

Museum Assessment Program Report

for the

Harwood Museum of Art
University of New Mexico
Taos, New Mexico

Visit May 24, 2012

Lorne E. Render
Director Emeritus
Marianna Kistler Beach Museum of Art
Kansas State University
May 31, 2012

Harwood Museum of Art University of New Mexico

INTRODUCTION

A Museum Assessment Program, Organization Assessment visit took place on August 24 and 25, 2011. The visit was by Lorne E. Render, Director Emeritus, Marianna Kistler Beach Museum of Art, Kansas State University. The report covered all areas of the museum, and overall, the Harwood Museum of Art clearly meets or is in the process of meeting high museum standards as stated by the American Association of Museums accreditation program. The reviewer continues to be impressed with the staff, board, and volunteers for their obvious commitment to provide first class exhibitions, educational programs, publications, and events, as well as continuing to build an outstanding collection of Taos and regional art. All well done!

BACKGROUND

The American Association of Museums has a pilot program of having a MAP reviewer return to a museum should there be concerns or questions arising from the initial report. This is at the request of the museum. One of the recommendations by Render in the MAP report was to disband the 501(c)3 status of the Alliance, the membership organization associated with the Harwood Museum of Art. Part of the intent was to organizationally integrate the Alliance into the museum so that comprehensive museum planning and development could be undertaken, thereby strengthening all areas of the museum. Also the University of New Mexico is in the process of eliminating stand alone 501(c)3 from the university. There have been discussions at the Harwood Museum of Art regarding this recommendation. At the

present time the Governing Board unanimously accepts the recommendation, while the Alliance Board voted to reject it.

The following is from the August MAP report prepared by Render:

The Harwood Museum of Art has a membership group called the Alliance that was formed about fifteen years ago. Originally there was a Friends of the Harwood Museum of Art when there was a library in the building; however, when the library moved out they took the name with them, although it is believed not to be in use today. The Alliance is a separate 501(c)3 organization with its own board, and it sets an annual budget which now must be approved by the Governing Board. The Alliance Board then distributes quarterly funds to the museum. The museum staff performs the management and administrative duties related to the membership program. Over a short time, the membership numbers have increased to a current number of 737, largely attributed to the expanded museum. Also the number of volunteers has increased from eighteen to forty-two.

To be candid, the reviewer is concerned about the Alliance being a separate 501(c)3 organization. There is potential for misunderstanding, communication difficulties, and a lack of shared understandings of priorities and initiatives, which can lead to unwarranted tension between the museum and an independent but associated organization. There is no doubt the Alliance is strongly committed to the Harwood Museum of Art and certainly wants what is best for it. It seems to the reviewer that dropping the 501(c)3 status and becoming an integral part of the museum under the governance of the Governing Board would be a positive step. This would ensure all parties have a shared

vision for the museum and are working to meet the mission and implement the approved strategic plan. An institutional cohesiveness of purpose would result.

A University of New Mexico representative mentioned that the university is moving to eliminate all the stand-alone 501(c)3 organizations within the university system and have already reduced the number of organizations from twenty to ten. The reviewer confirmed this as the current policy of the university. With this policy in mind, it would be appropriate for the Alliance and the Governing Board of the Harwood Museum of Art to begin the process of changing the present Alliance 501(c)3 status to an organization with a new charter and bylaws fully integrated into the Harwood Museum of Art. The primary functions of promoting memberships and fundraising for the museum would continue with a Board overseeing the work; however, the governance would be under the Governing Board rather than as an independent 501(c)3 organization.

It is recommended, in keeping with the policy of the University of New Mexico, that the Alliance organization disband as a separate 501(c)3 organization. A new organization should be created with a new charter and bylaws, so as to continue the membership and fundraising programs with an oversight board. The new organization would be fully integrated into the operations of the museum and under the auspices of the Governing Board.

RECOMMENDATION FROM MAY 24, 2012 VISIT

Following a discussion with four members of the Alliance Board and a meeting with members of the Governing Board that included the museum's director, the reviewer wants to make the following recommendation. There are a number of issues that must

resolved in order for the Harwood Museum of Art to continue to grow and express the highest standards found in the museum field. The museum has changed, becoming very professional, dynamic, and public oriented over the past few years and it is time for all parties to move forward all on the same page.

It is recommended that the recommendation of disbanding the 501(c)3 status of the Alliance organization be tabled at the present time.

As part of this recommendation, discussions must begin immediately with the Governing Board, the Alliance Board, and appropriate staff, to discuss and clarify roles and responsibilities and resolve issues affecting the relationship and understanding between the boards and with the staff.

From topics raised during these discussions, a plan should be developed on how to proceed to resolve them and to implement solutions. This will allow the museum to move forward in a unified manner and with one voice.

It is suggested that a completion date for these discussions and the preparation of a plan be the end of the year. It is also recommended that after eighteen months, the plan be assessed by the Governing Board to determine whether additional steps need to be taken.

