

# BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

## **Business and Finance Committee**

Thursday, September 29, 2022

10:30 a.m. – 12:00 p.m.

Ho-Chunk Room (320E)  
W.R. Davies Student Center  
UW-Eau Claire  
77 Roosevelt Avenue  
Eau Claire, Wisconsin  
And Via Webex Videoconference

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the August 18, 2022 Meeting of the Business and Finance Committee
- D. UW-Eau Claire Presentation – “Financial Planning in Support of the UW-Eau Claire Strategic Plan”
- E. Regent Policy Document Review: RPD 22-2, “Disposal of Works of Art”
- F. Report of the Vice President
  - 1. Reorganization of UWSA Office for Finance & Administration

September 29, 2022

**UW-EAU CLAIRE PRESENTATION – “FINANCIAL PLANNING IN  
SUPPORT OF THE UW-EAU CLAIRE STRATEGIC PLAN”**

**REQUESTED ACTION**

Host campus presentation; for information only.

**SUMMARY**

UW-Eau Claire is committed to ensuring administrative and financial efficiency across all university departments and operations. In 2021, the campus implemented a new capital allocation process and in 2022 a new financial planning program. The process is iterative and involves a financial planning team performing the work of reviewing budget data, financial forecasting, and then challenging assumptions and developing strategies. Vice Chancellor Grace Crickette will explain the structure of the program and Dean Brewer Doran, as a member of the financial planning team, will share her perspectives on the benefits of the program.

**Presenters**

- Grace Crickette, Vice Chancellor for Finance and Administration, UW-Eau Claire
- Dr. Brewer Doran, Dean, College of Business, UW-Eau Claire

September 29, 2022

**REGENT POLICY DOCUMENT REVIEW:  
RPD 22-2, "DISPOSAL OF WORKS OF ART"**

**REQUESTED ACTION**

Adoption of Resolution E., rescinding Regent Policy Document (RPD) 22-2, "Disposal of Works of Art," which outlines the requirements for institutions to have an art accessions committee, to have works of art appraised prior to disposal or exchange, to report dispositions to the Board of Regents, and to use funds from the dispositions to support the center or gallery from which the art came. The subject matter of this RPD will be contained in the draft UW System Administrative (SYS) Policy 335, *Deaccessioning of Works of Art and Historical Treasures*.

**Resolution E.** That, upon the recommendation of the President of the University of Wisconsin System, the UW System Board of Regents rescinds Regent Policy Document 22-2, "Disposal of Works of Art," and authorizes the UW System President to create an administrative policy to guide the deaccessioning of works of art and historical treasures held by UW System institution centers or galleries.

**SUMMARY**

This proposal recommends rescinding RPD 22-2, "Disposal of Works of Art." This policy currently provides the provisions for deaccessioning works of art held by UW System institution centers or galleries, including that each center or gallery must have an art accessions committee with the authority to dispose by sale or exchange works of art that are no longer needed or useful to the collection, that all sales or exchanges must be preceded by an independent appraisal of the work, and that all dispositions must be reported to the Board of Regents. It also states that if the work of art is a gift, the center or gallery must ensure that there are no restrictions to prevent disposal, and that the funds from the sale should be used to support the gallery and perpetuate the donor's name and generosity. Finally, it holds that the funds are to benefit the center or gallery, with disbursement to be made on the recommendation of the art accessions committee.

This RPD does not meet the standards for a Regent Policy Document as defined in [RPD 2-3, "Standards and Protocol for Regent Policy Documents."](#) Under RPD 2-3, the Board of Regents has the authority to "remove a policy that does not meet the standards, as when a

Board resolution was published as a policy... or did not have the characteristics of a policy.” Specifically, RPD 22-2 addresses a narrow topic area that would be better addressed in a UW System Administrative (SYS) policy instead of an RPD. The SYS policy will maintain all the provisions of RPD 22-2, except for the requirement to report deaccessioning to the Board of Regents. In the SYS policy, this reporting will be directed to the UW System Vice President for Finance and Administration.

## Presenter

- Julie Gordon, Senior Associate Vice President for Finance

## BACKGROUND

The UW System Board of Regents adopted Regent Policy Document (RPD) 22-2, “Disposal of Works of Art,” in October 1973 as Resolution 584 to guide the disposal of unrestricted gifts of art. The Elvehjem Art Center, which is now the Chazen Museum of Art at UW-Madison, developed the policy for its purposes and the Board of Regents adopted it as a Regent policy with the belief that the policy could be of use to other art centers and art galleries in UW System.

