Making a Good End: How to Close a Museum
Thanks

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Staff, board members and volunteers of now closed museums
There are known knowns; there are things we know we know.

We also know there are known unknowns; that is to say we know there are some things we do not know.

But there are also unknown unknowns — the ones we don't know we don't know.
What We Don’t Know - Knowns

1. How many museums close each year
2. What happens to their collections when the museum closes (short-term)
3. How to recognize the “warning signs”
How Many Museums Close Each Year
Category: Defunct museums in the United States

Museums that no longer exist in the United States.

Subcategories

This category has the following 33 subcategories, out of 33 total:

- Defunct art museums and galleries in the United States (1 C, 4 P)
  - Defunct museums in Alabama (3 P)
  - Defunct museums in Arizona (4 P)
  - Defunct museums in Arkansas (2 P)
  - Defunct museums in California (17 P)
  - Defunct museums in Colorado (2 P)
  - Defunct museums in Connecticut (5 P)
  - Defunct museums in Washington, D.C. (7 P)
  - Defunct museums in Florida (9 P)
  - Defunct museums in Georgia (U.S. state) (7 P)
- Defunct museums in Hawaii (3 P)
- Defunct museums in Illinois (15 P)
- Defunct museums in Indiana (1 P)
- Defunct museums in Louisiana (4 P)
- Defunct museums in Maryland (7 P)
- Defunct museums in Massachusetts (1 C, 5 P)
- Defunct museums in Michigan (2 P)
- Defunct museums in Mississippi (3 P)
- Defunct museums in Missouri (3 P)
- Defunct museums in Nevada (5 P)
- Defunct museums in New Jersey (5 P)
- Defunct museums in New York (state) (1 C, 11 P)
- Defunct museums in North Carolina (3 P)
- Defunct museums in Ohio (5 P)
- Defunct museums in Oklahoma (3 P)
- Defunct museums in Oregon (3 P)
- Defunct museums in Pennsylvania (7 P)
- Defunct museums in Texas (12 P)
- Defunct museums in Utah (2 P)
- Defunct museums in Vermont (1 P)
- Defunct museums in Virginia (6 P)
- Defunct museums in Washington (state) (6 P)
- Defunct museums in Wisconsin (4 P)
British Museums Closed Between 2005 and 2015
Mapping Museums: Preliminary results on UK museum closure, 1960-2017

23rd February 2018  ubmjay001

Jamie Larkin
In the Car Museum Race, Some Drop Out - The New York Times
May 10, 2018 - With attendance down, some auto museums that were once prime attractions have closed their doors.
What We Don’t Know - Unknowns

1. What happens to closed museums’ collections long-term
2. How do museum closings affect donations and funding for museums overall
3. How does it affect their communities
4. Are there regional, governance, or subject matter differences in which museums close
Focus for this Webinar

1. Why do museums close
2. Legal considerations
3. Collections issues
4. Staff concerns
5. Community relations
Why Do Museums Close: Financial Issues

1. Operating costs are consistently larger than fund-raising income

2. Loss of government, foundation or major donor support

3. Long-term debt
Why Do Museums Close: Lack of Support

1. No one willing to serve on Board

2. Dwindling visitation, membership, donations

3. Mission has become stale or irrelevant
When To Close

“A decision...should be made at the earliest point in time after all alternatives have been weighed...”

(AASLH Ethics Position Paper, 2007)
Some Factors to Consider When Deciding to Close

1. Provide enough time for staff to assist with collections issues

2. Be as transparent as possible both internally and externally

3. Avoid incurring (additional) debt
Continued need for support
ATHM is continuing to gratefully accept funding from individuals, corporations, and foundations to support the thousands of curatorial hours necessary to ensure the proper care of collections as they are prepared to be transferred to other organizations, according to ATHM Interim Executive Director Todd Smith. “We are asking that all who share a love of and concern for America’s history and heritage help us preserve and protect the Museum’s unparalleled collection of American artifacts.”
Legal Considerations

1. Legal dissolution is the responsibility of the Board of Trustees

2. Each state has its own set of procedures

3. Museums with IRS non-profit designations must also follow their requirements
Steps to Dissolve a Nonprofit Corporation

1. Vote to dissolve the organization
2. Create a Plan of Dissolution
3. Pay liabilities
4. Distribute assets
5. Terminate leases and other contracts
6. Notify state agencies
7. Notify IRS
IRS Model Dissolution Clause

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.
Each state has different requirements

1. Start by contacting Secretary of State or State Attorney General

2. May need court approval

3. Consult with legal counsel
How do you dissolve an Arizona Corporation?

To dissolve your Corporation in Arizona, you submit the completed Form CF: 0030 Articles of Dissolution and one exact copy to the Arizona Corporation Commission (ACC) by mail, fax, or in person. The Articles of Dissolution are available online (see link below). They are also in your online account when you sign up for Arizona statutory agent service with Northwest.

