

## PHILATELIC BEQUESTS

This article has been written to act as a guide for those collectors who may be interested in leaving a bequest to the hobby they have enjoyed. It is not a plea for funds. There is no doubt that the hobby is changing with fewer collectors having a relative interested in stamps to leave their collections to, when they pass, or even before this happens. So, what do you do? If you have inherited a stamp collection and don't know what to do with it, the APF has a brochure in its collector series, "Have Just Inherited a Stamp Collection – Where Do I Go from Here?", which is available on the APF website.

There aren't currently a lot of philatelic bequests made each year in Australia, that I know of. However, the situation is a little different in the USA and the United Kingdom, where there may be tax advantages in donating to organisations like the American Philatelic Society or the Royal Philatelic Society of London, and similar bodies. The only organisation in Australia that I know has such taxation status is the Philas Library in New South Wales. However, you would need legal and financial advice before making any assumptions in relation to donations to this Library. Despite saying that I don't know of many such legacies, there have been some significant ones, particularly in Victoria, over the last two decades.



Why might you consider making a philatelic bequest? You may simply have enjoyed the hobby all your life and want to help ensure it remains a viable hobby. You may want to give something back for the support you have received over the years, whether from individuals, clubs or libraries. You may have no-one to leave your collection to but want to see others enjoy what you had. After all we are all just custodians for the future with anything we collect. Or you may want something specific to happen with the funds from the sale of your collection.

An excellent example of this last point is the Julian Chapman Memorial Scholarship, which was established in 2001 under the auspices of the Royal Philatelic Society of London (RPSL). The scholarship, for a sum up to £2,500 is to cover travelling costs, accommodation and subsistence for a trip, particular overseas, to undertake the study of Commonwealth stamps or postal history. Julian, who emigrated to Australia with his parents in the 1960s, had a number of interests, but stamps and coins were his main interest. He died relatively young at 42 but had expressed a wish to bequeath some money to the RPSL and following his death, a provision was made in his mother's will. While most of us will not have such a large legacy to leave, there are things you



can do with smaller legacies including money for book purchases at a philatelic library, a prize for an annual philatelic competition or support for junior collectors. What you do with any bequest will depend on what form the bequest is made in, that is, money, stamps or books?

Tailor the organisation you are leaving the bequest to the size of the bequest. Your local club will appreciate a small bequest or can handle the leftovers of a collection if the majority is sold off. Libraries should go to organisations that both have libraries

and where the books are available to collectors. Larger bequests are best left to larger organisations that have significant annual costs such as any society with its own premises, State Councils or the Australian Philatelic Federation. We are the national body and provide support for philately across Australia and not just for exhibitions. All would welcome the money and all these organisations are not for profit, and are audited annually.

## Philatelic Libraries

I will start with the last one on my list. Most philatelists over a lifetime end up with a reasonable philatelic library, often quite specialised in some areas. Now unlike



many modern books, philatelic books often hold their value, and some appreciate in value. Libraries are often sold as part of the disposal of a stamp collection and can realise a not insignificant sum. Many philatelic books are hard to find (after initial publication) and despite the lower cost of publishing these days, are often relatively expensive. Now most of the major philatelic libraries in Australia do NOT have large purchasing budgets for books and tend to concentrate on certain areas such as Australia, the Colonies and the Pacific countries. They also tend to have

reasonable runs of journals and auction catalogues (mostly donated), but I believe that most of the large philatelic libraries in Australia tend to be light on books, particularly the more specialised works. The philatelic dollar only goes so far, so priority tends to be on books where a number of members will be interested such as works on postal rates or postmarks, for example. So, most libraries in Australia will have the book on NSW Numeral postmarks but not "The Encyclopaedia of British West Indies Postmarks KGV". Therefore, one of the most basic philatelic legacies you can make is to bequeath your philatelic library to one of the major philatelic libraries in Australia. There are such libraries in each State and the ACT.

