Smarter Loans

Principles for lending and borrowing from UK museums
Contents

Introduction

Purpose and scope of principles

Key Principles

1. Why Lend? The benefits of loans

2. Planning for loans:
   Creating a loans policy
   Making a loan request
   Making decisions about a loan
   Costs involved in a loan
   Building relationships

3. Managing Risk: conditions for loans

4. Capturing the benefits of loans

5. Things to consider when lending and borrowing

6. Appendix 1: further sources of information
Introduction

Museums lend their collections in order to increase the public benefit derived from them, to promote access, to increase knowledge and understanding, and to support other museums. They balance their role in safeguarding items for future generations with their obligation to optimise access for and engagement with present audiences. Museums borrow items in order to complement and enhance the potential for learning and enjoyment in their own collection. Lending and borrowing is part of a well-managed and sustainable collection.

These principles have been drafted by the Smarter Loans Steering Group which is made up of colleagues working in a wide range of museums across the UK.

Purpose of the principles

The purpose of this document is to promote a more proactive approach to lending and to encourage more lending between museums and other appropriate organisations. The aim of the principles is to encourage a greater sense of partnership and co-operation between institutions and organisations involved in the loans process and to ensure lending remains a core activity in all museums. In particular it is hoped that the principles will support museums that have never lent or borrowed material before, or do so infrequently, to make this a regular activity.

The aim of the principles is to promote the sharing of collections through loans so that the public can have access to a greater number and variety of objects. The principles encourage museums to adopt a flexible and pragmatic approach to loans so that more take place, whilst ensuring that objects are not subject to unnecessary risks. These principles are intended to support museums to approach loans in an ethical way and to relate principles to practice.

Through encouraging all museums to loan more material it is hoped that there will be a wider pool of museums and objects for borrowers to draw on.

Scope of the principles

These principles provide general information and advice on loaning material between museums and other appropriate borrowers.

They primarily cover loans between museums within the UK for a range of purposes: short term loans for exhibitions, long-term loans, loans for research purposes. However, these principles should also help museums that want to loan or borrow material internationally or with other types of organisations or individuals.

They do not provide detailed technical information about specific conditions for loans, but additional sources of information on these areas and other useful information have been listed in appendix 1.

A museum’s ability to lend or borrow will depend on how it is constituted. A minority of museums may not legally be able to lend or borrow, or they might be limited in the material they can lend.
Key principles of UK loans

1. Loans benefit both lenders and borrowers. Share collections willingly in order to reach new audiences and inspire learning and enjoyment. Borrow items to improve the service provided to audiences.

2. Loans enable museums to reach wider audiences, set collections in context and increase public awareness of museums.
   2.1 Use loans to increase access for users who cannot visit your museum
   2.2 Work in a spirit of partnership and cooperation. Develop long-term relationships that will help you appeal to a broader audience

3. Create policies approved by the governing body for all loans from and to the museum and communicate them to staff and visitors. Ensure there is transparency in the decision making process:
   3.1 Publicise and promote the museum’s procedures and strategies for loans and its readiness to share its collections
   3.2 Respond promptly to requests for loans and provide clear information about any grounds for refusing a loan

4. Exercise due diligence when considering a loan. Verify the ownership of any item being considered for loan and establish that the current holder is legitimately able to lend. Refuse to lend items to any exhibition that is likely to include illicitly traded or spoliated items.

5. Ensure there is good communication between lender and borrower from the outset and share relevant information as early as possible. Be clear about the reasons for borrowing, plan sufficiently in advance and give due consideration to the resources, particularly budgetary, required to achieve the loan.

6. The motivation for lending to museums and other public venues in the UK is not to generate income. The lender will only seek to recover essential costs for a loan, giving due consideration to the resources of the borrower.

7. Minimise the environmental impact of lending. This includes:
   7.1 Share transport where possible and only use couriers where absolutely necessary
   7.2 Consider longer-term loans, or permanent transfers
   7.3 Adopt more sustainable practice: reuse packing and display materials where possible

8. Balance security, conservation and environmental requirements with the need to share collections. Assess and actively manage any risk involved in a loan, understanding that the lender and borrower both have a role in mitigating risk.

9. Lenders and borrowers should work together to define appropriate and acceptable standards which are based on the needs of the object and are proportionate to the resources available to the borrower.

