

Tax Appraisals of Manuscript Collections

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Abstract: This article on appraisals of manuscripts for tax deduction purposes is intended as a guide for archivists in dealing with potential donors' questions relating to the tax deductibility of collections and the selection of an appraiser. The services that an appraiser can provide are discussed, as are the various aspects of the relationship between the archivist and the appraiser. Procedures for the determination of the fair market value of manuscripts are analyzed in detail with particular emphasis on the methods of relating research value in a collection to commercial value in the marketplace. Numerous factors that can affect the value of manuscripts are discussed. Previous tax court rulings are discussed as are the archivist's and the appraiser's responsibilities should it be necessary for them to discuss the collection with the Internal Revenue Service.

About the author: Kenneth W. Rendell, president of The Rendells, Inc. (Newton, Mass.) and Kenneth W. Rendell Ltd. (England) has been a manuscript dealer since 1961. For many years he has appraised manuscript collections for libraries, historical societies, and federal agencies (including the FBI and IRS) throughout the United States and Canada. He is a member of several rare book and manuscript dealers' organizations and has held various offices in most of them. In addition to publishing articles in several professional journals, Mr. Rendell was co-author of *Fundamentals of Autograph Collecting* published in 1978 and co-editor of *Autographs and Manuscripts: A Collector's Manual* published in 1978. The latter was designated one of the outstanding reference books of 1979 by the American Library Association. Rendell has presented papers at numerous professional meetings and has taught a series of seminars on the philosophy and techniques of manuscript appraisal for the National Appraisal Board of Canada since 1976.

This article is a revised version of the paper Mr. Rendell presented at the 46th annual meeting of the Society of American Archivists, 22 October 1983 in Boston, Mass.

Introduction

ARCHIVES AND MANUSCRIPT COLLECTIONS ARE APPRAISED for four principal reasons: to determine the amount of tax deduction to which a donor is entitled, to determine the fair market value an institution should pay for a collection, to meet the requirements of settling an estate, and for insurance purposes. In all four situations the actual financial value placed on the material is the same; fair market value does not change because of the purposes of the appraisal. There are, however, significant differences in the type of appraisal required. Those for insurance, which are undertaken almost exclusively for private collectors, need not contain the supporting information as to the methods of arriving at the stated values. The requirements of estate appraisals are determined by the individual situation of the particular estate. In the majority of cases, the archives or manuscripts are overlooked by executors and attorneys ignorant of their potential value. If the collection will be given by the heirs to an institution and an estate appraisal is needed, local appraisers of general used goods are frequently utilized, insuring an inexpensive and low value appraisal. If the collection may be sold by the heirs, it is usually wise from a tax standpoint to engage a competent specialist who will give an accurate value both for estate purposes and the later sale of the papers.

Appraisals of collections to be sold may contain very comprehensive analyses of the determination of fair market value, or they may be a relatively simple statement of the value. An appraisal report directed to a skeptical board of trustees, who are being asked to provide funds, will be much more detailed and comprehensive in explaining how the value was determined than an appraisal directed to a knowledgeable and sophisticated archivist who already

knows of the collection's importance and research value.

Appraisals made to determine tax deductions for charitable contributions are the only type of appraisals considered in this article. These must always be detailed and comprehensive; they are directed at individuals who have no knowledge of the field and may likely be quite skeptical that institutions actually purchase such collections. While the Internal Revenue Service auditor will likely be an expert in many areas of tax law, which he frequently encounters, he most likely has never encountered a deduction for the donation of an archive; thus the process of arriving at the fair market value must be explained in considerable detail.

