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2018

## A Review of the Acquisitions Budget: Examining and Modifying the Fund Structure to Advocate for Open Access

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### Repository Citation

Garza, L. (2018). A review of the acquisitions budget: Examining and modifying the fund structure to advocate for open access. *Journal of Electronic Resources Librarianship*, 30(3), 131-137. <https://doi.org/10.1080/1941126X.2018.1493978>

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**A Review of the Acquisitions Budget:  
Examining and Modifying the Fund Structure to Advocate for Open Access**  
Lanette Garza

**Abstract:** Budget allocation decisions have become far more complex and difficult. One obvious reason is the shift from print to electronic purchases. This along with the lack of increased funding to sustain these collections has created a scenario in which all purchasing decisions need to be made with precise planning. This paper examines the fund structure review conducted at the Trinity University Coates Library, which sought to identify best practices as well as better capture how much is being spent on resources beyond print and electronic. More specifically, the review sought to include open access (oa) resources into the fund structure.

Keywords: Acquisitions, Open Access, Budget Structure, Budget Allocations, Collection Development

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## **A Review of the Acquisitions Budget:**

### **Examining and Modifying the Fund Structure to Advocate for OA**

Budget allocation decisions have become far more complex and difficult. One obvious reason is the shift from print to electronic purchases. This along with the lack of increased funding to sustain these collections has created a scenario in which all purchasing decisions need to be made with precise planning. There is a need and a call for librarians to be able to forecast and predict budget expenditures not just for the next year but for long-term forecasting of five to ten years in order to account for this extremely complex and constrained landscape.

This paper examines the fund structure review conducted at the Trinity University Coates Library, which sought to identify best practices as well as better capture how much is being spent on resources beyond print and electronic. Additionally, a fundamental part of the fund structure review was to include an Open Access (OA) fund code for both OA firm orders and OA continuing commitments. By including these two new funds codes, reports can be generated to communicate how much has been spent on OA initiatives. The current fund structure was examined over the past year and is still undergoing review in order to determine and apply best practices for the future of the acquisitions budget.

The goals of this paper are:

- 1) Identify best practices for effective acquisitions budget management from cases within the literature
- 2) Describe the method of review for the case of the Coates Library
- 3) Provide the results that emerged to include new fund codes
- 4) Demonstrate how the new fund codes can be utilized in accompanying reports to advocate for OA

Through careful review and meaningful change to the current fund structure, flexible planning and forecasting will result in a more detailed and data-driven acquisitions budget. More importantly, creating a fund structure in which budget priorities can be highlighted and advocated for will further enhance the goals of the library.

### **Literature Review**

Although a major shift in library purchasing trends began in the early 1990s, the standard formula for acquisitions allocations did not shift in response. One might argue that for many libraries a shift in budget structure still has not occurred or has not occurred drastically enough to meet the long-term needs of such a complex purchasing landscape. Caroline Arms (1990) boldly stated:

...[T]he traditional budget structures of most institutions continue to isolate the library budget in the unexamined straitjacket of the past. Fierce adherence to an undefined sense of entitlement to information services and resources by faculty and students remains a serious deterrent to a rational and judicious analysis of both the costs and the appropriate proportion of intuitional financial resources committed to information services. (p. 5)

This sentiment, perhaps unforgiving in tone, recognizes the inflexibility of most current fund structures and a need for change.

A major problem in trying to determine best practices is the general lack of literature on acquisitions budget analysis. While a flurry of assessments on "big deal" purchases were published in the early 2000s, more recent research remains limited. As Kelly Robinson notes, "This lack of research creates difficulties in determining how to best update outdated acquisitions budgets to include new models of acquisitions...there are few notable cases in which budgets are restructured to account for these changes" (Robinson, 2017). However, there

are four cases, in the published literature that focused on and recognized the need to evolve their budget structure to include the vast changes looming over libraries.

