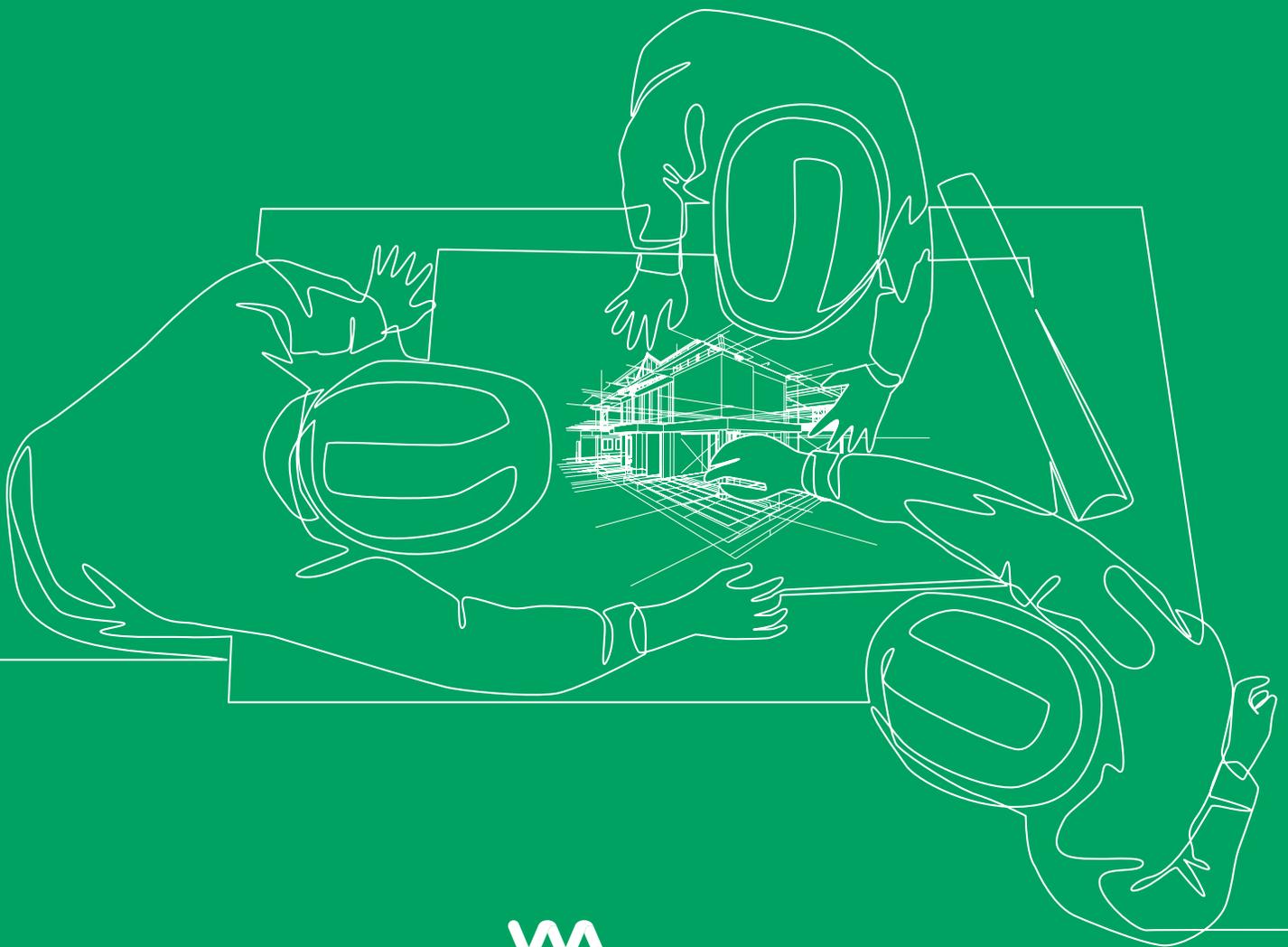


From the Ground Up: A Toolkit for Starting a Museum



American
Alliance of
Museums

About the American Alliance of Museums

The American Alliance of Museums' mission is to champion museums and nurture excellence in partnership with our members and allies.

From art museums to science centers, arboretums to zoos, members of the diverse museum community share something in common—strong commitment to public service, standards of excellence, and knowledge sharing provided by the American Alliance of Museums.

Since 1906, the Alliance has been a leader in developing best practices and advocating for museums, as well as supplying a host of opportunities to museum staff and volunteers. More than 35,000 individual museum professionals and volunteers, institutions, and corporate partners benefit from the work of the Alliance.

Why and How to Use This Toolkit

Consult this toolkit to determine whether starting a museum is right for you and to learn about the process of creating a museum if you decide to continue.

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

The [American Alliance of Museums \(AAM\)](#) provides additional resources to help you understand the issues and challenges related to starting and sustaining a successful museum.