Legal Requirements for Deduction

The initial question concerning appraisals of manuscripts is a legal one: who is entitled to a tax deduction for a contribution of material to a tax-exempt institution? The section of the tax reform act of 1969 under paragraph 1221 excludes "A literary, musical or artistic composition, a letter or memorandum, or similar property held by (a) a taxpayer whose personal efforts created such property; (b) in the case of a letter, memorandum or similar property a taxpayer for whom such property was prepared or produced; or (c) a taxpayer in whose hands the basis of such property is determined, for purposes of determining gain from a sale or exchange, in whole or part by reference to the basis of such property in the hands of a taxpayer described in paragraphs (a) or (b)." This last provision means that the creator of manuscripts, or the person for whom they were created, can leave such papers in his estate; and heirs can claim a full tax deduction for them. Should the creator give the papers to another individual, there is no charitable deduc-

tion; however, if the creator sells the papers to another individual, the purchaser may then make a gift of the papers and deduct the full fair market value, provided he holds the papers for six months so they can be considered a capital asset.

It must be kept in mind that any purchase of manuscript material and subsequent donation must be considered as an "arm's length transaction." For example, a husband cannot sell his papers to his wife for \$100 in order for her to then take a \$5,000 deduction for them. Such a transaction would nullify the deduction because a sale at \$100 would be considered unreasonable and would be seen only as enabling a relative to take a larger deduction.

Selection of Qualified Appraiser

Selecting an appraiser to recommend to a donor can be a difficult matter. Several factors will have a bearing on the recommendation. The type of collection, the amount of knowledge required to evaluate it, physical size, and probable fair market value all must be considered. Few institutions simply give a donor a list of appraisers, leaving the donor to make the selection. It seems reasonable that a donor should be able to rely on the knowledge and experience of the archivist in making this decision. Often, when very large collections are involved, a donor's attorneys will interview several appraisers before making a choice; but in most instances it is the archivist who must consider the criteria. A number of things to consider are given below.

I believe the fundamental requirement is that the prospective appraiser be a dealer in the type of material to be appraised. I have read numerous appraisal reports prepared by "professional appraisers," people who represent themselves as experts at determining values but who have no direct knowledge of

potential clients, market conditions, or any of the dozens of factors a dealer must consider in determining fair market value. As outside observers of the market rather than as active participants, these appraisers must rely on auction records and dealers' catalogues to arrive at values. Later I will discuss the many pitfalls of relying on such records; more immediately important is the fact that research collections rarely appear for sale at auction or in dealers' catalogues. Invariably these collections are appraised much lower than fair market value, reflecting a cautious and defensive approach.

I also believe it reasonable to ask a prospective appraiser to show copies of previous appraisal reports he has prepared. While many reports are considered by a donor to be confidential, some donors have no objection to reports being read and examined. The appraiser should comply with all IRS requirements. He must illustrate a thorough knowledge of the collection; must illustrate an equally thorough analysis of how the fair market value has been determined; must include a discussion of the potential market; and must show that collectors or institutions actually have paid money for similar collections or, in the absence of similar collections being offered on the market, that such monies could become available either through existing budgets or through special appropriations. Many appraisers describe material in unnecessary detail while virtually ignoring these points. Reports that do not contain clear and concise discussions of these points should be considered unacceptable. Masking an inadequate knowledge of these points and/or of the collection itself with the use of scholarly phrases and quotations—or more commonly, by inclusion of verbose, meaningless text—will likely result in an appraisal being challenged. Many are, in fact, chal-

lenged by the Internal Revenue Service though neither the donor nor the institution is aware of it. Frequently the stated value is far less than a competent appraiser would have given. When the Internal Revenue Service makes inquiries, it finds the taxpayer claiming a smaller deduction than he could have claimed with the advice of another appraiser.

Relationship Between Archivist and Appraiser

It is very important to have excellent communications with the appraiser. The archivist should be able to telephone him to discuss the various options available with each collection. It should not be necessary to hire an appraiser to conclude that a collection is not of sufficient commercial value to be appraised.