Publication is required to dissolve an Arizona corporation. Within 60 days after ACC approval of the Articles of Dissolution, you must publish a copy of the document in a newspaper of general circulation in the county of the known place of business in Arizona for three consecutive publications. A list of newspapers will be enclosed with your approval letter and is also available on the ACC website (see below).

The dissolution forms can be filed by delivering them to:
Arizona Corporation Commission
Corporations Division – Corporate Filings Section
1300 W. Washington St.
Phoenix, Arizona 85007-2929
Fax: (602) 542-4100
Phone: (602) 542-3026

On their website, Arizona has a cover sheet that should be included with filings. It is available online (see link below). The cover sheet is also in your online account when you sign up for Arizona statutory agent service.

New York State

Court Approval/Attorney General Notice

If your nonprofit has assets, then, after the directors (and members) have authorized dissolution, you must also obtain approval from a justice of the supreme court in the judicial district in which your nonprofit's office is located. You must submit a special type of application, known as a verified petition, to the appropriate court, along with the plan of dissolution and distribution of assets, and certified copies of the consents of directors (and members). You must also send notice of the filing to the attorney general along with copies of the petition, plan, and consents.

State supreme court approval is not required if your nonprofit does not have assets to distribute or any outstanding debts at the time of dissolution, or has less than $25,000 in assets that have been set aside specifically to pay expenses related to winding up the nonprofit. However, your nonprofit still must file a certified copy of its plan of dissolution with the attorney general. The N-PCL states that the plan must be filed within 10 days of your nonprofit authorizing the plan. The attorney general's office, however, states that you should file with them only after you "carried out such plan, satisfied any of its remaining debts, and prepared a final financial report indicating a zero balance."

You should consider getting assistance from an attorney for filings with the supreme court and the attorney general.
Special Cases

1. Museums with “parent” entities (e.g., universities, city or county government)

2. Private collections not governed by corporate or trust law

3. When there is debt
Museums with “Parent” Entities

1. Assets belong to parent entity

2. Collection disposition can be problematic

3. Friends or other independent support groups may chose to dissolve or continue
Outcry Over a Plan to Sell Museum’s Holdings

The Massachusetts attorney general’s office said on Tuesday that it planned to conduct a detailed review of Brandeis University’s surprise decision to sell off the entire holdings of its Rose Art Museum, one of the most important collections of postwar art in New England.

The decision to close the 48-year-old museum in Waltham, Mass., and disperse the collection as a way to shore up the university’s struggling finances was denounced by the museum’s board, its director and a wide range of art experts, who warned that the university was cannibalizing its cultural heritage to pay its bills.
Private Collections

Morphy's to auction massive collection of Western antiques from now-closed Wild West Museum, Oct. 31-Nov. 2

More than 30,000 items will be auctioned off in Glendale.

Flooding that damaged a Mayer antiques museum in July has forced the owner to auction off more than 30,000 of the museum's items and shut the attraction.

Kenneth Seco, the owner of Smitty's Antiques Museum in Mayer, will auction items that include his personal collection of old phonographs, gas pumps and reel-to-reel tape recorders.

Famed classic car collection headed to auction after closing of Central Ohio museum
When there is debt

Fresno Met Museum Deal Approved

July 14, 2007 12:00:00 AM PDT
By Nancy Osborne

Fresno, CA — The Fresno City Council voted this week to bring the struggling Met Museum a step closer to solvency. But everyone involved agrees the deal to make good on the Museum's 15 million dollar bank loan is not without a lot of risk.

The action took place in a special meeting of the Fresno City Council. The council first met in closed session with legal staff to go over the requests for changes from the Fresno Metropolitan Museum Board of Directors and the Museum's Director. It would ultimately vote to approve or reject the agreement between the City and the Met in open session. The document, a Memo of Understanding, surrenders all of the Met's assets to the city of Fresno. In exchange, the City and its taxpayers will make good on a 15 million dollar bank loan the Met can't pay. Fresno is legally obligated to do so, as it guaranteed the 15 million dollar bank loan 3 years ago.

Opinion
Art and design

Don't loot Detroit's art museum to pay the city's creditors
Jason Farago

Sun 8 Dec 2013 07:30 EST

Raiding the museum will have no meaningful impact on the city's bottom line, but it will violate laws, city pride and common sense.
Collections Issues

Merger...or transfer of collections to another institution rather than their sale is always preferable”

(AASLH Ethics Position Paper, 2007)
Ownership Issues

1. Confirm legal title

2. Original donor conditions or “intent”

3. Return to donors

4. Undocumented collections
   State abandoned property legislation

5. Loans
   State “old loans” legislation

6. US Government property
Short-term Disposition of Collections

1. Transfer to another museum

2. Sale

3. What’s left
Long-term Disposition of Collections

1. Full or partial addition to “permanent collection”

2. Processing lag
   Delay in internal use, access by researchers

3. Deaccessioning
   Use of proceeds
Staff Concerns

“Yes, while staff members...are likely to be demoralized, they still have obligations to the collection that cannot be ignored”

(AASLH Ethics Position Paper, 2007)
Keep the Staff Informed

1. What happened
2. What is planned
3. What the staff is needed to do
4. Will they be compensated
5. How long it will take
Staff Concerns – Beyond Transparency

1. Offer assistance in finding new positions

2. Who to contact for references

3. Celebrate accomplishments

Or...
"There are no guidelines on how to mourn a museum, no rituals to lean on while you're watching the thing fall apart. Reactions throughout the community were varied; there was a funeral service with a hearse and bagpipes, some joined hands to wrap the building facade in a giant hug, some preferred to keep their distance, and others just felt the need to be together."
Community Relations

Volunteers
Members
Visitors
Donors
Schools
Researchers
Local government
Dear Members, Sponsors, Volunteers, and Friends,

It is with great joy and great sadness that I notify you that The Bead Museum Collection is on its way to San Diego.