10. Minimise costs for a loan:
    10.1 Require only essential conservation to prepare an item
    10.2 Require only essential photography and documentation
    10.3 Keep transport and packing in proportion with the significance, vulnerability, and nature of the item
    10.4 A presumption against sending a courier unless a clear need is identified
Take opportunities to capture and record information to aid future collections use and to assess the benefit of the loan. This could include recording:

11.1 New collections knowledge and interpretation generated through the loan and associated materials
11.2 Any relevant information about audiences reached through the loan
11.3 Any relevant information collected through due diligence checks
1 Why Lend – the benefits of loans

Principles 1 and 2:

1 Loans benefit both lenders and borrowers. Share collections willingly in order to reach new audiences and inspire learning and enjoyment. Borrow items to improve the service provided to audiences.

2 Loans enable museums to reach wider audiences, set collections in context and increase public awareness of museums.
   2.1 Use loans to increase access for users who cannot visit your museum
   2.2 Work in a spirit of partnership and cooperation. Develop long-term relationships that will help you appeal to a broader audience

Museum collections are a valuable public resource, reflecting the generosity of past and current donors and public investment in their continued care and development. Through collections people can find enjoyment, inspiration, learning and a deeper understanding of their culture and heritage. Sharing collections contributes to their interpretation and increases the benefit they can provide for the public. Museums have an obligation to share their collections so lending and borrowing should be a core activity for all museums. A willingness to share collections reflects the spirit of generosity and reciprocity that exists across the museum sector. Sharing collections enables museums to reengage, rediscover and look afresh at the objects they hold. Sharing collections can breathe new life into exhibitions, research and learning opportunities.

Lending and borrowing can bring significant benefits to both the lender and the borrower. Loans can help museums to:

- Reach and empower new audiences and widen the diversity of audiences
- Provide better access to collections
- Get stored collections out on show
- Support new research and the development of new knowledge about collections
- Provide new contexts for collections to generate fresh perspectives and tell new stories
- Reunite items from collections that are no longer permanently together
- Develop long-term relationships that will lead to future partnership work
- Share collections-related knowledge with colleagues in other institutions
- Provide new opportunities to publicise activities and promote the museum as a resource for everyone

Who should we be lending to?

The most common loans are between museums; however museums are increasingly working in partnership with a much wider range of organisations to increase public access and enjoyment of collections. If there is demonstrable public benefit in doing so, museums should consider loans to
any venue that can provide public access and is able to meet the required standards of security and care.
2. Planning for loans

Principles 3 – 7

3 Create policies approved by the governing body for all loans from and to the museum and communicate them to staff and visitors. Ensure there is transparency in the decision making process:

3.1 Publicise and promote the museum’s procedures and strategies for loans and its readiness to share its collections
3.2 Respond promptly to requests for loans and provide clear information about any grounds for refusing a loan

4 Exercise due diligence when considering a loan. Verify the ownership of any item being considered for loan and establish that the current holder is legitimately able to lend. Refuse to lend items to any exhibition that is likely to include illicitly traded or spoliated items.

5 Ensure there is good communication between lender and borrower from the outset and share relevant information as early as possible. Be clear about the reasons for borrowing, plan sufficiently in advance and give due consideration to the resources, particularly budgetary, required to achieve the loan.

6 The motivation for lending to museums and other public venues in the UK is not to generate income. The lender will only seek to recover essential costs for a loan, giving due consideration to the resources of the borrower.

7 Minimise the environmental impact of lending. This includes:

7.1 Share transport where possible and only use couriers where absolutely necessary
7.2 Consider longer-term loans, or permanent transfers
7.3 Adopt more sustainable practice: reuse packing and display materials where possible

Undertaking a loan can involve many different elements; therefore good planning is essential for them to be successful. Both lender and borrower should plan carefully before a loan takes place.

Creating a loans policy:

It is recommended that any museum that wants to loan material should develop a loans policy. If you have not loaned objects before, or only do so very occasionally, developing a policy is a good first step in supporting a more proactive approach to lending. A loans policy should help people to approach a museum to request a loan and should be a user focused document.

Having a loans policy will help both the lender and borrower to ensure that there is clarity and transparency during the loans process; it can also help to manage expectations. The loans policy should clearly set out a museum’s approach to loans, any requirements for making a loan and the process that is followed. A loans policy should be approved by a museum’s governing body.