ISSUES AND TOPICS FOR DISCUSSION

As mentioned in the recommendation there is a need to discuss and clarify roles and responsibilities, relationships between boards and with staff, and various operational issues. The reviewer has outlined some areas that should be considered for discussion that have largely been drawn from discussions with both boards. This is not a closed list, as undoubtedly there are other issues that the Governing Board,

Alliance Board, and staff would like to discuss. The reviewer has taken the liberty of adding his comments.

Governing Board

It must be noted that the Governing Board unanimously agreed with the original recommendation on changing of the status of the Alliance from a separate 501(c)3 organization to an organization within the organizational structure of the museum. The Governing Board also unanimously agrees with the approach stated in this recommendation, i.e., tabling the original one at the present time and initiating a series of conversations to resolve issues. This, from the reviewers perspective, is a significant willingness to work toward resolving this current situation. Thank you for your leadership.

Facilitator

It is recommended that an independent facilitator be hired to schedule, manage, and then write a report based on discussions at the meetings. Again, topics are suggested here and other ones should be identified. It must be remembered that this is not an “us vs them” situation, but is intended to produce a result that will enable the museum to move forward in a coordinated, integrated manner for the betterment of the institution. These meetings should be completed by the end of the year.

Memorandum of Agreement

Key to the first discussion is a review and a complete understanding of the document, *Memorandum of Agreement Between the Regents of the University of New Mexico and the Harwood Alliance of October 9, 2007*. In particular, the reviewer would like to bring to your attention to the following clauses (bold highlights in these clauses are by the reviewer):

1.1 The purpose of the Harwood Alliance is to encourage public support of and to raise funds for the benefit of the Harwood Museum, through membership programs and other activities **agreed upon between the Alliance and the Harwood Board.**

1.2 The Harwood Board has been designated by the UNM Board of Regents to take primary responsibility for raising funds to support the general needs of the Harwood Museum and to **supervise the activities of the Harwood Alliance.** The Harwood Board has the obligation to report to the Regents regarding its activities, including **its oversight of the Harwood Alliance.**

1.3 At least annually, the Harwood Board and the Harwood Alliance **will agree on fundraising goals, programs and activities** that are appropriate for Harwood Alliance financial and volunteer support, and **planned levels of financial contribution** to be provided to the Harwood Museum.

1.7 In order to facilitate the maximum support for the Harwood Museum from private donors, the Harwood Alliance agrees to cooperate and consult with the Harwood Board concerning plans for the solicitation of funds. The Harwood Alliance agrees that it **will not commence any fund-raising activity without the approval of the Harwood Board.**

2.1 The Harwood Alliance shall provide the Harwood Board with an **annual report** which shall include a summary of all programs and activities conducted during the past year, the Harwood Alliance's operating income and expenses for the fiscal year, and a **listing of its officers and directors.**

3.4 The Harwood Alliance agrees that **it will submit its annual budget of income and expenditures to the Harwood Board for approval, which approval will not be unreasonably withheld.**

Finances

There are several issues related to the funds and budget of the Alliance. As noted in the Memorandum of Agreement the budget must be approved by the Governing Board. It is the preparation and monitoring of the budget that must be reviewed. Presently the final decision by the Alliance on the budget was done without the director, and in fact it was done in an in-camera. This, from normal operational and managerial procedures is unacceptable. The director develops an institutional budget and the Alliance's contribution is part of it. The Alliance budget process must include the participation of the director as her leadership is important in expressing the priorities of the museum. The Alliance budget should be developed in the same manner as the rest of the museum's budget, namely a consultative process. This will allow an understanding of the entire museum budget by the Governing Board when they approval the budget.

The Alliance must have a treasurer who is fully conversant in the finances and the budget process and can report to and answer questions raised by the Alliance Board. Reporting on the budget is not a staff function and the director, director of development, and unit administrator 2 should not be put in a position to report to the Alliance Board and address their questions and concerns. The unit administrator 2 keeps the records and does the bookkeeping, but that is solely an informational role, not a reporting role.

While it is understood that the Alliance Board wishes to keep a reserve in the event of future income problems, this figure should be set at a reasonable amount. Currently there is a substantial reserve; however, it is strongly suggested that a reserve of \$10,000 is sufficient to deal with the Alliance concerns of decreased income. The Alliance is giving \$17,500 this year so a reserve of \$10,000 is more than six months reserve. Even if the contribution is doubled, a \$10,000 reserve covers basically a third of the year, and to be frank the Alliance Board and director will be aware of a problem long before a four month deadline. There should not be any surprises and with appropriate monitoring there will be sufficient time for the museum to make budget adjustments to meet the overall budget. Holding back significant funds is limiting the museum in planning and funding exhibitions and educational programs that are serving the community of Taos and visitors. The funds are raised through membership, a renewal resource, and members who support the museum are doing so certainly with the understanding that their money is helping the museum move forward and offer educational opportunities, not having their contributions placed in a reserve fund.

