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Biz of Acq-Beyond the Materials Budget: Managing Endowment and Transferred Funds

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Biz of Acq — Beyond the Materials Budget: Managing Endowment and Transferred Funds

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About University of Mississippi Libraries

The **University of Mississippi** is a state-supported institution with FTE students around 20,000 and supports many doctoral programs. The library is a member of **ACRL** but is not a member of **ARL**. The library's operating budget is composed from state and other funds allocated by the institution and from library-designated endowments. Funds allocated by the institution have been stable or modestly increasing, but this funding has not kept pace with inflation for materials or allowed for purchasing new resources. For this reason, the library has relied more heavily on endowment spending for materials and has developed purchasing partnerships with individual academic departments or colleges on campus. Both of these additional funding sources contribute to the library's overall materials budget, and they both require careful record keeping and some specialized procedures to be sure the funds are spent correctly.

Endowment Spending for Firm Orders

At the **University of Mississippi Libraries** we have been fortunate over the years to not have needed to make any significant cuts to our monographic budget. Although institutionally provided funds have remained the same, and in some years decreased, we have been able to supplement these funds by using library endowments that have been earmarked for materials.

The process of building the materials budget begins months before the beginning of a new fiscal year by looking at the previous year's base allocation as a starting place. Once an evaluation of these allocations has occurred, the focus switches to how much is going to be funded by endowments. Based on information about endowment expenditures and interest earned, the acquisitions and accounting departments make a recommendation about which endowments to use for the upcoming fiscal year. Ultimately, the decision on which endowments and how much to use comes directly from the dean of libraries. For the current fiscal year it was determined that we would use library material endowments to fund 40% of our monographic firm order budget.

Some years ago the library reviewed all the memorandum of agreement (MOA) that accompany the endowments designated for monographic purchases. A spreadsheet was created which listed each of the endowments, whether the MOA specified "books" or "materials", and if the endowment required a physical book plate on the inside cover of each book. From this we were able to determine which endowments we must use for print books and physically plate and which endowments we could use to purchase electronic books with a note in the catalog record for the donor information. The issue of format has become more important as the percentage of electronic books purchased relative to print books grows from year to year. As Demand-Driven Acquisitions programs become more heavily used, the ability to determine if an endowment can be used for electronic formats will become an even greater issue.

The issue of keeping track of the endowments both in our ILS and in relation to the accounting office was more difficult. At the item level, a fixed field in the order record is used to track which endowment a specific book was charged against. This field also indicated when a memorial plate was needed. At the invoice level, we needed to know how much was spent from each endowment. An Excel spreadsheet was created to track the invoices, amounts, and how much is left to be spent from each endowment. A summary tab provides an overview of endowment spending as a whole.

External Funding for Continuing Resources

The funds needing to be tracked for continuing resources are primarily extra-library, rather than endowment spending. This funding is provided by specific academic departments and is tied to specific resources, usually electronic, that those departments feel are strongly needed. It started when the library wanted to purchase into the Early English Books Online project. The subject specialist approached the academic department about contributing, and the dean approached the institutional administration about extra funding. Over the years a few projects developed where the library was asking departments and the administration for a little extra one-time money for start-up costs. Later, a subject specialist and the School of Business did some trading of resources to afford a newer resource, cancelling some titles and adding others. Some-times the departments and the library share costs, and sometimes the department bears all of the cost. In the past eight years, the number of resources paid by or cost-shared with other departments has increased from one to thirteen, and the amount of funding coming from outside our planned materials budget is approaching 10% of our continuing resources expenditures.

At first it was encouraging that the academic departments were being supportive in a financial way and taking a very active interest in the collection building of the library, but eventually, as the comfort level with these financial arrangements rose, it became less clear which department was in control of these arrangements. In most cases the library was primary in making the connection with the department and in the arrangements with the vendor, but in one case, the department had done the pricing and made decisions about the technical details before approaching the library with a cost-sharing proposal. With such a specific request, and with little time in which to make a decision, it was difficult to not agree to the details, but the library might have made different decisions. The library has more experience and different priorities when negotiating with vendors. We check for technical compatibility and optimum access levels. We learned that it is important that the library be primary in negotiating the price and the license. Most departments are fine with this arrangement and are happy to let the librarians haggle over the details, but some departments still want "upgrade-on-demand" guarantees.

Funding and invoicing are intertwined. The academic department providing the funds may ask to pay the invoice, but if the library is going to provide technical support, the library will need first-hand knowledge of the payment details. The library must pay the invoice. That arrangement means transferring funds between departments. In our case, we put our administrative coordinator in touch with the department's administrative person, and they submit the correct paperwork. For a couple years we didn't wait to pay the invoice, but we found that we couldn't always be certain the library had been reimbursed. Now we wait to be sure the transfers are complete before we pay the invoice.

All of the points above can be negotiated with the academic department before setting up the subscription, but renewals can be cumbersome. Academic departments are not
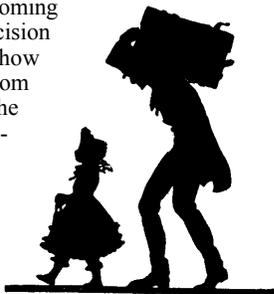
as accustomed to continuing resources as the library is. The number of years a department is prepared to support a resource should be addressed at the outset to be sure they understand the facts of yearly budgeting and inflation. At first we didn't contact the department until the renewal notice or invoice arrived, but that didn't leave the departments much time to consider if they wanted to continue support. If they didn't continue support, there was the possibility that the library would need to cover the cost instead. In the current fiscal year, emails were sent to each department with usage data about the resources, estimated cost for each resource, and a request for confirmation of continuing support. We received all positive responses, but we also learned that one department would only agree to one more year of support. It was good to have warning.