On a personal note I have already made provision for this and have included in my will a bequest for the donation of my library to the Royal Philatelic Society of Victoria. This will make the task of my heirs easy in that they just need to box it up and send it to the Royal. I have put no caveats on the bequest and would simply expect them to put any books they need into the library and sell any duplicates. I did this in part because my library is fairly specialised in sections and would be a useful addition, particularly for airmails and postal stationery.



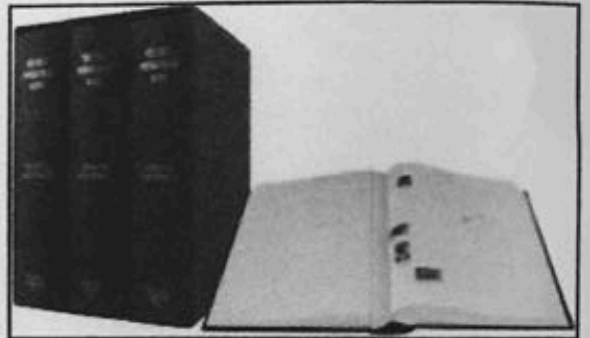
If you are attracted to the idea of bequest of your books, I recommend two things. Firstly, don't put any caveats on your bequest. This allows duplicates to be sold and more books purchased. Although you might stipulate that if the donation is not



wanted it goes to another philatelic library in Australia. Secondly, it is best to donate your books to one of the larger libraries rather than your local society. Even societies that have been around for some time often run into storage problems with libraries, and they end up in a member's garage and of no use to anyone. The Newcastle Philatelic Society had this issue and ended up donating their relatively extensive library to the Philas Library, with any unwanted books then on-donated to the Philatelic Society of Canberra, which has a library with access for members.

## Stamps

Over the years many collectors around the world have wanted to keep their collection together and have donated it to a museum or philatelic society. My personal view is that this is not a good idea. Many collections that have ended up in museums have not been looked after, are often not very accessible or worse have had material stolen from them. Also, unlike say paintings where there is an argument to put them in art galleries, I think stamps are better in the hands of collectors. In general, they look after them better and they are available for future collectors to put together as great collections, or study. Donating to a philatelic society such as the American Philatelic Society, the Royal of London or the Royal of Victoria is a little different. Some of these donations are used for displays and some are used in important reference collections. These reference copies can then be used to assist with the issuing of certificates of expertisation. A good example is the Royal of Victoria which has a reference collection of forgeries, donated by (I assume) a number of collectors over the years. I am sure all three societies mentioned have such collections of forgeries. Therefore, if you have a collection of forgeries I am sure any of these societies would appreciate such a bequest.



If you want to donate your stamps to a philatelic society, think about what you expect from this approach. If you want them to keep it as a collection for displays – do they have a suitable storage facility? Few societies or organisations do, with some exceptions, so choose carefully if you want to take this approach with a bequest. If you want to donate the stamps so they can be sold to benefit the society, then a different approach may be better. If the collection is not overly valuable or large, and one of the clubs you belong to has suitable means to sell (circuit books or local auctions) then a small bequest may make life easier for your spouse or heirs. If, however, your collection is valuable then it is probably unfair, or sensible, to expect your local club to be able to sell it in a reasonable way. It is better to take the approach in the next section.

## Money

If you want to leave a bequest of money to a philatelic society or group, then it is important to be clear how you want this to happen. If it is simply a donation of cash, then this is easily handled through a will. If however, you want to make a donation based on the sale of your collection then a number of matters need to be taken into consideration. If the collection is of moderate to medium value, then this may not be an issue for your heirs. However, if it is of significant value then you may need to ensure that your heirs are aware of what will happen. If there are no close heirs, this may not be

an issue. If the estate is significant (hundreds of thousands of dollars as it may include more than stamps), then it is also important to consider who you leave it to, and how they will handle it. I know of one Victorian society with 12 members which was left a 6-figure amount as a bequest. This is almost pointless as the money is largely doing nothing. Larger philatelic organisations, particularly those with their own premises have a far greater need, and the money is more likely to benefit the hobby.