In 2004, Robert, Kidd, and Irvine examined how three universities in Scotland changed their budget from a subject fund to a full-time equivalency (FTE) based system (Roberts, Kidd, & Irvine, 2004). In large part, this model centralizes the allocations into one central budget that is partly based on past expenditures. The rest of the money is divided between academic departments. Although this model deals very well with electronic journal purchases, the authors note that this model may not be flexible enough to handle future purchasing shifts.

In 2015, Rossmann and Arlitsch acknowledged that the current funding model is unsustainable and proposed that academic libraries shift focus from acquisitions to access. They argue that new budget models should include concepts of surfacing and discovery, provision, creation, and acquisition (Rossmann & Arlitsch, 2015). Rossmann and Arlitsch examine the long-standing and deeply ingrained library budget at Montana State University (MSU) that was based on acquisitions type (i.e. books, journals, microforms, etc.). “This model assumes the library as acquirer of objects, whether in physical or online form. It largely ignores the changing role of libraries as creators, as providers...and as surfacers of information” (p. 398). Upon revision, the MSU budget was organized into those five main categories to reflect the library's changing objectives and included support for open access (OA) initiatives. While the five principles of surfacing, discovery, provision, creation, and acquisition area ideal, the lack of concrete evidence to show sustainability over the long-term seems to supplicate for additional support.

In 2016, Savova and Price discuss the ways in which restructuring the budget can create a more optimized environment for the library in the electronic era (Savova & Price, 2016). Savova

and Price advocate for a faceted classification based budget system that has become so well defined it has become known as the “Claremont model” among most acquisition librarians. In the case of Claremont Colleges Library, the budget was dismantled in order to switch from a hierarchical acquisitions budget and instead assign the existing fund codes into a more faceted schema that simplified the fund structure. Not only did this approach create a more forward thinking strategy, it also streamlined various reports to present more meaningful data.

In 2017, Robinson examined Hunt Library in order to modify the acquisitions fund structure for improved budgeting and forecasting of e-resource purchases (Robinson, 2017). After review of the current system, the change was made to move from two fund codes (a capital fund and a database fund) to a facet-based model that created eight official fund codes. “Though the reimagined acquisitions budget structure would prove immediately practical for accounting, it would not be useful for forecasting until several years of data could be collected” (p. 263).

Additionally, determining inflation rates would also prove to be a bit problematic due to the lack of historical data. However, while not perfect, the change to their budget structure and creation of additional fund codes provided from more flexibility and better budget preparation.

These four instances all demonstrate a need to change the current acquisition budget structure. Although each model and case study provide a different end solution, quite possibly each institution might have mentioned one such impetus for change as “the end-of-the-year financial bonanza” (Clayton, 2001, p. 146). The end of the year financial rush almost always brings any foolish expenditure decisions to the forefront. However, effective budget management throughout the year can assist in regulating this phenomena.

According to Lewis, Goetsch, Graves, and Roy, open access resources are worthy enough to advocate for particular funds and in fact every library should commit to investing 2.5% of its

total budget to support the common infrastructure. In 2018, the authors wrote "...[w]e hope all academic libraries will join us in this effort and make the commitment to invest in open infrastructure" (Lewis, Goetsch, Graves, & Roy, 2018). The authors lay out a proposal and plan for how to make the 2.5% commitment to open access a reality as well as create and grow the movement.

Overall, a well-managed system and fund structure are essential. When properly employed, these can be useful when advocating for resources by demonstrating particular needs. In the case of the Coates Library, this means greater advocacy for open access resources.

