

OWLSnet AAC Handout

Information for May 2007 meeting

Billing libraries for long overdue items – Background Paper

Background

It has been a longstanding OWLSnet practice that libraries are responsible for items checked out at their location. With our previous ILS, overdue notices were always sent to the patrons from the circulating library, and the circulating library was deemed responsible for the patron returning or paying for the item. If a patron did not return or pay for an item, the owning library was eligible to bill the circulating library for the cost of the item after one year.

Recently, this practice has become problematic for a number of OWLSnet libraries, for a number of reasons:

1. Billing the circulating library no longer seems to make sense
 - a. With the new ILS, overdue notices are sent to the patrons from the owning library, which means the circulating library has no way of knowing if a patron has not returned an item checked out at their library.
 - b. Libraries have no real control over whether or not they circulate an item to a patron. If a patron has a library card in good standing and they enter the library to check something out, the library has an obligation to circulate to that patron.
 - c. It may make more sense to bill the home agency library. Libraries do have *some* control over the quality of the patron records. While no library can ensure that all patron records are correct, performing due diligence makes it less likely that items will be lost because of faulty or incomplete patron records.
2. Preparing and paying these invoices is an frustrating process
 - a. There was a lull of a period of time (perhaps a few years) when libraries were not billing other libraries, and so resumption of this activity caused surprise and concern to libraries not expecting this.
 - b. Some libraries find these unexpected invoices difficult to fit into their already tight budgets.
 - c. Because these unexpected costs are difficult, libraries feel that they are forced to invoice other libraries for long overdue items circulated at other libraries, a time-consuming task.
 - d. When subtracting the amounts they owe by the amounts owed to them, the net result is quite small for most libraries, which makes the task of invoicing other libraries not very cost effective.

There are a couple of possible alternatives to improve the situation. They're listed below in order of preference by OWLSnet administration:

1. Annual bill administered by OWLSnet – home agency billing.

OWLSnet administers the process. Once a year, they prepare a list of all billed items checked out for over a year. If a library item was checked out by a patron with a different home agency, the home agency library will be billed. Libraries will be billed by patron home agency – so if Libraries receive either a bill, or check (or credit to their OWLSnet fees) for the net amount they owe or are owed. Information will come from the ILS, so only billed items still on the system will be listed. Items marked as Lost or Claims Returned or deleted from the system will not be included. Because this is a net process, OWLSnet fees will not be increased. A list will be sent

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out to libraries on a regular basis to allow them to collect the items prior to being billed.

2. Insurance policy administered by OWLSnet – home agency billing.
OWLSnet administers the process. Once a year, they prepare a list of all billed items checked out for over a year. If a library item was checked out by a patron with a different home agency, the home agency will be responsible. Libraries that would owe something will be covered by the insurance agency. Libraries who are owed will receive a check (or credit to their OWLSnet fees) for the net amount they are owed. Information will come from the ILS, so only billed items still on the system will be listed. Items marked as Lost or Claims Returned or deleted from the system will not be included. Because this is an insurance policy, OWLSnet fees may be increased. A list will be sent out to libraries on a regular basis to allow them to collect the items prior to being billed.
3. Libraries no longer bill for items checked out by patrons of other libraries, or at other libraries.
Since the net amounts are so small, and this is quite a bit of work by both libraries and OWLSnet staff, libraries agree that this type of loss is a cost of doing business.
4. Annual bill administered by OWLSnet – checkout agency billing.
OWLSnet administers the process. Once a year, they prepare a list of all billed items checked out for over a year. If a library item was checked out at a different agency, that agency library will be billed. Libraries receive either a bill, or check (or credit to their OWLSnet fees) for the net amount they owe or are owed. Information will come from the ILS, so only billed items still on the system will be listed. Items marked as Lost or Claims Returned or deleted from the system will not be included. Because this is a net process, OWLSnet fees will not be increased. A list will be sent out to libraries on a regular basis to allow them to collect the items prior to being billed.
5. Insurance policy administered by OWLSnet – home agency billing.
OWLSnet administers the process. Once a year, they prepare a list of all billed items checked out for over a year. If a library item was checked out by a patron with a different home agency, the home agency will be responsible. Libraries that would owe something will be covered by the insurance agency. Libraries who are owed will receive a check (or credit to their OWLSnet fees) for the net amount they are owed. Information will come from the ILS, so only billed items still on the system will be listed. Items marked as Lost or Claims Returned or deleted from the system will not be included. Because this is an insurance policy, OWLSnet fees may be increased. A list will be sent out to libraries on a regular basis to allow them to collect the items prior to being billed.