

Reevaluating the ICOM Definition of the Museum

The ICOM Reform Task Force (1998-2001) had as one of its missions to revise key ICOM documents, including the ICOM Statutes. This mission was reaffirmed at the ICOM General Conference in 2001, and the Executive Council designated Gary Edson to lead the process of reevaluating the present definition of the museum. Below are extracts of a memo posted to ICOM-L by Gary Edson, reaffirming the importance of the debate and describing the decision-making process:

"I believe consideration of the issue is important for the museum profession, regardless of whether a decision is made to change the definition or not. I endorse the idea that as many members of ICOM as possible should have the opportunity to consider this issue. One of the ways to continue the investigation is ICOM-L and ADCOM-L (National and International Committee Chairs). We are working towards the meeting in Seoul where there will be a time for further deliberation on this subject. Be assured that it is the General Assembly of ICOM that has the ultimate authority to approve or disapprove the definition.

(...) The current definition...was adopted in 1974 by the 11th General Assembly of ICOM, in Copenhagen. The 1974 definition separated the museum definition (Article 3) from the qualifying statements (Article 4), whereas the definition adopted by the 20th General Assembly of ICOM, in 2001, arranges the definition and all the qualifying elements into one continuous shopping list of institutions and activities. I believe a definition should convey the fundamental character of the museum rather than describe the variables.

As a point of consideration, we might look at the current definition of the museum, but separate the qualifying conditions. A separate article could make reference to this definition and add the qualifying institutions and activities. This approach could be a starting place for those persons who are concerned about changing the definition."

Collection = Museum?

by **Paul F. Donahue**
Chair, CIMUSET

From reading contributions to the ICOM Email discussion list and from being involved in similar discussions within CIMUSET, the Canadian Museums Association and the Canadian Association of Science Centres, it is clear that most discussants feel that a museum must have a collection. Some individuals go so far as to say the collection is the primary reason for a museum to exist and that even if the doors were closed to the public it would still be a museum. What comprises a collection? What is the express purpose of the definition vis-a-vis collections and what are its ramifications?

> The ICOM *Code of Ethics for Museums* does not define collection per se, but it does give some direction. For example, Cultural Heritage is defined as "Any concept or thing, natural or artificial, which is consid-

ered to have aesthetic, historical, scientific or spiritual significance". Museums "[a]s holders of primary evidence..." have a "...primary duty to preserve [their] collections..." to acquire objects with the "...expectation of permanency..." and to "...keep them for posterity". However, in some situations such as "living" or "working" museums, it may be necessary to regard "at least part of their collection as replaceable or renewable". The *Code* also repeatedly states that collections are to be properly housed, conserved and documented.

> There are many exceptions to this definition and to the traditional concept of a museum as a collecting institution. Examples are one-object museums, such as a ship museum or a house museum with a plethora of culturally associated objects, the avocationalists' museum that puts its member's models on exhibition but does not concern itself with acquisition, preservation or research, the art museum that appears not to have acquired a permanent collection – (for this, see Andrew J. Pekarik's article "Museums as Symbols" in *Curator* 46/2, April 2003, pp.132-135) – the virtual museum with virtual objects, and the science centre or children's museum with no collection.

> The definition excludes institutions which do not acquire, conserve or research material evidence but which may function in the service of society and of its development, and communicate and exhibit, for purposes of study, education and enjoyment, material (and immaterial) evidence of people and their environment. The definition may cause problems or unfair advantages when an individual or institution has to deal with such mundane matters as qualifying for insurance, grants, bursaries, membership criteria, academic training, etc.

> In keeping with the practice, established in 1974, of qualifying museums, ICOM should be less rigid and broaden the definition to include non-collecting institutions. Do we principally exist to collect or to inform? I believe the latter. As too exclusive a definition could result in a weaker ICOM, I suggest that ICOM members strive to construct a strong inclusive vision of what constitutes a museum, focused on *service to society*. To this end, I suggest that the definition be rephrased in such a way that to *acquire*, *conserve* and *research* objects should be optional not compulsory.