### **Case Study**

#### ***Institutional Profile - Coates Library***

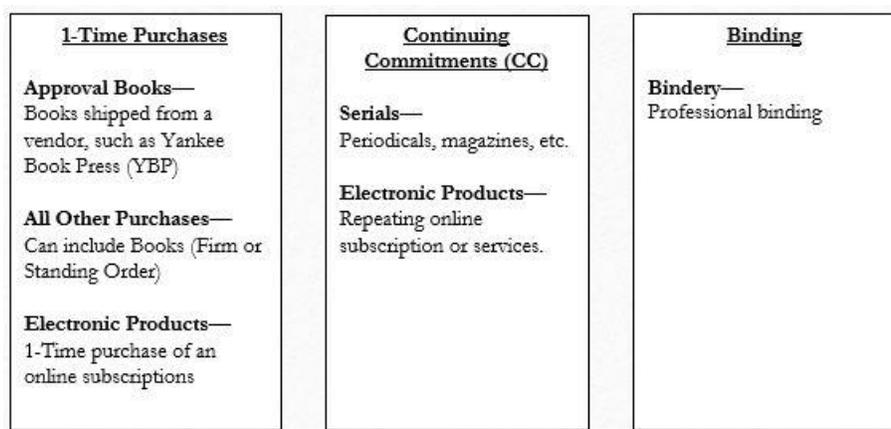
Trinity University is a small liberal arts university located in San Antonio, Texas (the 9<sup>th</sup> fast growing city in the U.S.). The university serves an FTE of 2,499 undergraduate and graduate students within 47 different academic majors. The Coates Library at Trinity University is deeply committed to serving the institution's pursuit of excellence and innovation in teaching, learning, research, service, leadership, and personal development. In addition to serving students, the library supports the instruction and research of over 247 faculty members. During the 2016-2017 academic year the library had 716,500 bound volumes, along with 95,000 journals accessible via e-subscriptions and databases. The Library's electronic resources collection has grown significantly over the recent years, with close to 300 databases and a growing number of e-book titles and collections offered. It is important to note, however, that the acquisitions budget has remained the same.

After a recent reorganization of the library's Technical Services Department, the Head of Resource Management and Discovery is now responsible for the management of budgets and

acquisitions. Reporting to that position is the Resource Management and Assessment Librarian, who is responsible for the assessment of all e-resources within the library. Before this reorganization, the budget allocation and collection process was separated into different units and, in large part, data collection methods and the sharing of information across units was inconsistent. This reorganization created an opportunity to immediately examine the acquisitions fund structure. The library uses Innovative's Sierra as its library services platform also known as an integrated library system (ILS). By reviewing and examining the limitations of Sierra, along with homegrown Excel templates for data collection, the current system was modified and the existing fund structure slightly revised.

### ***Method***

In order to review the current fund structure, a list of every fixed field listed in the Sierra order record were entered into a spreadsheet. All purchases made by requisition are charged to three major funds and denoted by fund codes. The three fund codes focus on 1-Time purchases, including approval books, all other books or purchases, and electronic resource purchases; Continuing Commitments (CC's), including serials as well as electronic resources; and Binding (see Figure 1).



[Figure 1. Three Major Fund Categories]

In addition, the Sierra order record contains fields that hold bibliographic and purchasing information on each particular resource. These fixed fields in the order record cannot be changed or variable and may be provided or excluded. There are four major fixed fields that are significant for our review (see Figure 2).

Acquisition Type	Form	Fund	Order Type
(Acquisition Type)	(Material Type)	(Admin Unit)	(Acquisition Mode)

[Figure 2. Four Major Fixed Fields under review]

*Acquisition Type* includes the kinds of purchases that are being made. For example, is the purchase part of a membership fee, free, a gift, part of a package, etc.? There are 7 different *Acquisition Type* fund codes. *Form* includes the type of material acquired, whether it is a CD, book, serial, Print + Online, etc. There are 22 different codes in the *Form* field. *Fund* is perhaps of most interest and includes over 100 fund codes. The *Form* code relates to the subject unit level, which includes English, French, Chinese, Psychology, Religion, Philosophy, and so on. Every subject is accounted for despite the fact that the money is allocated into one of the general funds included in Figure 1. Lastly, *Order Type* includes 5 fund codes to represent whether the purchase is a firm order, approval, subscription, etc..

