an organization,

“need not recognize *contributions* of works of art, historical treasures, and similar assets if the *donated* items are added to collections that meet all of the following conditions:

- a. Are held for public exhibition, education, or research in furtherance of public service rather than financial gain
- b. Are protected, kept unencumbered, cared for, and preserved
- c. Are subject to an organizational policy [such as a collections policy] that *requires the proceeds from sales of collection items to be used to acquire other items for collections.*” [emphasis added]¹⁵

If deaccessioning funds are used for preservation or direct care, the organization needs to capitalize its collections and report their value on its financial reports. A museum or historic site can choose to ignore these accounting standards, but then it would receive a “qualified audit,” which

¹³ BKD LLP, “Auditor’s Report and Consolidated Financial Statements, August 31, 2013 and 2012,” (Historic Landmarks Foundation of Indiana, Inc.).

¹⁴ Rafa PC, “Financial Statements for the Year Ended December 31, 2013 and Report Thereon,” (Mount Vernon Ladies’ Association of the Union, June 9, 2014); Price Waterhouse Coopers, “Independent Auditor’s Report,” (Metropolitan Museum of Art, November 13, 2014).

¹⁵ Paragraph 11 in [“Statement of Financial Accounting Standards No. 116: Accounting for Contributions Received and Contributions Made,”](#) (Financial Accounting Standards Board, June 1993).

could raise questions with funders and granting agencies. Nevertheless, conditions are muddy.

BDO USA, a national accounting firm, recently completed the audit of the National Trust’s financial statements and found that its practices were “in accordance with accounting principles generally accepted in the United States of America,” while at the same time noting that, “the Trust follows the accounting practice of not including in its assets the cost or appraised value of any of its historic sites” and that “proceeds from deaccessions of collection items are designated for the replenishment or care of objects within the Museum Collection and the preservation of historic structures or historic landscape features that are part of the Historic Structures and Landscapes Collection.”¹⁶ Evidently, the National Trust was able to receive an unqualified audit even though it did not follow FASB rules—but they’re probably not alone. The impact of FASB 116 on collections seems to be confusing or overlooked. The American Association for State and Local History (AASLH) recommends that collection policies not only follow the law, but also recognized accounting practices, so be sure to discuss the consequences of your collections management policy with your financial advisor.¹⁷

Half-Baked and Not Ready to Eat

The National Trust urges historic sites and house museums to consider their buildings and landscapes as part of their collections but it turns out to be a long-accepted idea and the more significant issues of direct care and collections scope are largely unaddressed. The result is that the National Trust’s Collections Management Policy seems half-baked and needs to spend more time in the oven before it’s ready to eat. It needs to better define “direct

¹⁶ BDO USA, “[Consolidated Financial Statements, Supplemental Schedules, and Independent Auditor’s Report, Year Ended June 30, 2014 for the National Trust for Historic Preservation and its Subsidiaries and Affiliates](#),” February 10, 2015.

¹⁷ Tom Mayes and Katherine Malone-France, “When Buildings and Landscapes are the Collection,” *Forum Journal* (Summer 2014): 23; American Association for State and Local History, “[Ethics Position Paper #1: The Capitalization of Collections](#)” (June 2003).

care” for historic sites, develop its own Collections Plan for its collection of historic sites, and address the financial consequences of its policies. These are issues commonly shared with many museums and historic sites and the National Trust should continue to participate in this ongoing discussion. If the National Trust wants to advance the level of discourse, however, it may want to examine if “heritage values” should be among the criteria for collections scope and if historians and interpreters have a role in collections management.¹⁸ That seems to be the next topic on our shared agenda.

¹⁸ Marta de la Torre, ed. *Assessing the Values of Cultural Heritage* (Getty Conservation Institute, 2002); Michael Tomlan, ed. *Preservation of What, For Whom?* (National Council for Preservation Education, 1999); Stephen Weil, *Making Museums Matter* (Smithsonian Institution Press, 2002); Christopher Koziol, “How Heritage’s Debate on Values Fuels its Valorization Engine: The Side Effects of Controversy from Alois Riegl to Richard Moe,” *Change Over Time* 3, no. 2 (Fall 2013): 244-257.