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Group Therapy — How Do You Handle Your Binding Budget?

Column Editor, **Rosann Bazirjian** (Florida State University)

Hey y'all out there! Do you have any gripes? Come to your therapist! Try <rbazirji@mailers.fsu.edu> or FAX 904-644-5170.

GRIBE: (Submitted by **Susan Zappen**, Skidmore College)

Currently Skidmore's binding costs come out of the operating budget. Supplies, postage, travel and OCLC charges come out of the operating budget as well. The operating budget only receives very small increases from one fiscal year to the next. Because of the small increases, there is little flexibility to absorb unexpected increases in any area. The biggest plus for the operating budget is that any money not spent in one fiscal year is not lost, but remains in the library's operating budget.

Books, journals, and equipment are charged to the capital budget. The capital budget receives a larger increase from one fiscal year to the next. Money not spent at the end of the fiscal year reverts back to the college. However, any money not spent in one category can be spent in another. For example, book money can be used to cover subscriptions.

Our library director would like to move binding costs to the capital budget making bound journals a capital investment. The college could argue that binding (and even subscriptions) are ongoing operational expenses. I would like to hear from other libraries about how they handle this budget issue.

RESPONSE: (Submitted by **Emily Hutton**, Head of Collection Development, Colgate University)

The Colgate Libraries binding budget comes out of the operating budget along with expenses for print, microform, and digital materials. It may be that the capital and operating budgets are handled differently at each institution (at Colgate the capital budget is reserved for building renovations), but grouping binding expenses with the materials budget seems to make a great deal of sense. **Susan Zappen** is correct when she points out that this budget line typically receives a larger increase each year than most other lines in the libraries' budget. This line also affords the greatest flexibility in coping with unexpected price increases or unforeseen demand. Despite this, the binding line does run the risk of being pared down in the budget process in order to afford larger increases in more volatile budget lines such as periodicals and digital materials.

The crux of the issue is whether bound volumes are truly a capital investment or an ongoing ephemeral expense such as postage or supplies. I would argue that bound volumes do enhance the collection of the library. They should not be treated any differently than expenses for microform serial subscriptions which are another form of repackaging or preserving scholarly information for future use or archival storage. Binding periodicals, or replacing issues through the purchase of microfilm, are both long-term investments in the libraries' collection which cannot be put off without risking damage to important parts of the collection.

Recently, in coping with a tremendous unplanned increase in prices for microform serial subscriptions, we canceled a number of microform subscriptions in favor of binding our paper issues. In this case it was easy to justify "transferring" money from one line in the budget to another within the same fiscal year. In general, flexibility in spending should not be that big an issue since binding cost are such a small percentage of the libraries' operating budget, and since price increases from the local bindery typically fall in the relatively insignificant range of 3% (as they have for the last several years). Where flexibility does come in handy is when one is faced with a large retrospective binding project which cannot wait until the next budget planning process. Here again, protection of a long term investment should argue for the expense to be funded from the same budget line as the materials budget.

RESPONSE: (Submitted by **Elizabeth J. Oktay**, Head Acquisitions Librarian, Vassar College)

At Vassar College, the capital budget is limited to non-recurring items costing more than \$5,000. Such requests are reviewed and acted upon outside the annual operating budget.

The annual operating budget includes the acquisitions materials budget, the binding budget, and just about all items in the libraries' budget. There is little flexibility in moving binding monies from that account line to acquisitions purchases, for example, as this practice is not looked upon favorably by the college financial office. Money not spent is lost.

We are fortunate that the acquisitions materials budget is ONE college account

line, thus providing flexibility of use. However, the annual increases in the operating budget have been very small and college-wide, with little or no consideration of unique budgetary needs such as annual double-digit increases in journal subscriptions or new expensive electronic resources. The college is now making a careful review of the libraries' budget and expenditures, perhaps with an eye to making an exception for the libraries.

Ideally, a library acquisitions budget would have large annual increases, be flexible with use defined internally, and have monies carry over from year to year. Dream on. One possibility might be a two-part budget: 1 — flexibility in the annual account line to spend as needed for books, journals, electronic resources, etc.; 2 — a separate and renewable five-year account line with a significant sum available to assist in reducing the frantic annual cancellations and extreme fluctuations.

It seems that moving binding to the capital budget at Skidmore would provide more flexibility and thus a better use of the available, though limited, funds.

RESPONSE: (Submitted by **Judith Niles**, Director, Office of Collection Management, University of Louisville)

At the University of Louisville, binding costs are not part of the operating budget. Binding is a line item in our equivalent of Skidmore's "capital" budget, along with books, periodicals, microfilms, etc.

Since part of the concern raised in Susan's "gripe" relates to retention of end-of-year money, it seems appropriate to describe the practice here. Up until two years ago, uncommitted money in the entire library budget reverted to the central university budget at the end of the fiscal year. We were allowed to keep any money that was encumbered. In a remarkably enlightened move, the rules were changed and now we are allowed to retain all uncommitted money.

I have worked at three other academic libraries, one private, the others state-supported. All three considered binding costs to be part of the capital budget, as opposed to the operating budget. However, in each situation there have been different practices regarding increases in annual budgets and in the retention of year-end funds.