The Collection has been photographed, wrapped, and packed by an incredible group of volunteers and staff and is now on its way to the Mingei International Museum in San Diego.

The Peter Francis Jr. Archive collection was also packed and has been picked up and are making their way across the country back to the American Museum of Natural History in New York.

I would like to personally thank all the sponsors, members, volunteers, staff, and Board of Directors who played an important role in this incredible niche museum which has been a part of Arizona for the last 25 years.

-Mingei International - The Bead Museum of Glendale, Arizona

An extraordinary collection was given to Mingei International in mid-March. The Bead Museum of Glendale, Arizona, closed its doors after 35 years, transferring title to its building — 1,900 individual beads and beaded objects to our museum. Objects in the collection range from a pierced stone from 2400 BCE to polymer clay beads made merely yesterday. The Bead Museum trustees had realized for some time that, though beads are immensely popular, a museum dedicated solely to them is difficult to sustain. They were thrilled to have our board’s positive response to their offer and to know that the collection will have a secure future. This collection meshes well with Mingei International’s mission, and beads have been the subject of two specific exhibitions here and included in many others over the years. The collection arrived in late April with its important accompanying library of over 1,000 volumes and after periods of time given with the collection will allow us to hire the collection manager of the Glendale museum to work with our staff on a half-time basis for the next year, acquainting us with the collection, helping us decide what to accession into Mingei International’s collection, organizing it into a state-of-the-art storage system and entering it into a digital database. The first public use of the collection will be to include it in our polymer clay beads with polymer clay beads and beaded objects that our Museum has held in an exhibition opening in December titled “NEW JEWELRY IN A NEW MEDIUM.”
A Little History of the Phoenix Museum of History

[Source: Boy Meets Blog]

The phone number to the building is disconnected and doors are locked to the public and the exhibits remove History no longer exists. Most of the artifacts once on display are either in storage or lost. The Wild West history and farther back to its ancient history that the city’s oldest museum of history is closed. Only a few items remained on display in 2011.

Resurrect the Arizona Museum

Does Phoenix really hate history? Of the top dozen US Cities, Phoenix is the only one without its own historical museum. It’s time to do something about it

By Bob Graham, Molley Design Group
ATHM is Closed
It is with a heavy heart that we inform you that due to a significant financial deficit, the American Textile History Museum has closed our doors to the public and transferred our collections to new homes.

ATHM collections transfer update
With the closure of the American Textile History Museum, we have successfully transferred our collections to other organizations for continuing public benefit. The bulk of the ATHM Osborne Library has been transferred to Cornell University Library. Learn more about this transfer process.

Notice of Undocumented Property
The American Textile History Museum has acquired title to undocumented property found in the possession of the Museum within the past seven years. Here is helpful information regarding that process.

ATHM News | ATHM Events
ATHM Property Sold
ATHM has sold the Museum property at 491 Dutton Street in Lowell.

ATHM to Transfer Library to Cornell University
ATHM Property to be Sold
ATHM Transfers Machinery Collection to RHC
ATHM to Close Permanently
Matthew Coggs Named ATHM Board Chair
ATHM earns Tourism Award
ATHM Awarded TripAdvisor Certificate of Excellence

Education Programs
With the sad closure of ATHM, we are pleased to announce that several of our wonderful Textile Arts programs have been transferred to the North Andover Historical Society.

Osborne Library
The bulk of ATHM’s Osborne Library – containing more than 90,000 books, manuscripts, postcards, trade literature, images and periodicals – has been transferred to the Cornell University Library.

ATHM is Closed
The American Textile History Museum has closed.

All exhibits, programs, and classes are closed to the public and ATHM’s collections have been transferred to other institutions:
The bulk of the ATHM Osborne Library: Cornell University Library at www.library.cornell.edu.


The remaining collections have been dispersed to museums and charitable organizations across the country. It may take months or years before the collections are processed and accessible to the public.
Key Take-Aways

1. Closing a museum involves legal procedures that are the responsibility of the Board of Trustees.
2. The disposition of the collections has both legal and ethical considerations and is best accomplished when the “old” and “new” museums cooperate and collaborate.
3. We don’t yet know the impact of museum closings on staff and communities.
4. Transparency from beginning to end (and beyond) ensure continued public support of both the closing museum and museums in general.
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