National efforts to create policies and ethical standards for removing art objects first originated from a controversial case in 1972 involving deaccessioning practices at the New York Metropolitan Museum of Art.<sup>1</sup> The Board referenced this case as part of its deliberations in 1973 about the art disposition policy. Over the years since the Metropolitan Museum of Art case, various organizations dedicated to the care of art and other collections developed and refined professional standards related to deaccessioning, as well as to issues related to the acquisition, care, and use of collections.

In 2011, the Board of Regents initiated a review of RPDs to update, revise, or eliminate existing documents. This effort also included refining the definition of a Board Policy and standardizing the structure and formatting of RPDs to increase accessibility and clarity for stakeholders. This resulted in the creation of [RPD 2-3, “Standards and Protocol for Regent Policy Documents,”](#) in 2016, which “sets the standard for the type of policy statements appropriate for inclusion in the body of Regent Policy Documents.”

Upon reviewing RPD 22-2, it was determined that the RPD does not meet the criteria for a Regent Policy Document as outlined by RPD 2-3, as it does not “avoid dictating policies and procedures that could be better determined by a systemwide administrative policy.” As such, the contents of RPD 22-2 have been included in the draft new SYS Policy 335,

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<sup>1</sup> Burgess, Chris, and Rachel Shane, “Deaccessioning: A Policy Perspective,” *Journal of Arts Management, Law, and Society*, August 9, 2011. <https://www.tandfonline.com/doi/pdf/10.1080/10632921.2011.598416>

*Deaccessioning of Works of Art and Historical Treasures* (included as attachment B). This new policy would address all the components of the deaccessioning of works of art that are included in RPD 22-2, with the exception that reporting on deaccessioned works of art will occur to the UW System Vice President for Finance and Administration instead of to the Board of Regents.

RPD 22-2 is proposed for rescission to eliminate redundancy between the policy sets. SYS 335 will be approved and published following the Board's approval of the RPD rescission. It also provides a definition for "works of art and historical treasures," and provides additional information on the process to be followed if a donor agreement allows for the sale proceeds of donated items to be used for alternative purposes.

### **Related Regent Policy Documents and Applicable Laws**

- Regent Policy Document 22-4, "Fundraising Principles and Guidelines"
- Section 16.72 (5), Wis. Stats., "Purchasing, duties."

See also:

- UW System Administrative (SYS) Policy 334, "Accountability for Capital Equipment"

### **ATTACHMENTS**

- A) RPD 22-2, "Disposal of Works of Art"
- B) DRAFT - UW System Administrative (SYS) Policy 335, "Deaccessioning of Works of Art and Historical Treasures"

Regent Policy Document 22-2 (formerly 73-15) (Current Policy)

## **Disposal of Works of Art**

1. The Regents recognize that the works of art under the control of an art center or gallery are a revolving resource and that maintenance of a quality collection requires periodic exchanges, sales, and acquisitions by the center or gallery.
2. Each center or gallery should have an art accessions committee which is hereby granted authority to dispose by sale or exchange of works of art that are no longer needed or are not useful to the collection. All works to be disposed of will be independently appraised prior to sale and sold for at least the appraised valuation. Exchanges of works of art should include an independent appraisal of all works involved.
3. All dispositions under this action shall be regularly reported to the Board for its review and ratification. If the work of art to be disposed of was acquired as a gift, the donor's letter or other instrument describing the gift and transferring ownership shall be checked for restrictions to assure that no restrictions exist to prevent the disposal.
4. Funds realized from disposed works of art will be used to acquire other works of art in the name of the donor of the disposed works of art, thus perpetuating the donor's name and his/her generosity.
5. Funds from any sale and investment earnings thereon will be and remain trust assets of the respective center or gallery, held for the benefit of the center or gallery with disbursement to be made on recommendation of the appropriate art accessions committee.

*History: Res. 584 adopted 10/5/73.*

# The University of Wisconsin System

## Administrative Policy # 335



**Title:** Deaccessioning of Works of Art and Historical Treasures

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**Original Issuance Date:** September xx, 2022

**Last Revision Date:** September xx, 2022

### 1. Policy Purpose

This policy outlines the expectations of University of Wisconsin (UW) System Administration related to the deaccessioning and disposal of works of art and historical treasures owned by UW System institutions.

