

## Loans fact sheet

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### Overview

Keeping track of objects from your collection is an important part of collection management. This is especially true if these objects are out on loan, or you have borrowed objects from other people or organisations.

It can be easy to forget to whom objects have been lent, especially when staff is constantly changing and accurate records aren't maintained.

Documenting where objects are can be done using object location cards and through a small loans program. All the information about the object— its location, the loan agreement, related condition reports and transport contracts are documented together.

Lending to or borrowing from other organisations is sometimes considered as complicated and fraught with difficulties. Lending and borrowing can extend and expand on themes and stories within the museum, making displays more dynamic and interesting.

Supplementing the local collection with additional objects means more of your objects can be displayed and promotes both the lending and borrowing museum and the collaborative relationships between them.

The successful administration of loans relies on good planning and strict adherence to collections management procedures.

### Important considerations

Before agreeing to lend an object first consider:

- the identity of the borrower
- their plans for the object
- the security of the building and its environment

- the staff's familiarity with handling this type of object
- their ability to meet the peculiar needs of the object eg. specific display or storage requirements.

### Permanent and long-term loans

Long-term loans can prevent the museum from acquiring similar objects resulting in gaps in the collection that become very obvious when the loan material is eventually returned.

Because the lending organisation has the right to recall the object at any time it's better to spend your resources on acquiring important objects rather than borrowing them.

Long-term loans are sometimes regarded as free storage solutions for the lender, occupying precious space in your museum or storeroom. Permanent and long-term loans should be avoided.



### You might also like ...

Outward loan sample agreement (M&G NSW)

[www.mgnsw.org.au/sector](http://www.mgnsw.org.au/sector)

Inward loan sample agreement (M&G NSW)

[www.mgnsw.org.au/sector](http://www.mgnsw.org.au/sector)

Sample loan register (M&G NSW)

[www.mgnsw.org.au/sector](http://www.mgnsw.org.au/sector)

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## Record keeping

It is important to keep records of incoming and outgoing loans. These records mean that you know where an object is, when it is due for return, and have documentation that it has been received by the borrowing institution, or has been returned if you are the borrower.

The best way to do this is to supply a loan form in duplicate. Once the object is received by the external organisation, request the accompanying receipt be signed and returned.

File the form along with any other correspondence in appropriate files or folder marked 'Outgoing loans' or 'Inward loans'. You will also have to amend other collections management documents in relation to the status of a loan. For example, location indexes and the computer database record need to be changed when an object is out on loan.

## Loans register

A loans register is similar to an accession or acquisition register, where a running list of all items on loan either to or from your organisation, who has them or who owns them, contact details and when they are due to be returned.

## Loan agreement forms

Before embarking on a borrowing or loan process make sure the organisation's Collections Policy contains a brief description of the arrangements for incoming and outgoing loans.

It's important to draw up a Loan Agreement Form to use when either approached by another organisation or when requesting loans for your museum.

This form should be clearly worded, easy to read and include details of both museums, dates and all conditions of the loan.

Loan agreement forms are contracts and should cover the following points:

## Fees, expenses, insurance

Some museums charge a fee for the lending of an item from their collection. Such policies should be agreed upon by the Committee, written in the Collections Policy and explained to the interested borrower at the start of the negotiations.

It is standard practice for the borrower to bear transport costs, and costs such as framing, display supports and conservation treatment if agreed to by the lending organisation.

The borrower should also cover insurance costs. From the moment the object is prepared for the loan until the object is returned to the lending museum, the borrower is liable.

The lending museum sets the insurance value for the object. This is based on current market value, i.e. what a similar object, in similar condition would fetch at auction.

It is the responsibility of the lender to ensure that the borrowing museum accepts the valuation and provides proof of insurance.

## Subject

A full description of the object being lent should be noted. This can be taken from the catalogue worksheet.

The object should be viewed when leaving the collection and a condition report completed. Include a digital photograph if possible. For insurance purposes, the object should be checked on its return to determine if the condition has deteriorated.

If you are receiving an incoming loan, inspect the object upon arrival and note any difference from the accompanying condition report. Before being returned, repeat this process and inspect the object and note changes.

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## Parties

Make sure the person you are dealing with has the authority to offer the object for loan or receive an object. The names of both parties should be included on the form.

## Purpose

The purpose of the loan, whether the object is intended for exhibition, research or as an education resource etc. should be stated.

## Time frames

This is an important section of the form. Without it the loan cannot be properly administered. An end date should be negotiated at the outset, with an option for extension later if required.

## Copyright

The lending museum should be contacted if the museum wishes to reproduce an image of the object. As the owner of the object may not be the copyright holder, it is advisable to negotiate reproductions at the beginning of the loan process. The copyright holder has the right to charge a reproduction fee.

## Attribution

The lending organisation should be acknowledged in any text accompanying the object.