What should be included in a loans policy?

- Due Diligence, Legal, ethical and other parameters, for loans
- Reasons why the museum loans items and the types of loans that are made
- Who the museum loans to
- Information about the appropriate people to approach within the museum to discuss a loan
Smarter Loans

- The decision-making process and the timescale for considering a loan request
- Reasons why a loan might be refused
- Any current restrictions on loans
- Potential costs involved in a loan
- Any conditions for a loan: insurance, security, environmental

Publicising a loans policy

As the aim of a loans policy is to help the borrower, the policy should be well publicised. This will help to encourage museums to make loan requests, particularly those who have never done so in the past. At a minimum, policies should be available on a museum’s website and easy to locate. The policy should identify the appropriate colleagues who deal with loans.

Museums might also consider publishing:

- Information about where material from the museum is currently on loan. This will ensure that the public knows where they can see objects from the museum and it is a good advocacy tool
- If possible, publicise items that are available for loan from a museum. This can be done on a museum’s own website and also, by using the MA’s Find an Object web listing service (see appendix 1)

Making a request for a loan:

The process of achieving a successful loan begins with a loan request. Getting this stage of the process right will help make the loan as easy as possible. It is very important for all parties involved in a loan to recognise that each organisation operates in a different way, and to bear this in mind when going forward in the process.

Before a loan request is made:

- Carry out research into the items you wish to borrow and be realistic about what you can borrow
- Carry out research into the logistics involved in undertaking a loan to ensure your organisation is able to receive it
- Find out how loan requests should be made, e.g. through submission of a formal loan request
- Find out to whom loan requests should be made - a museum’s loans policy should identify this
- Leave plenty of time to complete the loans process, depending on the lending institution and type of loan it can take up to 6 to 9 months to administer a loan
- Where possible, and appropriate, get in contact with the lending institution before you make a request. Early discussions will help to develop good communication between institutions and identify any potential issues that need to be resolved to reduce the risk of a loan being refused
- Ensure loan requests are only be made by people who have the appropriate authority to do so

1 Sometimes museums may stop loaning material whilst they are closed for refurbishment or undergoing other developments. Museums should consider very carefully the implications of ceasing loans for any period of time and should only do this under extreme circumstances. Loans can be a valuable way of providing access to a museum’s collection whilst galleries or buildings are closed.
At this stage lenders should be able to discuss any issues and communicate any potential or estimated costs that might be involved in a loan

**What might be covered in a loan request?**

- Type of loan being requested
- As much information as possible about the reasons a loan request is being made, including;
  - the subject of the exhibition or research project, other items being displayed, how the item being requested relates to the exhibition/proposed use
- The likely public benefit that will be derived from the loan
- As much information as possible about the item being requested (e.g. name and type of object, accession number if known)
- Dates of the requested loan period
- Details of the venue (the UKRG Facilities Report, Security Questionnaire and Display Case Supplement can be used here, see appendix 1)

**Making decisions about a loan**

All decision making processes should begin with the presumption that museums will lend objects. Lender and borrower should work together to see if any issues that may present an obstacle to a loan can be resolved.

Museums may differ in their approach to making decisions, and it is important to acknowledge the different operating environments of organisations involved and how this might influence the process. A loans policy should set out how decisions are made and by whom. It is important to ensure the decision making process is open and transparent.

Once a loan has been approved museums might consider drafting and signing a loan agreement. This document can set out the responsibilities of both parties and can help minimise the risk of any misunderstandings. A loan agreement could cover:

- A description of the item(s) to be loaned
- The purpose of the loan (short term, research, long term)
- The loan period
- Any work that needs to be done on the object before it can go out on loan
- Conditions relating to packing, transport, environment, security and insurance
- Photography
- How the lending institution should be credited
- Copyright and IPO
- Marketing and publicity surrounding the loan
- Costs involved in the loan and who is responsible for each cost

**Reasons why a loan might be refused**

There may be some occasions when a loan request is refused, but this should only be done when all avenues to resolve potential barriers have been explored. When a loan is refused the lending institution should provide an explanation as to why this has happened.