The archivist must also be able to discuss with the appraiser the type of inventory processing that will be most beneficial to his work. Though institutions certainly should not base their processing and inventory upon needs of the appraiser, a slight variation in their normal procedures can significantly reduce the appraiser's fee. For example, we find that in many cases institutions have not noted whether a manuscript is the original corrected and revised version or is a final typescript as sent to a publisher. Correspondence from important individuals may be mentioned in the overall description of a correspondence section, yet we frequently must spend hours going through boxes to find an actual letter. Had locations been noted when the cataloguer originally encountered such important pieces, significant appraisal time could have been saved.

The appraiser should be someone who can represent the archival institution in

negotiating aspects of the gift relating to value, tax deductions, unusual processing costs, and restrictions. Such services are not normally required, but they can protect the institution's relationship with its donor when the appraiser is the one to deliver the message the donor does not want to hear. It is better that the appraiser tell the donor that half of the papers should be discarded. After the donor calms down he may be angry at the appraiser, but his relationship with the institution is usually intact.

Restrictions are an area usually handled more easily and successfully by the appraiser than by the archivist. Many donors would like to have the access to and use of the papers controlled by them or restricted for a period of years. Tax court rulings have been very clear on this point: if a donor maintains control over the papers, then he has not made a gift of them under the terms of the tax law; and he is not entitled to a deduction.¹ If he restricts access to the papers or restricts the use of the papers for a certain number of years, he may still receive a tax deduction for them; but it is very severely diminished by such restrictions. In my own experience, there have been very few instances where we could have sold a research collection when either access or use was restricted for a number of years. Very few institutions would purchase such collections, and in my opinion the value is reduced somewhere between 50 and 100 percent. Virtually all donors have removed restrictions when I have explained these commercial facts to them. It has also been very useful to assure a donor that any highly personal items discovered in the collection could be segregated and evaluated on a restricted basis. I do not recall this ever actually coming into practice. Donors seem to be quite cavalier in their attitude

¹In connection with the Hubert Humphrey Papers, the IRS took the position that, since he controlled access to the papers, he had not made a gift under the tax law and was not entitled to a deduction.

about restrictions until they are faced with the substantially decreased value resulting from such restrictions.

After selecting an appraiser, processing the collection, and providing an inventory, the institution has one final responsibility: to provide a reasonable work area for the appraiser. This would seem to be an obvious requirement, but we have encountered so many difficulties in this regard that apparently it is not as evident as we would hope. We have arrived at institutions only to find no book carts available to transport what may amount to hundreds of boxes to working areas; or material may be stored in such a way as to make it virtually impossible for us to gain ready access to it.

Appraiser Fee

An appraiser's fee structure should be relatively simple and straightforward. The donor should be given an idea of the probable cost of the appraisal as well as the general range of value of the collection. Obviously it would not make sense for a donor to spend \$2,000 to have a \$4,000 collection appraised. Our policy is to give, in advance, a firm fee as well as an estimate of the collection's value. We must, of course, have a good idea of the scope and quality of the collection; but in nearly all cases we are able to ascertain these factors from the inventory prepared by the institution and through a discussion with the person who actually prepared the inventory. According to the terms we offer, the donor is not liable for a fee larger than that given in our original statement. If we believe the collection merits additional time and effort, we will make a second proposal; but the donor is under no obligation to accept it. This situation can occur when an important correspondence is discovered that will require considerable time to examine but was not mentioned in the original inven-

tory. On the other hand, in one situation we were able to arrive at the total estimated value of the collection on the first day rather than after the proposed five days. The appraisal was terminated at that point with a proportionate reduction in fee.

The alternative to giving a firm fee and estimate of value in advance is the per diem system, whereby the donor agrees to pay the appraiser for whatever number of days will be required. I believe this method is unfair to the donor as it requires him to enter into an essentially open-ended arrangement, yet this is by far the most common procedure employed. Also still common, though completely indefensible, is the fee based upon a percentage of the value of a collection. I cannot believe an appraiser could successfully defend a given value in court when he is not, after all, an impartial judge of that value. It does not matter that the particular appraiser would never raise the value to increase his fee. What does matter is that few judges would believe such a factor could not have influenced the appraiser. Regardless of the basis or method of calculating the appraiser's fee, the amount of the fee may be deducted by the donor as part of the cost of preparing his tax return.

