

ALLIANCE REFERENCE GUIDE

Starting a Museum



Photo credit: Currier Museum of Art, Manchester, NH

Starting a new museum is a complex undertaking with serious fiduciary, legal, public trust and stewardship obligations. The American Alliance of Museums provides resources to help you understand the issues and challenges related to starting and sustaining a successful museum.

This resource is intended to make you aware of some of the core issues around starting a museum. It should not be considered as comprehensive professional or legal advice. The Alliance encourages you to seek legal, accounting and other professional services as needed.

Step 1: Learn About Museums

Before starting a new museum, take time to learn about museums and the museum community. Successful museums are ones in which staff and governing authority members are actively engaged in professional organizations and making connections with their peers to stay current on standards, best practices, issues and trends. As the national organization representing museums of all kinds, the Alliance shares data about museums, as well as ethical guidelines, standards and best practices that help museums operate.

Museum Facts

Museums serve their communities in a variety of ways. [Learn about the value of museums.](#)

Code of Ethics for Museums

This code provides a [framework for ethical museum practices](#) and reflects current, generally-understood museum standards.

Characteristics of Excellence for U.S. Museums

These are the [core field-wide standards](#) that all museums should strive for and can achieve.

National Standards and Best Practices for U.S. Museums

This book is an essential reference work for every museum. [A free PDF](#) copy is available to all Alliance museum members.

Field-Wide Standards

There are also numerous discipline-specific, regional and state museum associations that issue [standards and resources](#) to help your institution professionalize.

Museum Research

The Alliance conducts research to [inform the public and our field about museums](#). These efforts include salary surveys and our Annual Condition of Museums and the Economy reports.



Step 2: Identify Purpose, Needs and Resources

Your museum's success depends on a solid vision, a clear purpose, adequate resources and community engagement.

[Thinking About Starting a Museum? A Discussion Guide and Workbook on Museums and Heritage Projects \(PDF, 37 pages\)](#) is an excellent, comprehensive resource for thinking through core issues related to mission, vision and community needs. The first section discusses the functions of a museum and the resources needed to operate one. The second section has a series of questions to evaluate goals and objectives, the community's needs, and available resources. The third section offers over 50 alternative ideas for heritage projects that may achieve the goals without starting a museum.

Here are some of the types of questions found in the workbook, which can help you evaluate your goals and objectives.

Is there another museum that already has a similar mission?

Before investing in a new organization, you may want to consider sharing your collection and support with an existing institution.

Does your community want another/your museum?

You should consider whether creating a museum is the right path for you and the community you intend to serve. Will establishing a museum fill a community need? Will there be enough community support for the organization, be that from elected officials, private funders, potential audiences or other stakeholders? Consider assessing your community's need through conversations with community leaders or surveys.

[What Comes First: Your Guide to Building a Strong, Sustainable Museum or Historical Organization \(With Real Life Advice From Folks Who've Done It\)](#) helps individuals and groups determine if founding a museum or heritage organization is the best alternative for preserving a collection, a building or a community's history. The discussion questions explore organizational and professional issues that can help you build a strong rationale for starting an organization that has at its heart the public trust.

Do you have the funding and capacity to not only start but to sustain a museum?

Is there broad interest in your idea? Enthusiasm may be high at the beginning, but "in perpetuity" is a long time. [Starting Right: A Basic Guide to Museum Planning](#) provides a good, basic primer of museum



planning. It discusses pros and cons of establishing a museum and shares insight on identifying the resources needed for your museum's activities and operations.

Is a nonprofit museum the proper course for your vision?

As primarily educational entities, most museums choose to establish as nonprofit 501(c)(3) organizations and apply for tax-exempt status from the Internal Revenue Service (IRS). Organizations with 501(c)(3) tax status are exempt from federal taxes and contributions are deductible by donors for income tax purposes. There are legal and tax requirements for museums that file as 501(c)(3) organizations and understanding these implications will help you decide if a nonprofit organization is right for your goals. Nonprofit museums are not the only answer for preserving cultural heritage. The Community Toolbox shares some [advantages and disadvantages of having nonprofit status and exemption](#). In addition, the American Bar Association makes available an article on [alternatives to forming a charitable nonprofit](#).