There are a number of reasons why a museum might consider refusing a loan, but in each case solutions should be sought where possible. Reasons for refusing a loan might include:

- If the item is fragile, or in a poor or unstable condition, and unable to travel
Smarter Loans

- If the object will not be accessible to the public
- Due diligence and legal issues may prevent the loan
- If the item is currently on display and removing it would have a significant impact
- If the item has been on loan recently and is now required back at the museum
- Insufficient time to consider and prepare the loan
- The loan is not cost effective for the lender
- A compelling case for the loan has not been made by the borrower
- If the proposed use of the object is not appropriate
- The item is not available
- Despite attempts to rectify suitable environmental and security conditions can’t be met
- The lender is at capacity for making loans

Like other areas of practice that are reviewed to ensure they are delivering public benefit, museums should review their loans processes. In particular museums should scrutinise the reasons why they are refusing loans and if particular reasons are regularly being used museums should consider if changes need to be made.

Costs involved in a loan

There can be a number of costs involved in a loan, but these should always be kept to a minimum and should be discussed at the earliest possible opportunity as they may influence whether a loan can go ahead. Cost can vary depending on the type of loan, the lending institution, the condition of the object, the location etc. Costs can be calculated on an item by item basis or some museums may adopt a flat fee. All costs should be agreed between the lender and the borrower before the loan goes ahead.

It is often the case that the borrower meets the majority of costs involved in a loan. Costs might be incurred in the following areas:

- Preparation and conservation
- Packing and crating
- Transportation, including use of couriers
- Insurance
- Materials used to display the item appropriately e.g. mounts, plinths
- Photography and reproduction
- Insurance

The borrower should verify that any charges they are asked to pay for are directly related to the loan and not part of a planned programme of work. Both borrower and lender should shop around for best value and be willing to negotiate the costs involved.

Things to consider to reduce costs of a loan :

- Re-use existing frames, crates etc, where possible
- Rent equipment, crates, etc., instead of creating new ones
- Shop for the best value for insurance and transportation
- Only use a courier where there is a proven need
- Ensure valuations are appropriate and justifiable
- Use the Government Indemnity Scheme where eligible
- Be willing to negotiate on costs
Building relationships

The most essential element of planning for, and achieving, a successful loan is good communication and the development of a good relationship between the lender and borrower. Communication should begin at the very start of the process when a museum is thinking about what items they may want to borrow and which museums they might approach. If you are able to build a good relationship it could lead to more loans, or other opportunities for partnership work, in the future.

To help develop and maintain a good relationship throughout the loans process:

- Begin a dialogue with the lender by phone, email or letter before a formal request is made
- Have a single point of contact at each organisation to help to ensure clear channels of communication and to avoid confusion and duplication
- Both parties should respond within a reasonable time to requests for information or other queries
- Both parties should keep each other up to date with any relevant information or potential problems that might occur
- Both parties should be open and willing to discuss all elements of the process and to work together to identify possible solutions to any issues that arise
3 Managing Risk: conditions for loans

Principles 8 - 10

8 Balance security, conservation and environmental requirements with the need to share collections. Assess and actively manage any risk involved in a loan, understanding that the lender and borrower both have a role in mitigating risk.

9 Lenders and borrowers should work together to define appropriate and acceptable standards which are based on the needs of the object and are proportionate to the resources available to the borrower.

10 Minimise costs for a loan:
   10.1 Require only essential conservation to prepare an item
   10.2 Require only essential photography and documentation
   10.3 Keep transport and packing in proportion with the significance, vulnerability, and nature of the item
   10.4 A presumption against sending a courier unless a clear need is identified

No activity that involves the use of collections is completely risk free, but any potential risk should be balanced against the public benefit that can be achieved through a loan.

The conditions that are attached to a loan should be considered on a case by case basis and a pragmatic and flexible approach should be adopted. It is important that both borrower and lender are willing to enter into discussions about any conditions. These discussions should take into account the object in question and a realistic assessment of the conditions requested.

Conditions that may be required for a loan can add significant costs to the process and in many cases the borrower has to meet these costs. Any discussions should take into account the resources available to the borrower to meet the various conditions. (see pg 12 for ways to reduce loan costs)

In a number of cases conditions for a loan relate to the standards stipulated by the Government Indemnity Scheme which need to be met for museums to be eligible for cover under the scheme. In all cases conditions should be agreed between the lender and borrower before a loan goes ahead, clearly stating who will bear the costs. The conditions of a loan will depend on the type of object on loan. A museum’s Loan Policy should set out areas where conditions are likely to be requested.

