

## Gift Books and Appraisals

*When asked to appraise book donations, librarians can supply appropriate service to donors and comply with ACRL and other guidelines. Deciding on the type of appraisal necessary is an initial step. A knowledge of bookdealers or professional appraisers and of situations regarding their expertise is required. Also important are the lists of auction and used-book prices available in most libraries. Caution in avoiding potential conflicts of interest is particularly appropriate in gift/appraisal situations. Appraisals rely on an assessment of the physical characteristics of the items donated and the good judgment of both librarian and donor.*

THE FREQUENCY with which librarians, museum curators, archivists, and other institutional collectors are asked to appraise books or to provide information about appraisal mirrors the varied body of literature on the subject. This range of literature includes popularized approaches that indicate the worth of a limited number of rare or valuable books,<sup>1</sup> listings of prices of items recently sold,<sup>2</sup> publications providing comment on the use of donations as income tax deductions,<sup>3</sup> and professional guidelines describing the responsibilities of the donor, the recipient institution, and the appraiser.<sup>4</sup> Properly used, this body of literature can help the inexperienced librarian or bookdealer to recognize donations that require a professional's appraisal or to provide appraisal information when a specialist's fee would outweigh the value of the books in question.

### PRELIMINARY CONSIDERATIONS

The Association of College and Research Libraries Statement on Appraisal of Gifts recognizes those situations in which specialized appraisal is superfluous:

To protect both its donors and itself, the library, as an interested party, ordinarily should not appraise gifts made to it. It is recognized, however,

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*Don Lanier is assistant director for technical services, Northern Illinois University Library, DeKalb. Glenn Anderson is humanities reference librarian, Auburn University, Auburn, Alabama.*

that on occasion the library may wish to appraise small gifts, since many of them are not worth the time and expense an outside appraisal requires.<sup>5</sup>

Unfortunately, it is in the case of small gifts that the appraiser is most likely to be inexperienced and where the literature about appraisal is weakest. Most donations are made up of trade books and paperbacks or of assorted issues and back runs of periodicals. Few items of significant value are found among such ordinary gifts. Valuable items are most often already identified by the donor and are usually accompanied by the donor's claims and expectations. Nevertheless, since even ordinary gift books can be valuable additions insofar as content is concerned, good public relations and responsible collection development assume the ability to offer assistance to a potential donor.

Although the general ACRL policy "that libraries not appraise gifts" is one of long standing, Donald Briggs in a 1968 study found very little agreement about this policy among forty-three research libraries.<sup>6</sup> It is doubtful that policies are any more consistent today—at least for those libraries whose policies can be identified. Whatever the policy, if it is determined that the donation in question is of considerable value, the librarian or institution representative should not hesitate to suggest that the donor seek the services of an expert appraiser.

There are several sources for listings of professional appraisers, and some of these

indicate subject specialties.<sup>7</sup> Bookdealers (of both new and used books) are readily available in most communities, and many will appraise books for institutions and individuals. Fees for appraisals vary greatly; there is little agreement among dealers and appraisers in regard to fee schedules or the pricing of books.<sup>8</sup> Appraisal fees are not deductible as a charitable contribution. However, if the appraisals are made to determine the amounts to be used as a charitable contribution, the fees would qualify as a miscellaneous deduction on the tax return.<sup>9</sup> It is important that the potential donor be fully aware of these considerations and of the generally accepted guidelines that the donor is responsible for appraisal fees.

With a recognition of these preliminary considerations, one initial decision in a gift/appraisal situation is to determine the type of appraisal required. In the same way the "book value" of a car can differ from the actual price, the appraisal value of books can vary depending upon the purpose of the appraisal.

The appraised value of a book for insurance or estate purposes may be considerably higher or lower than the "fair market value" of the same book. Since insurance appraisals, for example, are made to protect the owner of a valuable book, and not to reflect the amount the owner could realize in the marketplace, there is nothing unethical about the fact that such appraisals tend to be high. In most cases, however, the recipient of a book donation and the donor are concerned about the fair market value—which is a legitimate income tax deduction. (For a more detailed discussion of types of appraisals, see Kenneth Duckett's excellent work *Modern Manuscripts: A Practical Manual for Their Management, Care, and Use*.)<sup>10</sup>

#### FAIR MARKET VALUE

A determination of fair market value is more complex than it would first appear to be. The Internal Revenue Service in its publication no.561 defines fair market value as "the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant

facts."<sup>11</sup> The IRS goes on to identify several factors relating to fair market value, including the selling price of another copy, the sale of a comparable item, or the cost of replacement. The valuation of a specific book may also be related to such factors as physical condition, age, binding, scarcity, or printing. The importance of these factors is so great that first editions differing only in physical condition have sold for prices ranging from \$27.50 to \$35,000.<sup>12</sup> Each of these factors must be considered when specific appraisals are made.