The number of people that need to be involved and informed is growing: subject specialist, decision maker in the academic department, administrative/accounting person in the department, administrative/accounting person in the library, electronic resource librarian, and the dean of the library. One person should be designated as the coordinator of the process, who will follow the process through each stage. For tracking purposes, and as a contact list, we have developed a spreadsheet. In addition to names and emails, we also track when the transfer was complete and when the invoice was ready for payment. We wanted to be able to easily distinguish the money spent on these resources so we created a separate fund code. Eventually, we also created a separate code for the library's portion of shared costs.

As our materials budget barely keeps up with inflation, and as institutional funds are pushed to cover that inflation, the library will only be relying more heavily on financial support from other areas of the university and from endowment growth. The acquisitions and continuing resource departments will need to be even more careful to be certain the library is using the funds we have correctly and wisely. 🐾

Works Cited

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Oregon Trails — Literary Snob

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Just recently I finished reading my first eBook, *"W" is for Wasted* by **Sue Grafton**. It was not a bad experience, but the book is an extremely easy read, a virtual skim. It was a convoluted, riveting story and despite the needless descriptions of clothes, automobile retrievals, and such, I enjoyed it. The fact that I couldn't tell how close I was to the ending was a minor irritant.

I also have several eBooks on philosophy on my iPad. One advantage of an iPad or any computer or tablet is that I can have both the Kindle and the Nook applications without their proprietary hardware. In a pinch I could even read them on my Android smart phone, not something that I am likely to do, but there it is anyway.

In my bookcases there are hundreds of books, retirement reading, that I have gathered over the years, books with physical identities that speak to me in ways that a computer icon can't. eBooks are, in effect, scrolls that were made obsolete by the codex. Some people are convinced that the codex is obsolete and that the electronic scroll is superior because it takes up no shelf space, the fonts are adjustable (instant large-print books), and the text can be read without overhead or bedside lighting.

But the eBook in some ways does not really exist until all of those zeroes and ones are translated into graphic characters that make sense to us. And when our machine is not turned on and we don't have a table of contents, a catalog of those eBooks, they are out of sight and out of mind — an important concept with real consequences. And in an extreme way, you don't really own an eBook. If you borrow one from a public library, it can never be overdue so if you have not finished it and the due date draws near, you'd best renew it lest it disappear even as you race to the finish. It is simply gone. You have saved a trip to the library but you have also lost an opportunity to browse the stacks or the catalog for old favorites or new adventures.

Had I a thousand eBooks (I can't imagine owning a hundred much less a thousand), I couldn't trade them at a paperback exchange or sell them to a second-hand bookseller. The bookseller may buy my books for a few cents on the dollar but the books are off my shelves and available to another reader, a kindred spirit, and so on *ad infinitum* or as long as the paper and binding last, and that depends ultimately on the type of book and the associated reader or collector.

I collect books. Some collections are of authors that I particularly enjoy. I also build

collections on subjects that happen to strike my fancy. Tastes are acquired and lost, interests change, but the books are immutable. Even when the reader comments in the margins, the original voice remains. The author has the advantage of time, space, inspiration, learning, imagination, zeal, and drive, things that supported the effort it took to write the book. Second guessing, even educated, erudite questioning, is mere child's play.

eBooks, I am told, can be annotated and that could be an advantage to a scholar, researcher, or reviewer, but the effort seems greater and the efficacy of it, as opposed to a marginal note on a physical page, seems less than I am comfortable with.

I make marginal notes on the page and then note on the end paper the page number and other notes or quotations as I see fit. Some of the notes go into a commonplace book. Of course commonplace notes can come from eBooks, too, and can even be housed on one's computer or the Cloud, but for me, writing with an old-fashioned fountain pen provides an organic connection between physical book, physical notebook, and writing instrument. What you are reading now first appeared as a hand-written entry in a journal.

I still write letters and postcards every month to family and friends and when I get a friendly admonition at a family reunion, to wit, "Tommy, I love getting your cards but I can't read your writing," I take great pains when writing her next card or letter to slow down and mix my printing and cursive into an orderly, legible italic of sorts. Now she simply calls me to acknowledge receipt and by other comments, I can tell that she could read my writing.

One's handwriting, legible or not, is a window into one's personality, one's very soul. I took a German course from a professor who had us write something for her at each class meeting. She would supply us with unlined paper and told us that she could tell a lot about us by how straight or crooked or slanted our lines were. I believed her then, and I believe her now. The handwritten mail that I receive is not only welcome, that familiar handwriting provides a personal, intimate connection with that person that an email does not. Even a typed letter is preferred over an electronic missive because once you get to that familiar signature, all is well. The handwritten letter is a part of the author and provides an artifact that I can touch. As I read it, I commune with the correspondent in an intimate, spiritual way. I can save that artifact for a later re-reading, a reminder of the ties that bind.

I feel the same way about the books on my shelves and on the shelves of libraries and bookstores and of friends and acquaintances.