

Kevin R. Garewal

Head of Research & Learning Services

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# Best Practices For Budget Management and Financial Modeling of Content Budgets - Baselining



The University of Akron  
**University Libraries**

# Budget Deconstruction/Construction

## Levels of perspective

- Macro-level understanding – sources of funding
  - Assessing external fund structure – University has 2 fund lines (fees & University allocation).
  - Assessing internal fund structure (within ILS) – Library has 475 funds broken up by subject or material types.
    - How does this intersect with the external funding structure?
    - Is there utility in the intersection?
    - Are all costs being tracked via this system?
- Micro-level understanding
  - Assessing internal fund structure.
    - History of the fund structure – why was it created?
      - Is it still relevant to the current situation (new leadership)?
    - Audit fund structure to determine what is being used.
      - Can the funds be simplified without corrupting the prior history?
      - Reduce the number of funds?
    - Result: 256 fund codes used in FY2011 vs. 170 fund codes used IN FY2015

# Budget Deconstruction/Construction

## Levels of perspective

- Assessing spending
  - Establishing percentage of spending at material type level.
    - Challenges
      - Found bib records for materials type not consistent on items.
        - » Example: ReferenceUSA – material type = Monograph vs. Hoover's Company Records – material type = Journal/Periodical
      - Order records when closed had their notes deleted (i.e. canceled or change of publisher).
      - Did not open new order records when changed payment funds or vendors (lost history).
      - One-time acquisitions not always recorded in ILS (paid other funds).
    - Result: Dumped 3 years of transactional data and traced by funds/titles/vendor.
      - Guessed that looking at 3 years of spending would provide all subscription costs and a reasonable sample to look at spending patterns.
  - Questions/Best Practices
    - Is the spending historically consistent?
    - Are the records consistent? If not, how can you make them consistent?
    - Who is responsible for the records?

# Reconstructing The Budget

## Understanding variables that influence modeling/forecasting

- Uncontrolled variables/uncapped costs or expenses
  - Approval plans
  - Demand Driven Acquisitions
  - Maintenance fees
  - ILL costs
  - High inflation materials - typically publisher/vendor based (RSC)
- Controlling the variables (minimizing the unknowns)
  - Multi-year agreements
  - Paying in advance for subscription(s)
  - Core subscription with predictable inflation rates
  - Allocated funds for materials (monographs, etc.)

# Results/Revelations

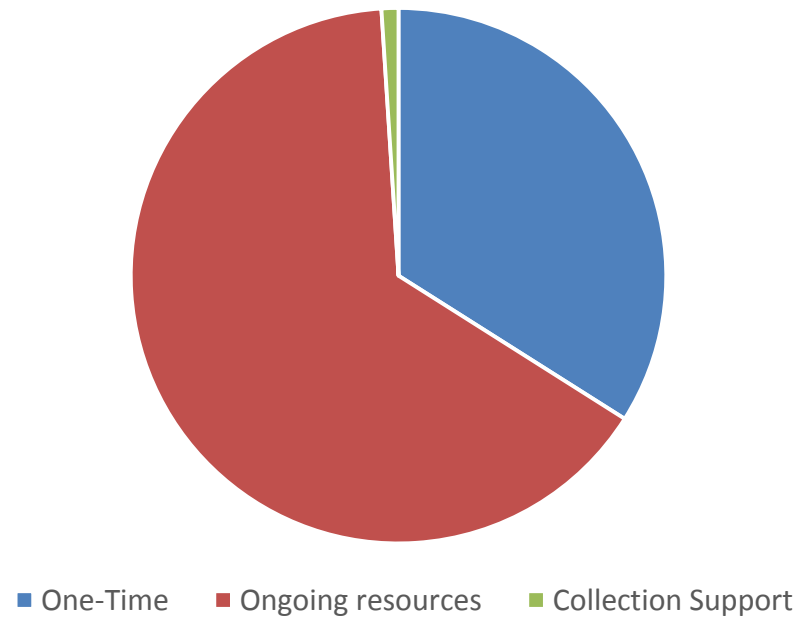
## Actionable findings

- Able to spot vendors/publishers with high inflation rates and negotiate blanket reduced inflation rates.
- Predictive modeling – by vendor/publisher or material type.
  - Allows you to leverage conversation with company reps holistically (i.e. “we spend X and the overall inflation rate is X”).
  - Can determine when materials type will be unsustainable or determine reallocation of funds.
- Banding all content spending by LC classification can be useful for conversations with academic departments (i.e. “we spend X on your subject area”)