Resources to Help You Identify Your Purpose, Needs and Resources

- » [Starting a Museum: Advice from the Trenches](#): The Alliance's Center for the Future of Museums (CFM) blog featured a post on one person's first-hand experience starting a museum.
- » [Start a Children's Museum](#): The Association of Children's Museums shares some resources on starting a children's museum, which includes some FAQs and a list of networking and resource organizations.
- » [Science Center Planning](#): The Association of Science and Technology Centers (ASTC) offers resources and tips for planning a science center. The materials provide guidance in building a relationship with the community, preparing a case statement, developing a business plan, planning the facility and understanding learning in informal settings.
- » [Starting a Nonprofit Organization](#): BoardSource provides a guide on starting a nonprofit organization that explains board roles and responsibilities and steps for getting started. The guide shares helpful resources, such as sample job descriptions for board officers and a bibliography (PDF, 38 pages).
- » [Find Your State Association](#): The National Council of Nonprofits has 36 State Associations across the country. Connecting with these organizations is a great way to learn about starting and managing a new nonprofit.
- » [Starting A Nonprofit Organization](#): The Society for Nonprofits offers some resources and FAQs on starting a nonprofit organization, which address fundraising, grants and donations.





- » [Starting Right: A Basic Guide to Museum Planning](#): This publication explains the basics of museum planning and addresses the current issues facing new museums. Available for purchase from the AAM Bookstore.
- » [Organizing Your Museum: The Essentials](#): This publication features practical information and advice that trustees, volunteers, and/or staff need to know about starting a museum and successfully managing every stage of its development. Included are sample bylaws, mission statements, long-range plans, job descriptions, collections management policies, and readings.



Step 3: Establish Your Museum

If you are planning to create a museum, you will need to understand the legal and tax obligations that come with establishing and running an organization. Most museums choose to establish as nonprofit 501(c)(3) organizations. If you are applying for nonprofit status, you must file for federal, state and local tax exemptions (steps C and D) after the organization is legally incorporated. However, forming a corporation generally includes these steps:

A. Filing articles of incorporation

This is a legal document filed with your state in order to create a corporation. In this step, you will have to decide on your museum's name, broad purpose and location. You must draft your articles of incorporation and file the document with your state's government, which is usually the office of the Secretary of State or Attorney General. Many museums provide their articles of incorporation on their websites, so you can search the internet for "articles of incorporation + museum" to see samples. Keep in mind that the requirements and forms vary by state.

B. Obtaining an employer identification number (EIN)

In order to open bank accounts in the name of the organization, file forms with the IRS and withhold employee income tax once you hire staff, you will need a federal tax identification number, which is called an EIN. You can obtain this number by [filing with the IRS](#).

C. File for tax-exempt status with the IRS

Organizations with 501(c)(3) tax status are exempt from federal taxes and contributions are deductible by donors for income tax purposes. Filing for tax-exempt status with the IRS typically can take 3-12 months. You may want to consider getting assistance from an attorney for these federal filings. The National Council of Nonprofits provides a [list of forms and filing requirements](#) to complete to apply for federal exemptions.

D. Filing for state and local exemptions

Once you receive tax-exempt status from the federal government, you may need to file separately for state and local tax exemptions. Keep in mind that laws and procedures can vary in each state. GrantSpace, a service of the Foundation Center, has compiled [nonprofit startup resources organized by state](#), which includes start-up guides, nonprofit associations legal support organizations, technical assistance and state filing agencies.



Committing to Excellence

One of the first steps you can take after establishing your museum is to take the [Pledge of Excellence](#). The Pledge is a free, easy and achievable way to show your museum's commitment to being a good steward of the resources it holds in the public trust. Next, you can begin working on drafting the five [Core Documents](#) that are fundamental for basic professional museum operations and embody core museum values and practices.