Alliance Board Officers

All the Alliance Board officer's positions must be filled. At the present time the treasurer's position is held on an interim basis. This has caused the staff to report on Alliance financial matters to the Alliance Board which is not their responsibility. If an officer cannot attend a meeting, a replacement board member should be appointed to perform their duties

Board Appointments

The Governing Board has been charged by the University of New Mexico to provide institutional oversight and governance. As with any healthy museum, the

Governing Board is not involved in the day to day operations, but does actively participate in planning, institutional advocacy, fiscal responsibility, and institutional development. The staff provides support and works with the Governing Board to achieve mutual goals. The Alliance must become an integral part of the museum, contributing their special skills and abilities.

Consideration should be given to appointing to the Governing Board the President, Vice President, or Past President of the Alliance as a voting member. Alliance Board members can continue to attend the Governing Board meeting but having a voting voice at the table allows full participation. A liaison representative does not have the same ability. At the same time the Chair of the Governing Board should be an ex-officio member of the Alliance Board as should the museum director. This is a typical arrangement for governing board and directors for museum membership organizations boards. It should also be noted that there is no need for in-camera sessions by the Alliance as all of their activities should be open to the membership. The only in-camera sessions necessary are by the Governing Board when personnel or confidential issues are discussed. Otherwise their meetings are open. It is also suggested that consideration be given to inviting Alliance Board members to sit on Governing Board committees. This has begun and consideration should be given to other committees such as having the Alliance treasurer sit on the finance committee of the Governing Board.

Communication

As mentioned earlier, there has to be better communication. There are a lot of partially correct comments and misunderstandings taking place and the only way to resolve them are to discuss issues in a civil manner and respect each other in the

process. The proposed sessions should be the start for regular and ongoing discussions. Future sessions can take place quarterly, semi-annually, or annually, but if a concern arises it should be dealt with immediately. Respectful open communication between the boards and with the staff must be established for the good of the institution.

Operational Issues

The Harwood Museum of Art manages the data bases for the Alliance, including records of the membership as well as issuing renewal notices and mailings. In addition, the museum tracks income and expenses and undertakes ongoing bookkeeping and financial records for the Alliance. This consumes a significant number of staff hours, with an estimated cost of \$27,688. While staff assistance to a membership support group of a museum is usual, providing support for a separate 501(c)3 is unusual. However, the reason this is mentioned, is for all to realize the cost of ongoing staff support for a membership program. It is a good investment, often the start of a larger donor commitment.

The museum manages the data base for Alliance membership. The University of New Mexico Foundation has a sophisticated data base system that would allow the museum to more effectively and efficiently manage membership information and lists, ensuring timely mailings, current information, and access to various sortings and reports. This greater efficiency is certainly desirable and it should be carefully considered. Moving the data from the museum's current systems to the University of New Mexico Foundation data base would allow the director of development to more effectively do her job. She would have one less system to manage and have a more sophisticated system to work with. Membership is one aspect of institutional

development and with this change to the foundation system all aspects of development could be coordinated, without comprising the museum's membership program.

Also at the present time the funds for the Alliance are held in Taos. An account can be opened at the University of New Mexico Foundation and the funds placed there. The managing of the Alliance account would remain with the museum, reports would be available as before; however, one of the major difference would be a higher return on investment than the current situation. It would generate a greater income than present so it would seem to be a prudent decision to set up an account at the foundation.

Goals and Planning

The museum has a strategic five year plan. It outlines key goals and objectives. After reading the plan, the reviewer believes it is a solid planning document and in fact significant progress has been made in achieving the goals. The plan deals with all areas of the museum; however, regrettably there is very little planning coming from the Alliance Board. In the strategic plan there is mention of increasing the Alliance members and developing a signature fundraising event (both in goal 3) but no real planning is in place to implement them. It is the reviewers observation that the Alliance, while contributing to areas such as openings and events, is a relatively passive organization. There are no membership campaigns and there are no significant annual fundraising events, which usually are the normal activities of membership organizations. It is important for the Alliance to create a set of goals and objectives with assistance from the director and director of development for inclusion in the strategic plan. This will allow a building of strengthens in the museum and lead to a more dynamic, coordinated, and fully integrated strategic plan for all units in the museum.

Conclusion

The Harwood Museum of Art is a first-class museum lead by dedicated and passionate volunteers and staff. It contributes significantly to the quality of life in Taos, to the University of New Mexico, in the state, and to those who visit Taos. In order for the museum to continue to grow and develop, as it has obviously done over the past few years, issues identified by the Governing Board, the Alliance Board, and staff must be resolved in a positive, open, and respectful manner. The reviewer is confident that success is possible, as there is every indication of a willingness to move forward to strengthen the museum.