# Application and Impact – Pre-application

ACRL FY 2013 – Reported 3.1 million dollars

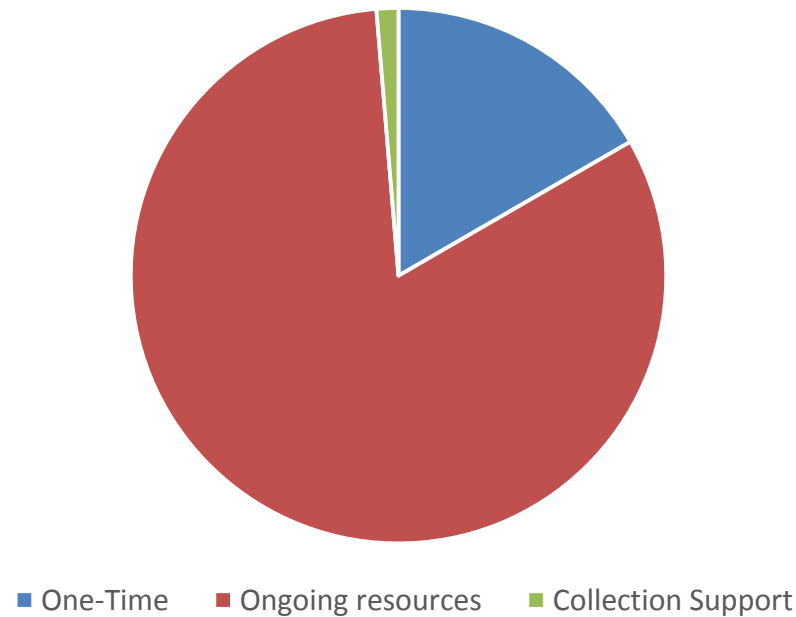
Materials Budget



# Application and Impact – Applied

ACRL FY 2014 – Reported 3.3 million dollars

Materials Budget



# Impacts at the Fiscal Level

## FY13 – Pre-application

- Was calculating one-time purchases based on material type on the bib record.
- Had classified database subscriptions and some serial monographs as one-time purchases.
- Approximately 700k a year was being reported in the one-time purchases.

## FY14 –Application

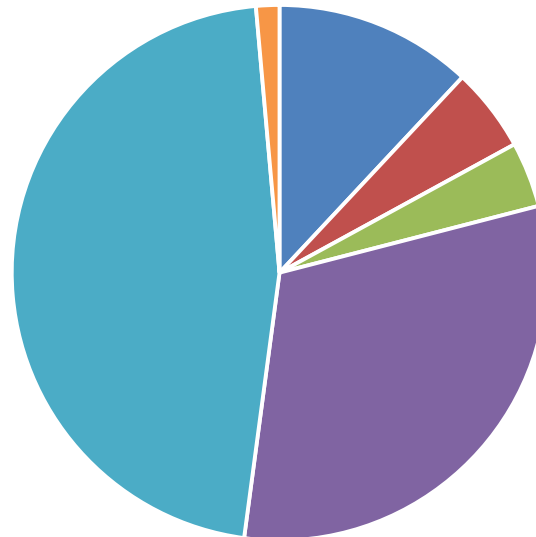
- Reclassified databases and serial monographs as ongoing resources.
- Approximately 700k to ongoing resources line.
- One-time content purchases being paid for by non-materials lines were reported in Sierra and added to the ACRL report.
- Approximately 200k allocated to one-time purchases (backfiles).



# Make Up of Budget in FY15

Where we landed on a percentage basis

Materials Budget FY15



■ Journals ■ Monographs Slips ■ Approval Plan ■ Databases ■ OhioLINK (Journals & Databases) ■ Maint Fees

**Questions**  
**kgarewal@uakron.edu**



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