Moving the three major fund codes and the primary field information into a spreadsheet allowed for a thorough review and examination. Three primary questions were then considered: *What is not being captured here? If something were added or removed what purpose would it serve? Can the changes be made within Sierra?* It became clear that by modifying the budget structure, some immediate changes could be put into place that would help create more meaningful reports as well as more sustainable allocation models

### Results and Action Items

The review of the literature established the need for a fund structure that was flexible enough to both add and remove fund codes when and if necessary. More importantly a fund code structure that allows for this to account for those changes and for end of the year financial reporting. The current budget structure of the Coates Library is one that is hierarchical and traditional. It has, in large part, been organized to capture every single departmental subject unit via a particular fund code. Whether or not that particular approach is the most efficient has not yet been determined.

The idea of adopting a different fund structure is appealing when considering the possibility of more quickly and easily creating budget reports. The Claremont model is an example of a fund structure that may better equip the Coates Library in the long-term with more reliable spending control and financial forecasting. Additionally, it may more intentionally work towards the 2.5% open access goal that every academic library should commit to contributing to. Although the Library took small steps in creating action items to revise the current fund structure, several immediate short-term goals were pursued:

The first immediate goal quickly became adding new fund codes to better and more explicitly track open access than had been in the past (see Figure 3).

<b>Acq. Type</b>	<b>Form</b>	<b>Fund</b>	<b>Order Type</b>
(Acquisition Type)	(Material Type)	(Admin Unit)	(Acquisition Mode)
<i>Prepaid</i>	<i>Art</i>	<i>OpenI</i>	
	<i>Packages</i>	<i>Openc</i>	
	<i>Preservation</i>	<i>ReplI</i>	

**[Figure 3. Four Major Fixed Fields, fund codes added after review]**

The fund codes that have been added, have specific purposes. The prepaid code will now be used to classify pay-per-view and demand driven acquisition expenditures. *Art*, *Packages*, and *Preservation* were also added to indicate new forms of materials that have been more recently acquired in the past years. Of most importance, are the 3 additional codes added to the Fund fixed field; Open Access Firm (*Open1*), Open Access continuing commitments (*Openc*) and Replacements Firm (*Repl1*). These represents the greatest change to the fund structure. Open1 will represent funds used for open access expenditures that are more of a one-time purchases. An example of this might be expenditures from the open access (oa) collection, *Knowledge Unlatched*. *Openc* will be used for expenditures made towards oa items that are continuous or recurring, such as *Oafindr* or *Open Book Publishers*.

Open access expenditures will now be assigned in Sierra, on all reports, and designated specific funds during the allocation process each year. It might seem peculiar to put so much emphasis on dedicating money to something that should be free and open as in the case of open access but as Martin Eve asserts in an article written by Ellen Wexler, “There will always be costs...if you want these services, they have to be paid for” (Wexler, 2015). There is what is considered a sort of unspoken cost to open access and by creating a fund code for open access items the Coates Library is committing funds and saying open access is part of the mission.

Although these new funds codes were immediately put into place as part of the fund structure, moving forward the Coates Library is still currently reviewing and considering whether or not a faceted budget schema would be more efficient for the library. At present, the current system is sufficient but perhaps not as simplistic or as time effective as possible. Over the

next year a review of how the system can be changed to more closely coincide with that of the Claremont Model will ensue.

### Reports and Advocacy

Adding new fund codes (Open1, Openc) will help to better assess funds on a day-to-day, monthly, and yearly basis. Additionally, these changes will facilitate enhanced statistical reporting. Most importantly, the intentional and purposeful allocation of funds for open access will emphasize that our open access focus reflects the changing values and priorities of academic libraries.