Appraisal Procedures

The appraiser's procedures must be flexible and practical enough to enable him to economically appraise collections of relatively small commercial value as well as those of considerable value. If a collection is small and the appraiser is at some distance, it is preferable to ship the collection to him, thereby saving time and travel expenses. If a collection is not of particular importance and has been reasonably well catalogued, the appraiser certainly may be justified in basing his judgment on the inventory alone,

thereby saving the expenditure of time to examine the collection. Such a practice never could be justified when considering items of individually significant value or with an important research collection, but it is unnecessary and wastes funds to have an appraiser travel to an institution to examine a collection of relatively small commercial value.

On the other hand, large collections require highly sophisticated organization and methods. An outline of our procedures for the largest collection we have appraised will give an idea of the complexities involved. These procedures have nothing to do with actually determining fair market value. The collection in question contains approximately ten million pieces of railroad material. Essentially the only inventory available to us was a listing of filing cabinet notations. After a preliminary visit to the institution where this collection is housed, I spent approximately one week with my staff in developing our approach to the physical problems of preparing the inventory. Adequate and detailed preparations were important. One person from our office was in charge of logistics for the entire operation. Her function was to see that voice-operated dictation machines were available and working properly both in the office and at the archives; that walkie-talkies were dispersed to office staff who would be working in the archives, thereby saving time in communicating with each other in the immense warehouse setting; that the stack area was properly wired and lighted (a lighting system that was, by the way, later sold to the institution); and most important, to see that hydraulic platforms were rented and in operation as needed for box retrieval. We hired two local men to move boxes to and from tables where various sections of inventory were to be compiled. In addition we hired an outside consultant whose intimate knowledge of railroads

enabled him to advise us on what sections needed no examination at all, sections from which duplicate records already had been sent to the federal government. He also checked for procedures within the archive that would be duplicated elsewhere in the collection. In this manner we were able to leave a substantial number of boxes on the shelves.

In virtually every appraisal situation we employ two or three staff members in varying capacities. Thus each phase of inventory preparation is undertaken by the most skillful person available. My assistant and I worked in the cavernous stacks, designating boxes for the type of cataloguing required. Four of our office staff—each skilled in a different aspect of cataloguing—went through boxes (previously sorted on paper only) dividing the material encountered into four separate categories. One researcher dictated rather complete descriptions of important individual letters. At the other end of the spectrum, another dictated quick summaries of contents of entire boxes. Concurrent with the work in progress at the archives, we dispatched dictation tapes daily to our office via Federal Express. Three typists at our office worked steadily, preparing our inventory tapes with minimal lag in production time.

Factors Affecting Value

The fundamental factor in appraisal procedures—the one that will govern just how much time and effort is put into each section of a collection—is the legal definition of “fair market value.” According to the Internal Revenue Service “fair market value” is “the price which would result from a transaction between a willing buyer and a willing seller, on the open market . . . both having full knowledge of all relevant facts.” In the Kerner decision, the U.S. tax court added the stipulation that it must

be demonstrated that an actual market exists for the material. Considering the subject of fair market value from an institutional point, it must be remembered that a George Washington letter concerning a local person might be of minimal value to the institution; but its value to collectors is much greater. Conversely, a collection of great value to one institution may be of no value whatsoever to other institutions or to private collectors. Its commercial value therefore is limited to the amount an interested party is willing to pay for it. No matter how important a collection may be, if the interested institution has no budget and has no prospects of raising the money, and if the material is not of interest to anyone else, then its commercial value is virtually nonexistent. Value is not determined by what the archives would like to pay if it had the funds nor by what it would like to pay if the collection's value only to the archives, not to others, is considered. The archivist may say that the hypothetical George Washington letter is worth \$500, but this would not represent its fair market value. On the other hand, a group of local letters might be worth the same amount to the archives; but it would be unnecessary for the archives to pay such an amount on the open market without competition.