The following are areas where conditions are likely to occur. (See appendix 1 for further sources of information about conditions)

- Packing and Transport
- Couriers
- Environmental conditions
- Insurance and indemnity
- Security
- Copyright and IPO

The United Kingdom Registrar’s Group (UKRG) can provide detailed advice on conditions relating to loans (see appendix 1 for details).
4 Capturing the benefits of loans

Principle 11

11. Take opportunities to capture and record information to aid future collections use and to assess the benefit of the loan. This could include recording:

- 11.4 New collections knowledge and interpretation generated through the loan and associated materials
- 11.5 Any relevant information about audiences reached through the loan
- 11.6 Any relevant information collected through due diligence checks

It is important that the benefits of loans are captured and shared. This information is vital if museums are to be able to continue to make the case for loaning and borrowing material. Capturing this information is also essential if museums are to improve the loans process and the impact of loans. Loans should be used to promote the work of both the lender and the borrower.

The following information could be helpful to demonstrate the benefits of loans; borrowers might consider collecting and sharing this information with the lending institution:

- Information about the numbers of visitors to exhibitions or other activities associated with objects on loan
- Information available about the range of audiences reached through the loan
- Copies of any materials associated with the loan; such as the findings of any research that was undertaken, labels and text panels relating to objects, catalogues
- Copies of any publicity material that relates to activities the loan was used for, and any resulting press and media coverage
- Details of any associated programmes, lectures or workshops
- Copies of any visitor comments or feedback relating to activities the loan was involved in
- Links to any social media sites that relate to the items on loan and associated activities
- Any feedback to the lender on how they have found the loans process

Sharing and publicising the benefits of loans

It is not enough just to collect useful information about the benefits that have been achieved through a loan. To highlight this area of activity better, museums need to publicise the work they do both internally and externally. This can be done by:

- Publishing details about the loan item, activities associated with the loan and visitor figures in the annual reports of both the lender and borrower
- Publishing details of loan items on the museum’s website and social media sites

Making the most of relationships

A key benefit of loans is the relationships that can be developed between participating organisations. Make sure these relationships are maintained when the loan is completed as they could lead to opportunities to work together in the future.
5. Things to consider when lending and borrowing

To improve the quality of loans and encourage more museums to participate in loans, lenders and borrowers should consider the following:

For both parties:

- Be open and transparent; share information willingly and promptly
- Maintain good relationships and positive communication
- Publicise and celebrate the loan

For the lender:

- Be clear about the reasons why you want to loan objects and what you want to achieve through the process
- Make sure loans are prioritised as a valuable activity and there is dedicated staff time to manage the process
- Loans are a two way process and the borrower should be seen as a partner and not a customer
- Recognise that all museums are working within different parameters, and willingly enter into discussions with borrowers to overcome potential barriers
- Be as flexible as possible and only impose reasonable conditions for a loan to take place
- Consider lending to non-museum organisations
- Consider advertising some of the items you have available for loan on the Museums Association’s ‘Find an Object’ web listing service
- Regularly review your loans practice to ensure you are delivering public benefit

For the borrower:

- Make sure you have clear reasons for wanting to have a particular item on loan and be able to articulate how the public will benefit
- Don’t always go for the ‘star’ objects, and be open to suggestions from lenders about other potential items that might meet your needs
- Think about which museums you can borrow items from; borrow from as many different museums as possible and don’t always approach the ‘usual suspects’ such as National museums
- Be realistic about what you can borrow given the space and facilities you are able to provide, but don’t let specific conditions for a loan put you off as there may be room for negotiation
- If you are borrowing items, are you also lending objects from your own collection? If not you should be thinking about developing and publicising a loans policy and offering items for loan through the Museums Association’s ‘Find an Object’ website.
Appendix 1: Key documents and sources of information to support successful loans

Sample loans policies:

Listed below are the loans policies from a few museums. They are all available on the museums’ websites. For anyone considering making a loan request loans policies provide a good idea of the types of conditions and requirements that might need to be met. They may also be useful for any museum considering drafting its own loans policy.

