Not Discussing Collections with Heirs

March 7, 2025
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This is Part 9 in a Series of the Top 10 Mistakes Made When Planning for Art and Other Collectibles: A Guide for Professionals and Their Clients.

A collection may hold deep personal significance for a client but may not carry the same sentimental or financial value for their heirs. It is essential to encourage clients to have open conversations with their heirs, as appropriate, to understand their intentions and expectations.

In many cases, heirs may see a collection primarily as a financial asset rather than a legacy to preserve. Clients should consider alternative disposition strategies beyond an outright bequest if they intend to sell the collection. For instance, donating the collection to a museum, establishing a trust, or selling select pieces during their lifetime may better align with their goals.

Even if heirs wish to keep the collection, clients should clarify whether they intend to retain it in its entirety or only select pieces. This distinction is crucial, as valuation discrepancies can arise when certain items are allocated to specific individuals, potentially impacting the overall fairness of asset distribution.

Many clients express a desire to donate their collections to museums. However, before proceeding with such a gift, it is essential to confirm that the museum is willing to accept the items. Many museums already have extensive collections in storage and may not be interested in acquiring additional pieces. Additionally, if a museum does agree to accept a collection, it often requires a financial contribution to cover ongoing maintenance and preservation costs. Contacting the museum or other recipient organization before making the gift – especially if the donation is planned through a will or other testamentary document – is essential to ensure its acceptance.

Most importantly, clients should consult with an expert in art succession planning. A knowledgeable advisor can help structure a well-organized, tax-efficient plan during life or at death and ensures a smooth transfer of the collection while honoring the client's wishes.