Once a collection has been properly arranged, according to either the creator's system or the appraiser's, items encountered that have individual merit—such as letters of prominent people—should be segregated so they may be appraised individually. It is also necessary at this point to determine if there are any gaps in the collection. This can be done readily by checking for the completeness of files for each of the years involved.

The most time-consuming aspect of examining a collection is in determining the basic attitude the creator of the col-

lection had toward his or her papers. The appraiser must establish whether or not the creator saved all papers of importance, discarding routine, repetitious materials, or whether everything was saved regardless of importance. He must determine whether or not sensitive and confidential papers and files have been removed and ascertain whether or not important policies were discussed through channels that required paperwork or were established in meetings that did not generate manuscript records. The appraiser should develop a thorough knowledge of, and feeling for, the attitude the creator had toward his own files in order to be able to estimate what will be found in other parts of the collection not yet examined.

With the collection properly arranged and a knowledge of the methods of its creation gained, the appraiser is prepared to analyze the two fundamental factors that establish the quality of the papers: the creation of policy and the illustration of procedures. In order for a collection to be a prime research collection, it must illustrate the origin and creation of fundamental policies and not simply document the daily routine workings of either an individual or an institution. With institutional papers it is necessary that procedures be completely documented throughout the papers so that researchers may trace the various steps from beginning to end.

The second step in establishing value is appraising the importance of the collection relative to its field. For example, the papers of a small cattlemen's association that may have handled 4 or 5 percent of the cattle in a given area are not of particular importance. Yet the papers of the principal cattlemen's association, which handled 75 percent of the cattle raised in an area, certainly would be significant to the geographical area and to the study of cattle raising in general. Similar examples of authors, scientists,

and others will be immediately apparent.

The next step in an appraisal is to consider the possible uses of the collection. From a scholarly standpoint, this is usually interpreted by the number of doctoral theses that can be based upon the collection. In the past several years this has not been a major factor as graduate schools have experienced a decline in enrollment with a consequent drop in the number of doctoral students, particularly in the area of the liberal arts. In this context one must consider whether the material in the collection could be used only for a study of the life of the creator of the collection, whether it is of enough significance to be useful in a study of the creator's field of endeavor, and whether or not there are specific subjects and locales to which the collection would relate. Each of these areas can be an independent area of study; and the greater the number of significant subjects discussed, the greater the value to institutions.

Another aspect of research of prime concern to the appraiser is the possible commercial application of the information contained in a given group of papers. For example, using the theoretical example of the cattlemen's association, the records of such an association over the past seventy-five years would indeed shed great light on the occurrence and control of various cattle diseases, on basic statistics concerning cattle raising that may be useful in forecasting future requirements, and on changing relationships between expenses and prices. Another example might be a fish cannery whose papers could illustrate the changing pattern of fish catches as well as the changing relationship between the number of fishermen, boats, and the catches brought in. These two examples are hypothetical and are used purely for illustrative purposes.

With a complete understanding of a collection and its importance, we turn to the transformation of the various determinations into commercial terms. The least complicated manuscripts to evaluate are those written by persons whose papers regularly are offered for sale. Most of the noted historical individuals—with the exception of contemporary personalities—are included in this group. When considering this type of material, we first consult our index of all manuscript material we have catalogued for sale. This index of some 30,000 entries contains a full description of each item, the date listed, and the purchaser. Also consulted are our sales records of manuscripts sold without having appeared in our catalogues, a listing vastly larger than our catalogue index. These two files contain the records of many millions of dollars in sales. They are invaluable in establishing fair market value of manuscripts when others by the same author have been sold previously. In situations where we find our own sales records insufficient, we consult our extensive files and indexes of other dealers' catalogues and records of private sales. While it is true that the listing of a manuscript in a dealer's catalogue does not establish a market value but only establishes the dealer's asking price, frequent visits to dealers and examination of their inventories quickly reveals what has and has not been sold. With rare exceptions, dealers evaluate their material at a price at which they believe it will sell; therefore, they are establishing, to the best of their ability, the fair market value of the material.