National Museums Scotland:
http://www.nms.ac.uk/national_connections/loans_from_our_collection/requesting_a_loan.aspx

National Museums Liverpool:
http://www.liverpoolmuseums.org.uk/about/partnerships/outward_loans_policy.aspx

Tate: http://www.tate.org.uk/collections/borrowing/loans-policy.shtm


Planning a loan

**UK Registrar’s Group**
The UKRG Standard Facilities Report is a key document that enables borrowers to provide information about the conditions they can provide for items on loan. Completing the form can help identify any potential problems that need to be resolved. There are also two supplementary documents on display cases and security. http://www.ukregistrarsgroup.org/publications

**Government indemnity scheme (GIS)/ National Security Adviser**
The GIS is an arrangement whereby the Government is responsible for payment of compensation in the event of loss of, or damage to, objects which are on loan to a museum, gallery or similar institution in the UK. Most Accredited museums, with the exception of National museums can apply for GIS.

The MLA’s National Security Adviser has specialist knowledge and experience of security issues relating to museums, galleries, archives and libraries. Security Guidelines which apply to items to be loaned under the Government Indemnity Scheme can be found at the GIS section of the website, as can contact details for the Adviser.
http://www.mla.gov.uk/what/cultural/objects/government_indemnity

**National Museum Directors Conference (NMDC)**
The NMDC has published guidelines and standards for loans between national and non-national museums. Any museum wanting to borrow from a National should read these before embarking on the process. The guidelines contain a charter of standards National museums should adhere to. http://www.nationalmuseums.org.uk/media/documents/publications/loans_standards_guidelines.pdf

**Collections Link**
Collections Link provides information about standards relating to collections care, environmental conditions, security and insurance and other areas relevant to loans.
http://www.collectionslink.org.uk/
Researching loans

**Subject Specialist Networks**

To help identify museums that might have relevant collections the Subject Specialist Networks can be a good source of information


Publicising loans and items on offer to loan

**Find an Object**

The Museums Association’s Find an Object website allows museums to advertise objects that they wish to offer for loan.

[http://www.museumsassociation.org/collections/find-an-object](http://www.museumsassociation.org/collections/find-an-object)

**National Museums Scotland (NMS)**

NMS has created an ‘Ideas for Loans’ section on its website to highlight the range of objects they have available for loan, together with suggested themes that could be explored through the available objects

[http://www.nms.ac.uk/collections__research/loans_from_our_collection/ideas_for_loans.aspx](http://www.nms.ac.uk/collections__research/loans_from_our_collection/ideas_for_loans.aspx)

**Royal Armouries, Leeds**

The Royal Armouries have a website where you can view all the items they have on loan across the world:


Managing risk – conditions for loans

See Planning for a loan for details of UKRG and GIS and MLA security Advisor which are useful when considering conditions for a loan

**PAS 197:2009**

This is a code of practice for the management of collections produced by the British Standards Institute in 2009. It contains standards for collections care and conservation that might be useful to refer to when considering conditions for loans


PAS 198 is currently being drafted

**NMDC guiding principles for reducing carbon footprints**


International Loans

**Lending to Europe: recommendations on collections mobility for European Museums**

This is a report produced for the EC by an independent group of experts with the aim of providing realistic and practical advice for museums across Europe who want to lend to each other.
Network of European Museum Organisations (NEMO)
NEMO has developed a standard loan agreement to help museums across Europe lend to each other.
dard_Loan_Agreement/NEMO_Standard_Loan_Agreement.pdf

Bizot Group Loans Guidelines
The Bizot group comprises directors from the world’s leading museums and galleries. They have produced a set of loan guidelines for international loans.

Codes of Ethics

The Museums Association Code of Ethics
This provides ethical advice and guidance for museums in the UK and those who work in them.
http://www.museumsassociation.org/ethics/code-of-ethics

International Council of Museums Code of Ethics
This provides ethical advice and guidance for the international museum community.
http://icom.museum/who-we-are/the-vision/code-of-ethics.html

Other useful sources of information

Museum Practice
This is an online publication from the Museums Association that feature a variety of articles on loans
http://www.museumsassociation.org/museum-practice

UK Museum Loans Network
This network has been set up to support and share best practice around the development of loans services, particularly for loan boxes and loans to schools.
http://www.museumsloansnetwork.org.uk/