Surprisingly, perhaps, many books given to libraries are still in print or have been reprinted. Since any price reference can be helpful in determining the fair market value of a gift, *Books in Print*, *Paperbound Books in Print*, *Cumulative Book Index*, and the *Guide to Reprints* are useful if one remembers the many factors that influence a final determination.

The most useful sources of prices for used and out-of-print books include *American Book Prices Current (ABPC)*, *Bookman's Price Index*, and *Used Book Price Guide*—all available in many libraries. *ABPC*<sup>13</sup> provides a listing of books that have appeared at auctions and the prices they brought. An examination of several annual volumes of *ABPC* may reveal trends or unusual prices for certain titles, thus avoiding reliance on only one example. *Bookman's Price Index*<sup>14</sup> in its annual volumes contains literally thousands of entries from dealer catalogs with the listed price. And *Used Book Price Guide*<sup>15</sup> offers price references for some books not included in the other, longer-running publications.

Clearly, there are many situations that do not require a scrupulous search through price guides, and it is doubtful that most gift books will be found listed in the latter group of references above. However, as remote as the possibilities are, all donations should probably be subjected to the discriminating eye of a professional. Normal receipt and processing of gifts would use adequate facilities and provide for a preliminary sorting of the materials donated, an assessment of the materials as a group, and the identification of specific items needing additional attention. In the event that unique items are identified, these should

perhaps be handled separately and the donor informed accordingly.

For publications that are not considered worth the effort of searching for a price reference or for which no reference can be found, a modest unit value can be suggested based on the fair market value of similar types of material. Prices found in *Books in Print*, *Cumulative Book Index*, and similar works can be used only as reference points—not as the fair market value. As is the case with most products, there is a great difference in new and used value.

For books and periodicals given to libraries the fair market value would probably be less than half the original price—if that can be determined. Due to inflation and other economic factors the date of publication would of necessity be considered when the original price is used as a reference point. This would not, of course, apply to items judged for various reasons to be unique.

The IRS exhibits considerable concern when gifts are appraised at more than \$200 and claimed as deductions on income tax returns. In such cases a statement about the gift must accompany the return and must include, among other things, a detailed description of the gift, how the gift was originally acquired, and the terms of any agreement with the recipient institution in regard to the donation.<sup>16</sup>

#### CONCERNS

Caution is appropriate in the decision as to who actually assigns a monetary value to the book(s) being donated. The recipient institution and its employees may be able to do so. However, one of the pitfalls in the valuation of donated property is related to the conflict of interest inherent when the recipient assigns the value. Knowing that the appraised value may influence a donor's future gifts to the institution might influence considerably the value assigned to specific books.

Another potential conflict of interest can be seen in situations where an employee of the recipient institution is paid an appraisal fee in connection with a gift to that institution. And it is evident that any agreement in regard to a gift should not obligate the institution to anything more than that due to the merit of the gift in question.

One should also guard against the natural bias of the librarian—that the acquisition of books for research use is preferable to the sale of the same books to individual owners.<sup>17</sup> Certainly the donor may not hold this view if informed of items of significant value. Concern at this point may be appropriate only in the case of large and valuable gifts. However, avoiding even the appearance of collusion is deemed a legitimate concern of the professional person.

The proper role of librarians, curators, and archivists in such potential conflict of interest situations has been spelled out by the ACRL Statement on Appraisal of Gifts.<sup>18</sup>

Despite many clear guidelines, the appraiser cannot escape those areas requiring his or her individual judgment. Indeed, the questions most likely to perplex an inexperienced appraiser are precisely those questions with no fixed answer: the exact price at which a donated book leaps from the class of "small gifts" to those requiring outside appraisal; the relationship of the original price to a used book's value; or the relative weight to assign such factors as physical condition, age, or beauty of illustration, which may alter the value of even a common gift.