Auction records are the last references we consult with this straightforward material. I have found these records to be the least reliable because they indicate only what a particular item was worth under the circumstances of a particular

auction, at that time and place, and with the particular description that appeared in the auction catalogue. Auction records do not give proof, or allay suspicion on the part of many bidders, that the item was not genuine; do not note the condition of the item or whether or not it was properly catalogued; do not state if the item actually was sold or was brought in by the consigner under an assumed name; and do not mention other unusual circumstances. These conditions include situations where two wealthy neophytes bid up an item to ridiculous heights when it could easily be obtained in the retail market at a much lower price; or the reverse situation, where prospective bidders assume a particular institution or collector will outbid them and therefore they fail to submit bids, the result being an artificially low purchase price.

Attempting to establish the fair market value of a manuscript by making a direct comparison with known sales of other manuscripts requires an intimate understanding of the slight variations that can significantly affect value. For example, a slight stain on a routine George Washington letter will detract seriously from its financial value while the value of an important Washington letter will be unaffected by such staining. The presence of a signature, or its form, will substantially affect the value of a manuscript that is a fair copy but will not affect the value of a working manuscript. A number of such factors must be considered in establishing the validity of comparisons with established sales.

The most challenging and difficult area of manuscript appraisals is, of course, the appraisal of papers written by individuals whose manuscripts never have been offered for sale. The initial approach in this situation is to attempt to compare the material being appraised with material produced by comparable

persons that has been sold—material that has an established market. This is a far more complex undertaking than it would appear at a glance. A detailed analysis of the importance of both individuals in their field is necessary; both then must be considered from archival and collecting viewpoints. Innumerable comparisons are invalidated when these criteria are considered. For a number of reasons, the manuscripts of two persons in the same field, with the same relative importance in a particular area, can vary greatly. For example, the school that one attended may be actively acquiring the papers of its alumni, or the state where one individual lived may have an active historical society or state library that pursues the papers of its natives. Several major religious groups collect papers of members who are notable in a number of fields. Frequently, papers of an individual are collected because of his or her association with another person or with another field. The manuscripts themselves can be of interest to people who do not collect material by the author of the manuscript *per se*, but rather, are solely interested in the manuscript because of content. This latter situation is very common and causes wide variations in the values of apparently comparable manuscripts. Changes in library budgets or the emergence or departure of substantial collectors will each have an immediate effect upon the current fair market value, an effect that cannot be ascertained from sales records a year or two years old.

In the majority of appraisal situations, the appraiser is faced with manuscripts written by a person whose papers never have been sold, a person who cannot reasonably be compared with another whose papers do have an established market value. In these circumstances, I approach the evaluation of the papers in the same manner as I would approach the appraisal of manu-

scripts that I am going to offer for sale: a careful analysis must be made of the historical importance of the person relative to his field, the importance of the field itself, and the period; the relevance and importance of the papers being appraised to the person, to the period, and to the field; and the current interest among archivists and collectors in these areas and the general appeal of the collection both from an archival and from a collector's standpoint. Occasionally it is necessary to consult with other specialists to properly establish the importance of some of these factors.

