

Purdue University
Purdue e-Pubs

Charleston Library Conference

Budgeting in an Academic Library: A Lively Lunch Discussion

Karin Wikoff
Ithaca College, kwikoff@ithaca.edu

Follow this and additional works at: <https://docs.lib.purdue.edu/charleston>



Part of the [Collection Development and Management Commons](#)

An indexed, print copy of the Proceedings is also available for purchase at:

<http://www.thepress.purdue.edu/series/charleston>.

You may also be interested in the new series, Charleston Insights in Library, Archival, and Information Sciences. Find out more at: <http://www.thepress.purdue.edu/series/charleston-insights-library-archival-and-information-sciences>.

Karin Wikoff, "Budgeting in an Academic Library: A Lively Lunch Discussion" (2016). *Proceedings of the Charleston Library Conference*.

<http://dx.doi.org/10.5703/1288284316423>

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact epubs@purdue.edu for additional information.

Budgeting in an Academic Library: A Lively Lunch Discussion

Karin Wikoff, Electronic and Technical Services Librarian, Ithaca College Library

Welcome and thank you for coming to this presentation. This is a lively lunch discussion, so the presentation part will be brief, with more time for discussion.

My name is Karin Wikoff, and I am the electronic and technical services librarian at Ithaca College in Ithaca, NY. In other words, I'm the head of Tech Services. I began my library career as a cataloger at a tiny, private women's college where we all did a bit of everything, and where I eventually became the person who managed electronic resources. I came to Ithaca College first as the electronic resources librarian. After a few years in that position, I was promoted to department head, overseeing acquisitions, bindery, cataloging, e-resources, and serials but also managing personnel and the budget for library materials. At the time I took my current position, about 10 years ago, I had just about zero background in budgeting and financial management. Everything I have learned has been on the job through experience.

A couple years ago, I got to thinking I'd like to have more formal training in budgeting in an academic library. I searched and searched and could not find anything. In library school, you can study management with one little unit on budgeting, and it's focused on public library funding. I couldn't find workshops or webinars either, so I decided to learn what I could from my peers. I went on an "academic library budgeting road show," meeting and talking with the people who handled the budget in their libraries. My goal was to find best practices or at least tips I could use to improve the process in my own library.

What I found was that of the seven other libraries plus Ithaca College, each library had very unique circumstances such that their practices mostly would not be transferrable to other libraries.

I'll go through the questions I asked the other libraries and do a little overview of their answers, and then we can get down to sharing what your libraries are doing.

How does your budget process run in general—starting with a timeline, and who does what?

I extrapolated some data from this question: What month your budget starts, what date you have to submit your budget request, when you learn what your budget will be, and when you actually get access to your money. I then looked at two gaps: How many months between when your fiscal year starts and you get access to your money, and how many months out do you have to project your budget costs. Most of the libraries in my study got access to their money immediately, but one had to wait 2 months and two had to wait 3 months, which is a full quarter of the fiscal year. One can spend in the red, but the other just has to wait and cannot buy anything for the first three months.

What's your process for allocating funds to your subject selectors?

One library had no subject selectors, and one had all its money in one pool. I'm not sure how they prevented any one selector from spending more than his/her fair share. Three libraries used a formula, two used historical spending, and at one library, the administrator decided on her own.

How much flexibility do you have to shift funds?

Two libraries each have all their funds in one pool and don't need to transfer funds. Four have full flexibility. Two libraries have a divide. One of those is a SUNY school, with some state funds and some college funds from tuition. The other is Ithaca College, where we have all our electronic subscriptions in operating, and all the rest of our material budget for things we can say we own, including perpetually licensed e-books, all in capital, and we cannot move money across that capital/operating divide. That means that when a publisher decides partway through our fiscal year that they will no longer publish a journal title in print, and if we want to keep subscribing, we'll have to move to online only, I am left with more money than I need in capital, while I didn't budget enough for the new title in operating. I am working on

historical data to help me try to predict how much we might see move this way in a given year, but it's still puts us in a tough spot.

How do you predict serials costs?

Two of the libraries with whom I met don't have to predict serials costs. One has all its journal subscriptions in a package deal with costs known in advance—must be nice! Four libraries are using an estimated percent increase from an external source: Library Journal, Bowker, EBSCO, and an unnamed vendor. Two use detailed spreadsheets of historical data together with a percent increase.

How are you balancing/managing the shift from print to online (in books as well as serials)?

Two libraries have all their funds in one pool, so they never have to transfer funds. One library I forgot to ask this question. Two reported they have no trouble shifting money around. One library has the interesting policy that their default is to buy print books and electronic serials, so they are having no problems. Ithaca, as mentioned previously, cannot move money from capital to operating when a subscription must shift from print to online.

Have you ever had surplus funds at the end of the fiscal year? What did you do with them?

Two libraries put money into big collections. Two libraries pre-paid invoices for the next year. One library put money into a deposit account. Three libraries bought items from big-ticket wish lists. Two libraries reported they get close scrutiny that does not allow big year-end purchases to spend out their funds, so they keep any year-end surplus as small as they can.

Have you ever gone over budget? How did you deal with that?