### 2. Responsible UW System Officer

Vice President for Finance and Administration

### 3. Scope and Institutional Responsibilities

This policy applies to all UW institutions that own and have the need to deaccession and dispose of works of art and historical treasures.

Institutions shall adhere to this UW System policy. They may not tailor the policy to their institutions. They must also be aware of and comply with industry best practice for the acquisition, care, deaccessioning, and disposition of works of art in their collection and follow the reporting requirements of this policy.

### 4. Background

Under [Wis. Stats., s. 36.09\(1\)](#), the Board of Regents is vested with the primary responsibility for the governance of the UW System. In discharging this responsibility, compliance with state, federal, and industry regulations is necessary to protect and uphold the integrity of collections of works of art and historical treasures in the UW System's possession. The Board of Regents has delegated the authority to oversee the disposition of works of art and historical treasures at a UW System institution to the chancellor (or designee), with oversight from UW System Administration.

The expectations around the disposition of works of art and historical treasures were previously governed by Regent Policy Document (RPD) 22-2, *Disposal of Works of Art* (rescinded September xx, 2022). The provisions of that RPD are now largely established in this policy.

### 5. Definitions

**Works of Art and Historical Treasures:** Property that has cultural, aesthetic, or historical value that is worth preserving perpetually. These assets are held in furtherance of public service, rather than financial

gain, and are not capitalized as their service potential and expected future benefits are difficult to quantify. General library holdings are typically not considered works of art or historical treasures.

## 6. Policy Statement

UW System Administration recognizes that the works of art and historical treasures under the control of a UW System institution are evolving assets and that maintenance of a collection in line with an institution's mission requires periodic exchanges, sales, and acquisitions.

To conduct the ethical disposal of works of art and historical treasures owned by the UW System, all UW System institutions must adhere to the following policies:

- A. Each institution must have a committee, which shall advise the chancellor on the disposal, by sale, exchange, or transfer, of works of art and historical treasures that are no longer needed, repatriated, or otherwise not useful to the collection(s). In making its recommendations, the committee should consider all applicable laws, regulations, and donor intent.
- B. All disposals shall be reported by the institution to the UW System Vice President for Finance and Administration for review on an annual basis. This report should include method of disposal, what funds were realized from disposal (if any), and the intended use of those funds.
- C. Funds realized from disposed works of art and historical treasures must be used to acquire other works of art or historical treasure(s) in the name of the donor of the disposed works of art or historical treasure(s), thus perpetuating the donor's name and their generosity. Funds may not be used for general support or capital expenses.
- D. Funds from any sale and investment earnings thereon must be and remain trust assets of the respective center or gallery, held for the benefit of the center or gallery.

Some UW System institutions have art on their campuses acquired through the state's percent for art program. These objects have specific requirements around deaccessioning that must be followed in addition to conforming to the policy here. Please consult the [Wisconsin Arts Board](#) for details.

If a donor agreement allows for sale proceeds of donated items to be used for alternative purposes, such as for the general benefit of the institution, and a UW System institution chooses to exercise that authority, such assets will not be considered works of art or historical treasures. The UW System institution must work with UW System Administration Office of Finance and Administration to address financial reporting issues.

## 7. Related Documents

[Native American Graves Protection and Repatriation Act \(NAGPRA\)](#)

[Federal Guidelines around conservation or dispensation of works created during WPA era](#)

[Wis. Stats., s. 36.09\(1\)](#)

[PRO-416, State Procurement Manual – Contract Administration and Transactions: Surplus Property Disposal](#)

[SYS 334, Accountability for Capital Equipment](#)

[American Alliance of Museums Code of Ethics for Museums](#)



[Association of Art Museum Directors Policy on Deaccessioning](#)  
[International Council of Museums Guidelines on Deaccessioning](#)  
[Wisconsin Arts Board Percent For Art Program](#)

## 8. Policy History

First approved: September xx, 2022\*

\*Prior to this policy, the requirements for the disposal of works of art in the UW System were contained in RPD 22-2, *Disposal of Works of Art* (rescinded September xx, 2022).

## 9. Scheduled Review

September 2027

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