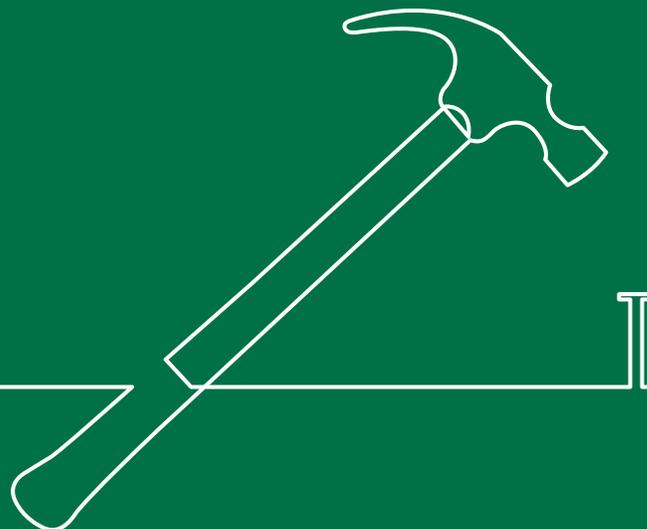


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Preface: Before You Open This Toolkit

So, you are thinking of starting a museum—that's great!

If you do, you will have ample company. The Institute of Museum and Library Services estimates that there are over thirty-five thousand museums of all types and sizes in the US. This abundance springs from the unique structure of the country's nonprofit sector. Back in 1835, French aristocrat Alexis de Tocqueville noted in his opus *Democracy in America* the extent to which our young country was influenced by volunteer-led community organizations. Fast forward over a hundred years, and now the nonprofit sector employs more than [10 percent of the US private workforce](#) and contributes [5.6 percent of the country's gross domestic product](#). The American embrace of civil society has created an environment in which everyone feels empowered to start a nonprofit, which in turn has fueled the proliferation of museums—the vast majority of which operate either as privately run nonprofits, as part of larger nonprofit organizations such as colleges or universities, or within state or local governments.

People start museums for a variety of reasons, for example, the desire to share their passion with other enthusiasts or the public at large, preserve treasured collections for future generations, or to use the immense trust accorded to museums to influence public opinion or behavior. But there are a variety of ways to achieve these worthy objectives, and because starting a museum—and fostering it to the point where it can flourish on its own—is a tremendous amount of work, I recommend you take time to reflect on your motivations and consider whether a museum is the best way to achieve your goal.

While museums are uniquely suited for some functions (for example, fostering informal, self-directed education, and preserving collections), they come with considerable challenges as well. First and foremost, [it is very difficult to create a stable financial model for museums](#). Even in the best of times, museums hustle to secure sufficient funds from a variety of sources to cover their costs. Some of their core functions—including education and preservation—are chronically unfunded or underfunded. Most rely heavily on support from donors to launch their operations, and on the continued passion of donors and volunteers to sustain their work. This means that it is vital for you to have a critical mass of people who care as deeply as you do about the organization you envision. Unless they care, they won't volunteer their time or give their money.

Given these challenges, your time, money, and energy may have greater impact if you build on existing work instead. Perhaps you can partner with organizations—such as associations, schools, or other museums—to support and extend their reach. For example, if your goal is primarily to preserve and share a collection you love, you might lend or donate it to an established museum. If your goal is to advance a cause, consider a range of ways to get your message out and influence behavior. For example, you may achieve your intended impact by creating a media campaign, a social group, or a programming series.

If you do decide a museum is the best format for your goals, you face another set of critical decisions. First, do you want to be a nonprofit organization? While there are almost no for-profit museums that generate a profit for the owners, many small museums are technically for-profit simply because they do not incorporate as nonprofits. Nonprofit status comes with important benefits, including exemption from paying state or federal taxes on the museum's revenues, the ability for donors to claim their financial donations as deductions on their taxes, and the credibility that comes with the governance and oversight of nonprofits. But for a small organization, these benefits may not outweigh the costs and labor of the initial paperwork and subsequent reporting (see page x). Also, as a museum founder, you may want to retain sole control, rather than sharing authority with a nonprofit's mandatory board of trustees.

Another important decision point, if you do start a museum, is whether you will house and care for collections. If you incorporate as a nonprofit, you will be legally obligated to provide appropriate care for the museums' collections, and that care requires significant time, money, and expertise. If you do decide to collect, you would be well-advised to create very clear plans for what you will accept or acquire, and what you will use it for. (See the [AAM Guide to Collections Planning](#).) Otherwise, you may soon find yourself in the position of having more stuff than you can responsibly house, preserve, or use—a situation experienced by many, if not most, museums that house collections.

Last of all, take some time to think about your long-term plans. Is this museum primarily a personal passion project, which could sunset and disperse when it's served your needs? Or do you want it to be a long-term benefit to your community, outliving your role as founder? This decision will influence a range of decisions, including whether to incorporate as a nonprofit and amass collections. If you have an end date in mind for the project, that might be another reason to work with an existing organization rather than starting your own.

Before you jump in, spend some time considering these issues. (The quiz that follows this section may help guide your thinking.) This toolkit provides a comprehensive guide to the basics of creating, launching, and operating a museum, and copious recommendations for additional resources to guide your work. If, after you've thought through all your options, you decide that starting a museum is the best way to achieve your vision—welcome to the vast and diverse family of American museums!

Yours from the future,

Elizabeth

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American Alliance of Museums*