Another Victorian collector with 6-figure collections, used the services of the RPSV to assist with disposal of the collection. The monies were then added into the estate by the executor and a percentage paid to the RPSV. This was a good approach as the RPSV has a Deceased Members Estate Committee. This committee approach largely limits the possibility of any wrongdoing and ensures that your precious collection/s are sold fairly and for the best price. The Royal of Victoria also has the Purves Club where members who have made a bequest in their wills are acknowledged before they pass away.

Gary Watson from Abacus Auctions (formerly Prestige Auctions) gave an excellent talk called "Death and Your Collection" back in 2002 which is still available on the web ([www.prestigephilately.com/services/article1.php](http://www.prestigephilately.com/services/article1.php)) and is worth a read. This gives advice on the disposal of a collection after death, which is most relevant to leaving a bequest. It is always worthwhile mentioning your collection in a will and what you want to happen to it. It is a must for a bequest. Just telling your executor to sell it



and give the proceeds (or a portion of the proceeds) to XYZ, is not advisable. The executor may simply consign it to any small (non-philatelic) auction house and your \$50,000 collection sells for \$100 as a box lot – it happens! It is better to give the executor instructions such as my collection is to be sold through auctioneer ABC.

In general use or recommend one of the major philatelic auction houses. Australia's major philatelic auction houses can sell most material, as they have worldwide mailing lists. Occasionally, you might recommend an overseas auction house because of the specialised nature of what you collect (my collection of Israeli revenues is a good example), but don't do it because of ego. Australia is best sold in Australia. Or the executor is told to approach someone like the Deceased Members Estate Committee of the Royal of Victoria, or an equivalent. Even just advising the executor to talk to members of your local club, is better than nothing. Most clubs are pretty good about sending executors to the right place to sell. If your collection is especially valuable or large you may consider having a separate philatelic executor. It needs to be someone you have great trust in



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and can do the job. I know of one philatelic estate that took multiple years to finalise and put some pressure on the philatelic executor. Your heirs must also have trust in that person. Whatever you do in relation to selling a collection after death, the more instructions you can give the executor the better.

### Points to Consider When Contemplating a Bequest

- All bequests are welcome but why are you are you making it? This will determine the type of bequest.
- Bequests of libraries are easy to do, easy to explain to heirs and benefit many other collectors – but choose a library that is suitable.
- If you want a particular outcome from your bequest – library purchases, prize, scholarship etc be very clear with your instructions but make sure there is some flexibility as circumstances can change.
- If you are leaving your actual collection to a philatelic body think carefully about why you are doing it? Can it be safely stored? Will it assist the body who receives it (eg forgeries or reference collections)?
- Monetary bequests without caveats are the easiest, and obviously appreciated, but some guidance on the purpose of the bequest will not go astray.
- If your collection is to be sold, give guidance to the executor (auction house ABC or with the help of an estate committee in organisation XYZ).
- Consider using a trusted philatelic executor for large or complex collections.
- **Keep your spouse, family and heirs informed of your wishes and what is in your will. No-one wants expensive litigation.**
- Get legal and financial advice before you make a significant bequest (refer the next point).
- Consider making bequests (or selling your collection/s) when alive, as it may have tax implications if the donation goes to a suitable body such as the Philas Library.
- It is good advice to relate the size of the bequest to the size of the organisation receiving it. Your local club may appreciate your basic Australian collection to sell and raise a few dollars to support the club, but what would they do with \$200,000?
- Never tell your spouse that your collection is worthless or worth little. Too many collections have ended up burnt or thrown out because of this.
- Don't exaggerate the value either. This can cause problems and create friction when the collection is sold.
- Being realistic about value is better for all, and try to reinforce to your family the enjoyment the hobby has given you.
- We may not want to tell our spouses what we spend on our hobby, but honesty is a better policy in the long run.
- If you have enjoyed the hobby, then giving a little (or a lot) back will benefit all philatelists and ensure the hobby we love continues.



If you have any questions or need pointing in the direction of an appropriate body contact [Darryl.fuller@home.netspeed.com.au](mailto:Darryl.fuller@home.netspeed.com.au).