Resources to Help You Establish Your Museum:

- » [Establishing a Nonprofit Organization](#): The Foundation Center shares a tutorial on establishing a nonprofit organization, which includes information on: incorporating; developing the board; writing mission and vision statements and bylaws; filing for tax exemption; recruiting and managing staff; and creating an overall fundraising plan.
- » [Instructions for Form 1023 \(Application for Tax Exemption\)](#): The Internal Revenue Service (IRS) offers a companion Instruction booklet that explains the Application for Tax Exemption, also known as a Form 1023 (PDF). The IRS also has a [handy checklist](#) to help reduce common errors (PDF).
- » [How to Form a Nonprofit Corporation: A 50 State Guide](#): Legal resources website Nolo shares information on how to form a nonprofit corporation online. They provide a general overview of the advantages and disadvantages of nonprofit corporations and explain where nonprofits fit into the larger legal and corporate world. These resources outline the steps required in filing for nonprofit status: choosing a business name, filing articles of incorporation, applying for tax exemptions, creating bylaws, appointing the initial board of directors and obtaining any necessary licenses and permits.



Step 4: Sustain Your Museum

Once your museum legally exists, you need to understand the day-to-day operations of a museum, everything from caring for collections to hiring staff and keeping the museum financially viable. The American Alliance of Museums can help your museum do this. As the only national organization representing all types of museums, we are committed to championing museums and nurturing excellence. By joining at any stage of planning and operating, your museum becomes a part of the larger field-wide cause and you gain access to a wealth of resources that will help your museum succeed.

- » [Customized research assistance](#)
- » Over [1,000 sample policies, plans and forms](#)
- » [Online learning opportunities](#)
- » Over 2,000 how-to guides, articles and tools available in our online [Resource Library](#)
- » Subscription to [Museum magazine](#)
- » [E-newsletters](#) to keep you informed and up-to-date on museum issues
- » Discounts on [annual meeting](#) registration, [job postings](#), [books](#)
- » Free PDF copies of [National Standards & Best Practices for U.S. Museums](#) and [Speak Up for Museums](#)

Resources to Help You Sustain Your Museum:

- » [Advocacy](#): Making the case for museums is an important way you can be part of the professional community. The Alliance offers a vast range of advocacy tools – from online guides and trainings to boost your advocacy skills, to in-depth Issue Briefs on federal policy affecting museums. Our annual Museums Advocacy Day in Washington, DC provides an opportunity for museums to make the case for museums as key providers of education, as economic engines and as community anchors.
- » [Continuum of Excellence](#): the Continuum of Excellence provides multiple entry points and customized assistance for all museums to reach higher levels of performance. Once your museum is established, you can participate in a number of programs that offer opportunities for assessment, feedback and recognition.
- » [Grants.gov](#): Grants.gov allows museums to search all 26 federal grant-making agencies and their more than 900 programs. The site offers resources that explain how the site works and tips about





the grant search and application process. This site can be helpful in securing funds to help sustain your museum.

- » [Foundation Finder](#): The Foundation Center offers resources to help grant seekers succeed. Foundation Finder is a free tool that allows searching by name for basic financial and contact information on more than 70,000 private and community foundations in the United States.

Recommended Reading

- » [Excellence and Equity](#): This landmark report affirms the contributions museums make to the educational needs of the nation. It helps museums define how well they are carrying out their educational mission and serving the public.
- » [Manual of Museum Management, 2nd edition](#): This manual presents a comprehensive and detailed analysis of the principles of museum organization and the ways in which people work together to accomplish museum objectives.
- » [Museum Registration Methods, 5th Edition](#): MRM5 encompasses all that needs to be known and done when a museum accessions, measures, marks, moves, displays or stores an object or artifact of any kind. MRM5 includes expert advice from more than 60 acknowledged leaders in their disciplines. Contains bibliography, glossary and multiple sample forms.
- » [A Legal Primer on Managing Museum Collections, 3rd Edition](#): This publication focuses on collection-related problems and legal entanglement issues, reviews relevant cases and court decisions, and gives advice on when a museum should seek legal counsel. The easy-to-use text provides outlines, checklists and model documents.
- » [Running a Museum: A Practical Handbook](#) and [The Trainers Manual](#): The International Council of Museums (ICOM) provides a set of comprehensive guides on organizing and running a museum. The guides provide best practices basics and worksheets on the following topics: collections management; collections care; visitor services; exhibitions and education; managing and training staff; marketing; and security and risk management (PDF, 235/91 pages).
- » [Museum Administration: An Introduction](#): This publication discusses everything from budgets and strategic planning to human resources and facilities management, collections, legal and ethical issues, and programming.