Five of the eight libraries have never gone over budget. One reported that they used discretionary funds the one time they went over. One went over budget on purpose just a little to demonstrate their need, and one librarian told me that her library went over budget "often," and that how much they went over determined how much she had to apologize. I guess for that library, the "demonstrating need" strategy was not working.

Have you ever set up a PDA/DDA deposit account? Tell me how that worked out.

One library had not ever had a patron-drive acquisition (PDA) or demand-driven acquisition (DDA) account. Of those that had done DDA/PDA projects, one was new, three no longer had the account, and three were doing well: Ebrary (working well), ConnectNY (did not work well), EBSCO (new), JSTOR (working well), Yankee Book Peddler (YBP) and Kanopy (working well), ebrary via YBP (did not get used enough to continue).

Have you ever budgeted under zero-based budgeting (ZBB)? How did that work out?

Only two of the eight libraries had ever used ZBB, and they were both new to it.

What are the biggest challenges you are facing in budgeting each year, and how are you meeting that challenge?

I was surprised that even this last question got a different answer from each library, though some of them, I suspect, are fairly universal. Here they are:

- Implementing a new budget strategy.
- Trouble getting honest communication about enrollment and its impact on the library budget.
- Community college with a big need for furniture and equipment but not budget for either.
- Not enough money for all the needed databases and a \$50,000 budget cut as well.
- Budget built around faculty who dump orders on the library at the end of the year.
- Flat budget + inflation = cancellations.
- Balancing book purchases against e-resources.

For Ithaca College, I would have said the uncrossable divide between print and electronic was out biggest problem if you had asked me a week ago. We need more flexibility, not more impractical, rigid rules. Just last week we learned we must split all our online serials subscriptions because they cross the fiscal year. Most of them run on a calendar year and have 5/12ths in one fiscal year and 7/12ths in the next, but some split in other odd ways, each of which has

to be manually split according to its start date. We had already paid the big invoice this year, so that means we have to touch each line item four times: Once when it was first paid, once to split and hand-correct, once to record the amount to carry over in a spreadsheet, and one more time to pay the carried-over 7/12ths amount in the next fiscal year. It will be three times for each line item for each future year. It also greatly complicates projecting future costs, since I first have to calculate the total amount the publishers will likely charge for a subscription year, then split, and figure 5/12th at the next year's costs and 7/12th as the current year's costs, plus hand calculating each of the dozen or so that don't split on 5/7 months. I explained to the young man accountant how much extra work this would take, three times as many staff person hours, so it will not be an efficient use of college resources, and asked him what benefit the college gets in return for following this practice which will justify the three-fold expense. He admitted there is no benefit; we just have to do it because it is "generally accepted accounting practice." It's the rules, and too bad that it costs the college three times the staff hours. I consider that our biggest current challenge.

Next, let's do a quick survey of folks in this room on some of these questions. (Discussion summary from my notes.)

Gap of Time Between Beginning of Fiscal Year and Availability of Money to Spend: One library can begin pre-spending money for the next fiscal year on February 1. Another library has monthly reporting. We heard from others with anywhere from 1 ½ months to 4 months' delay before they get the money, though some are allowed to spend in the red.

Time Head of Budget Projection: Five libraries do not have to do projections. One has to prepare a 4-year plan, but they re-do the projections every year.

Budget Divides: One library reports their budget is split but not divided; they have a mechanism for moving money between capital and operating. A Canadian library reports having capital, operating, and collections, and the latter is protected. Another library mentioned it has separate soft money.

Predicting Serials Costs: About 50% of the folks in the room indicated they use some external organization's suggested percent increase. Closer to

75% of the people in the room use spreadsheets to calculate. Two indicate they use a formula, and one mentioned using a guesstimate.

Surplus Funds: Of the folks in the room, 50% said they purchased a collection with surplus funds at the end of the year, and 50% said they bought items from a big-ticket wish list. Five indicated they had pre-paid, and another 5 days they put money into a deposit account. One reported they weren't allowed to spend the year-end money.

Going Over Budget: About 25% of the people in the room indicated their library had gone over budget at some time. One went over by \$40,000 and said, "Oops!" One had a whopping \$3 million deficit. They cut subscriptions \$1.4 million and had to beg for one-time funding to cover the rest, with \$1 million to be paid over the next 3 years. Another library reported that it gave their CFO a heart attack. There were reports of getting money at the last minute, of difficulties with hand-written book dealer invoices with no dates, and many stories of having to cancel stuff.

Biggest Challenges:

One library has inadequate space for its growing student population. It wants to dump its bound journals, but there is faculty resistance. It has student allies.

One library is making an argument for an annual increase; it has never asked in the past and has had to cancel titles each year to meet its flat budget.

One library is struggling to support new programs that need new materials. Getting faculty buy-in helps. New programs require an assessment of the collection to support those programs.

Another library reported that it has long been funded by a student library fee, which is getting increasingly difficult.

One more library reported that its current formula is not working. It has accreditation is are working on a proposed new budget model.

Wrap-Up: We concluded with a call to anyone willing to have a one-on-one interview to leave me their card, and I will follow up after the conference.