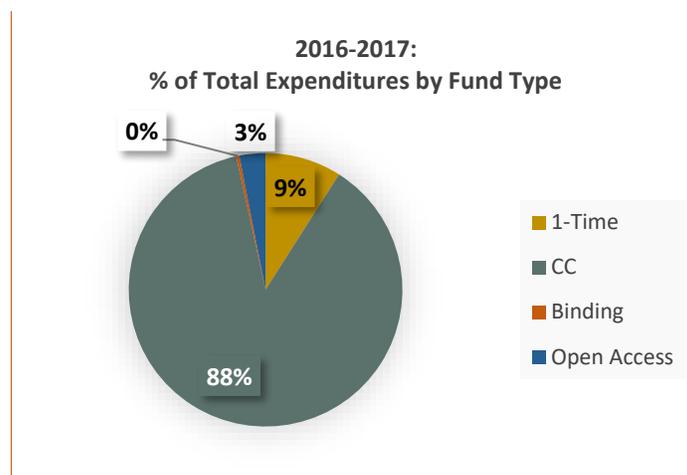
Improved reporting will help demonstrate the way the library can advocate for and report on open access initiatives. The following examples show how this may be achieved.

1) *Library Materials Account Report* (see Figure 4). This report displays how much is being spent in each subject unit. Since the creation of the new open access fund codes, there will be a separate and new line dedicated to Open1 and Openc expenditures. Librarians will be able to see this report each month.

		Fiscal Year 2017/2018 Departments & Programs 1-Time Purchases from June 1, 2017 through <b>September 30, 2017</b>						
		Original	Net	Expended	Cash	% of Net		Free
		Appropriation	Appropriation	to Date	Balance	Encumbrances	Spent & Encumbered	Balance
medi1	Medieval Studies							
musc1	Music							
phil1	Philosophy							
phys1	Physics/Astronomy							
plsi1	Political Science							
psyc1	Psychology							
reli1	Religion							
russ1	Russian							
soan1	Sociology/Anthropology							
span1	Spanish							
urbs1	Urban Studies							
wags1	Women's/Gender Studies							
open1	Open Access							
repl1	Replacements							

[Figure 4. Sample - Library Materials Account Report]

2) *5 Year Expenditure Report*. This report is compiled once a year at the end of each fiscal year and indicates what percent of the budget is being spent on different parts of the budget. In the past the percentage of expenditures going towards open access was not easily accessible, now it is a report that can easily be run and reported out. (see figure 5).



[Figure 5. Sample – 5 Year Expenditure Report, Expenditure by Fund Type]

3) *Allocations Report*. This is primarily an internal report compiled once a year at the beginning of each fiscal year to allocate the appropriate funding to each of the major funds. Now open access will have a dedicated line item for forecasting how much will be needed that year for open access expenditures.

Using these reports, and the new fund codes, will generate provide more practical and useful accounting as well as enhanced budget forecasting for library and university administrators.

### Conclusion

As a result of increased subscription and purchasing costs, combined with an inherently complex acquisitions system, and topped with flat or decreasing library budgets, budget structure analyses and revisions must be an essential part of our work. Questioning the current system provides an environment to assess best practices and determine a model that might be better for a

particular library. When possible, implementing immediate change based on budget structure analyses allows the organization to respond with greater flexibility to new situations and changing needs.

In the case of the Coates Library, by adding just a few more fund codes and the open access fund codes in particular, the library will now be able to more accurately assess and allocate funds for open access resources. By doing so, this will emphasize and support the library's mission to advocate more strongly for open access and work towards the 2.5% commitment goal. While not perfect or complete, this case study has allowed the library to better understand the current structure, its positive attributes and some limitations. The acquisitions budget is more data rich and will provide meaningful and impactful long-term forecasting for support of particular resources. The work of restructuring will continue as the Library continuously reflects and ask questions about the way that open access advocacy supports and effects the fund structure. With more time, research, and investment the end result and a more suitable fund structure will have quite an impact.

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