Contact: Paul F. Donahue
Executive Director, Museum Services
Canada Science and Technology Museum Corporation
2421 Lancaster Rd., P.O. Box 9724, Station "T"
Ottawa, ON, K1G 5A3, Canada
Tel. (+1) 613 993 8365 - Fax (+1) 613 990 3635
Cellphone (+1) 613 794 4769
Email: pdonahue@technomuses.ca
<http://www.technomuses.ca>

The Nonprofit Status of the Museum

by **Milton J. Bloch**
President, Munson-Williams-Proctor Arts Institute

In the discussion on ICOM-L exploring the issue of how to re-define the museum, some strongly affirmed the principle that a museum should remain a nonprofit entity. Others, reflecting the growing pressures to generate additional revenues, wondered whether the commercial activities of museums might jeopardise their nonprofit status. This is a brief overview of the situation.

> A not-for-profit (hereafter “nonprofit”) status is conferred on a corporation by governmental authority which usually provides exemption from federal, state, property and sales tax. In the United States, the “nonprofit sector” includes charities, foundations and other organisations involved with social welfare, religion, health, human services, the environment, education, arts and culture. They are generally private, self-governing and do not issue stock. The theory is that these organisations deserve relief from taxation because they perform services beneficial to the society, that supplement those of the government. Therefore, the government encourages their public support. An important restriction on these corporations is that although they may accumulate a surplus, they may not make a profit.

> A typical for-profit corporation attracts investors to buy its stocks or bonds with the expectation that they will benefit financially from the success of the business. The investors in such a corporation – or even a family business – hope to gain a monetary reward for risking their capital. Periodically, surpluses are paid out to these investors in the form of dividends, interest or the increased value of the stock. Nonprofit corporations, such as museums, issue no stock and have no capital investors. Their surpluses, large or small, will not be taxed as long as the organisation operates within its stated and approved tax exempt field and the surplus is spent on related activities. Therefore a surplus (gross income in excess of all expenses) represents a “profit” in a for-profit organisation but not in a nonprofit organisation.



> However, certain restrictions apply. Aside from the salaried staff and legitimate vendors, no one running the organisation or associated with it, such as a trustee or founder, may be paid a benefit or dividend. Again, a surplus must be put back into the organisation to fund its *related* activities. In the United States, if the income derives from an *unrelated* activity it is subject to the UBIT or Unrelated Business Income Tax. What is unrelated business income? This can be a little tricky, but if you are selling refrigerators in your gift shop, you will probably have to pay the tax on that income. The restaurant in your museum is a reasonable visitor service, but if you run a freestanding restaurant at a remote location just to earn some extra money you may be subject to taxes or sanctions and penalties. Clearly, the government does not want us competing unfairly with a commercial enterprise (unfairly because we don't pay taxes and they do). However, there is nothing illegal about establishing a for-profit business designed to contribute income to your museum. In nearly all cases it is best if that entity is established as a separate corporation which duly pays its taxes and, therefore, does not commingle or confuse its for-profit status with your museum's nonprofit status.

> Also, although most museums have little to worry about with regard to unrelated business income, many seem unaware that it is possible to pay a staff member an excessively large salary. In the United States, if it can be

shown that a given salary in a nonprofit organisation is substantially higher than anything that can be verified in the field, this can raise suspicions of special consideration (a “sweetheart deal”) and may be subject to a form of excise tax.

> Most museums will never experience the kind of problems that are likely to threaten their nonprofit or tax exempt status. But many a museum administrator has agonised, or at least wondered, about the legitimacy of ending one or more years with a surplus. Museums that are fortunate enough to be in such an envious position need only follow a few basic rules and then count their blessings.

Contact: Milton J. Bloch

President, Munson-Williams-Proctor Arts Institute
310 Genesee Street, Utica, New York 13502, U.S.A.

Tel. (+1) 315 797 0000 ext. 2134 - Fax (+1) 3150 707-5608

Email: Mbloch@mwpa.org