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## **UCLA Procedure 742.2: De-acquisition of Works of Art by Sale or Exchange**

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Issuing Officer: Associate Vice Chancellor, Business & Financial Services  
Responsible Dept: Procurement  
Effective Date: July 1, 1998  
Supersedes: UCLA Procedure 742.1, dated 12/1/83

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### **I. REFERENCES**

### **II. GENERAL POLICY**

### **III. STATEMENT**

### **IV. PROCEDURES**

#### **I. REFERENCES**

1. UCLA Policy 742, Acquisition of Works of Art, Antiquities and Artifacts;
2. UCLA Procedure 742.1, Acquiring Works of Art, Antiquities and Artifacts.

#### **II. GENERAL POLICY**

De-acquisition of works of art by sale or exchange is accomplished according to the following guidelines:

- The Gallery honors all legal restrictions attached to a gift or bequest of a work of art. In addition, requests which do not impose any legal obligation accompanying the bequest or gift but contain certain stipulations will be respected to the extent possible, unless modified by the donor, or if the donor is not living, the donor's heirs or legal representatives.
- All reasonable means are used to locate the donor or heirs to obtain permission for de-acquisition.
- Sale or exchange is carried out in accordance with applicable University policies. In addition, the State of California Resale Royalties Act of 1976 requires that anyone in the State of California who resells an original work of art for more than \$1,000 and in excess of the purchase price, must pay the artist five percent of the gross proceeds. If the artist cannot be located, the percentage must be turned over to the California Arts Council which will take over the search.

#### **III. STATEMENT**

Sale at auction insures that the objects are being offered to the largest possible audience to obtain the highest possible price. Further, sale at auction provides a public forum for de-accessions. It is difficult for institutions to be criticized if carefully chosen objects are offered in well-catalogued and widely publicized public auctions.

Note: Reserves are established by the auction house to protect the museum's property at auction. The term "Reserves" refers to the vendor's right to bid on his own property or to a price below which the property may not be sold.

The auction house should guarantee every object it sells against being a counterfeit. All research is done by their specialists prior to the sale assuring that all works sold are genuine.

The auction house contract will state that there is a commission payable by the buyer on the hammer price and a commission payable to the auction house by the seller. In certain instances, the commission paid by the seller is negotiable.

The auction house should determine which of the artists involved in the sale are living and will take responsibility for the terms set forth by the California Resale Royalties Act of 1976.

**IV. PROCEDURES**

RESPONSIBILITY	ACTION
Advisory Committee of Gallery	Recommends deacquisition of work(s) to Gallery Director.
Gallery Director (with advice of Campus Counsel)	Ascertains, with advice of Campus Counsel if necessary, that there is no legal restriction against disposal of any work(s) of art, and whether The Regents or other approval is needed. <u>Note:</u> All legal restrictions are honored in accordance with Section II of this policy.
Gallery Director	Uses all reasonable means to locate donor(s) or heirs using Skip Tracing Work Sheet.
	Advises donor(s) or heirs by letter of Gallery's intention to sell or exchange works of art.
	Reviews sales procedures and approves exact terms. Sets forth such terms in a Letter of Agreement signed by the Director on behalf of the Gallery and by the Office of the Chancellor for The Regents of the University.
	Initiates appropriate accounting and recording procedures.
	Recommends to Chancellor best use of funds from sale or exchange.
	Informs Gift Administration, External Affairs and Equipment Management upon completion of sale.
	Utilizes proceeds in accordance with University policy or according to decisions made at the time de-acquisition plans were finalized.

**Issuing Officer**

**/s/ Sam J. Morabito**

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**Associate Vice Chancellor, Business & Financial Services**

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**Questions concerning this policy or procedure should be referred to the Responsible Department listed at the top of this document.**

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