Because book appraisal retains, after the appropriate sources are employed, those elements of subjective judgment found in any art, it is unlikely that standardization will eliminate the need to make individual judgments. It is especially important that inexperienced appraisers share both their knowledge and uncertainty with a prospective donor, allowing the donor to make a choice with a full awareness of the source and reliability of the information.

Therefore in most cases it is the donor who should appraise gifts of common books with the recipient's assistance. Such assistance comes by providing sources of information about prices, acknowledging the donation with a complete description, and otherwise facilitating the entire process.

#### REFERENCES

1. See Van Allen Bradley, *The Book Collector's Handbook of Values*, 3d ed. (New York: Putnam, 1978); Van Allen Bradley, *Gold in Your*

- Attic* (New York: Fleet, 1958); and Theodore B. Donson, *Prints and the Print Market: A Handbook for Buyers, Collectors, and Connoisseurs* (New York: Crowell, 1977).
2. See *American Book Prices Current* (New York: American Book Prices Current, 1895- ) and *Bookman's Price Index* (Detroit: Gale, 1964- ).
  3. See U.S. Internal Revenue Service, *Valuation of Donated Property* (IRS Publication, no.561 [Washington, D.C.: Govt. Print. Off., 1976]), and Herbert Finch, "Gifts, Appraisals, and Taxes," *Cornell University Libraries Bulletin* 189:7-10 (May 1974).
  4. See Antiquarian Booksellers' Association of America, "When Books Are Offered for Sale or Appraisal," in *AB Bookman's Yearbook, 1959* (Newark, N.J.: Antiquarian Bookman, 1959), p.21; "Code of Fair Practices for Dealers and Librarians," in *AB Bookman's Yearbook, 1966*, part 2 (Newark, N.J.: Antiquarian Bookman, 1966), p.A46-A47; Association of College and Research Libraries (ALA/ACRL), Committee on Manuscript Collections, *Guidelines on Manuscripts and Archives* (Chicago: The Association, 1977); and Antiquarian Booksellers' Association of America, "When Books Are to Be Sold or Appraised," in *ABAA Membership List, 1977* (New York: The Association, 1977).
  5. ACRL, *Guidelines on Manuscripts and Archives*, p.3. These guidelines contain the ACRL Statement on Appraisal of Gifts first published in *College & Research Libraries News* 34:49 (March 1973).
  6. Donald R. Briggs, "Gift Appraisal Policy in Large Research Libraries," *College & Research Libraries* 29:505-7 (Nov. 1968).
  7. See Appraisers Association of America, *Membership Directory, 1976* (New York: The Association, 1976); *AB Bookman's Yearbook, 1976*, part 2 (Clifton, N.J.: Bookman's Weekly, 1976); and "Appraisers of Library Collections," in *American Book Trade Directory, 1978* (New York: Bowker, 1978) p.807-14.
  8. Jacob Chernofsky, "ABAA Symposium: Dealers Discuss Appraisals, Pricing, Catalogues," in *AB Bookman's Weekly* 57:2502-14 (May 3, 1976).
  9. U.S. Internal Revenue Service, *Valuation of Donated Property*, p.5.
  10. Kenneth W. Duckett, *Modern Manuscripts: A Practical Manual for Their Management, Care, and Use* (Nashville: American Assn. for State and Local History, 1975) p.72-78.
  11. U.S. Internal Revenue Service, *Valuation of Donated Property*, p.1.
  12. Jacob Chernofsky, "ABAA Symposium: Dealers Discuss Appraisals, Pricing, Catalogs," p.2508.
  13. *American Book Prices Current, A Record of Literary Properties Sold at Auction in England, the United States, and Canada . . .* (New York: American Book Prices Current, 1894/95- ).
  14. *Bookman's Price Index* (Detroit: Gale, 1964- ).
  15. *Used Book Price Guide* (Kenmore, Wash.: Price Guide Publishers, 1962- ).
  16. U.S. Internal Revenue Service, *Valuation of Donated Property*, p.6.
  17. Kenneth W. Duckett, *Modern Manuscripts*, p.80.
  18. ACRL, *Guidelines on Manuscripts and Archives*, p.3.