Next, the potential market must be considered. It must always be kept in mind that the legal definition of fair market value requires a market and that the appraiser may have to give reasonable evidence that such a market existed at the time of the appraisal. This point was illustrated very clearly in the most important manuscript appraisal case to reach the U.S. Tax Court in recent years: the case of Otto Kerner, Jr., governor of Illinois and chairman of Pres. Lyndon Johnson's Federal Commission to Investigate Violence in American Cities.² Governor Kerner's appraiser relied upon the formula that any page in the collection was worth the cost of photocopying: ten cents. His presentation was based upon the fact that the recipient library had expended its own funds to sort, box, and catalogue the collection, thereby, in his view, establishing a minimum market value of ten cents per page. The appraisal of this manuscript collection was challenged by the appellate division of the Internal Revenue Service, not on the basis of the evaluation stated but simply upon the method used to arrive at the value. The donor's appraiser had not shown that any institution would have been in-

terested in purchasing, or indeed, in photocopying, the collection. The appellate division believed it was necessary for the donor's appraiser to offer some reasoning to establish his claim that an institution would have paid approximately \$75,000 for the Kerner papers. As the government's appraiser, I prepared an analysis of the fair market based upon the importance of the papers, being concerned principally with the potential market, or lack thereof. I was able to show that approximately six Illinois institutions would have been interested in purchasing the collection. Yet an analysis of their budgets and the amounts of money raised by them in the form of private contributions indicated that the figure of \$75,000 was completely unrealistic and further, impossible to attain. In a tax court ruling issued in Washington, D.C.—a ruling that will be the precedent for future cases of this type—the court agreed completely with the position of the Internal Revenue Service: that the market for the Kerner collection was indeed limited and that the budgets and fund-raising capabilities of the involved institutions were equally limited. Noting the complete absence of market analysis by the donor's appraiser, the tax court found that I, as the government's appraiser, reflected the most accurate assessment of the collection's value because this assessment was directly related to the potential market and the probable amount of money available for the purchase of the papers.

Having examined in great detail each of the previously discussed factors, I arrived at an evaluation principally based on my experience in evaluating other collections which cannot be directly related to collections that I or others have sold on the open market. Of course, I realize that using experience as

²Otto Kerner vs. Commissioner, Tax Court Memo 1976-2. Docket No. 4686-73, published in Commerce Clearing House, Tax Court Reports, 1976, Reference December 33,616 (M).

a final guideline in evaluations of this kind may appear to be an avoidance of the issue and possibly may be an imprecise approach to the problems of appraising manuscripts; but this is not the case because the evaluations of collections of this type under actual market conditions are of critical importance to a manuscript dealer's success. He cannot long survive if he is inaccurate.

How to Face an IRS Challenge

My final subject is the one that is of most concern to everyone involved: What should the archivist do if the Internal Revenue Service telephones the donor and states that the appraisal is being challenged? First, the donor should obtain from the IRS a clarification as to exactly what is being challenged. It may be a purely procedural question, which should be handled by the donor's accountant, or it may be a legal matter involving the collection, which should be

dealt with by the donor's attorney and the appraiser. Any other reason should be referred immediately to the appraiser. It is his responsibility, not the archivist's, to deal with the IRS. Should it be necessary for the Internal Revenue Service agent to visit the archive to examine a collection, the appraiser should be there to answer any questions that may arise. Any statements that the archivist makes to the IRS must be accurate and properly thought out as it is quite possible that the archivist might be subpoenaed to repeat the same statements in court. Offhand or inaccurate statements will come back to haunt. The archivist should remember that the appraiser's fee was agreed to and met, not only for him to write the appraisal report and to determine the fair market value of a collection, but also to assure that he would be available in future should any questions arise about that report.

The Fellows' Posner Prize

For the past several years, the Society has had but one award for writing, the Waldo Gifford Leland Prize, given for the outstanding separate publication of the preceding year. Article-length contributions to archival scholarship, however outstanding, received no special recognition or incentive. Consequently, the Fellows of the Society have offered, and the Council has accepted, the establishment of a new award: The Fellows' Posner Prize. Honoring one of the most outstanding archival scholars and teachers of the 20th century — Ernst Posner — it will reward the best article published in the preceding year's volume of the *American Archivist*. The winning article will be selected by a subcommittee of SAA's Awards Committee. The cash prize will be awarded at the annual meeting. The first award, for an article published in volume 45, will be presented at the annual meeting in Minnesota in October.