

To: Orbis Cascade Alliance Council Executive Committee
From: Nancy Nathanson
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"EC will consider reimbursement options for items that are expensive to replace." -- [Draft Council Minutes, October 2005](#)

Summary

In the past year, two policy issues came before Council related to this topic. Council decided to make the reimbursement process simpler and less costly, and did not support the recommendation to establish a new loan rule with a higher replacement fee as a means of encouraging members to loan more materials.

In considering reimbursing members for the loss (or damage) of expensive items, each of these issues is discussed in the following notes.

- Will a policy and fund for reimbursements result in more materials being loaned?
- What are the challenges of setting up a fair and workable reimbursement system and formula?

The issue now (Questions to consider)

What is the desired outcome -- to pay for expensive items that are lost or damaged, or to encourage the loaning of more materials, or both?

What is the problem? How big is it, and will a proposed action solve it completely, or improve the situation significantly?

◆ To encourage members to loan more materials

What is being loaned versus what could be loaned: is replacement cost the hurdle to overcome, or other local considerations and policies?

Will access to additional revenue (reimbursement for individual items) make a difference in what members are loaning -- will members make more available?

Is cost an indicator of items that are hard or impossible to replace? Are those items already coded as non-requestable, and would they continue to be non-requestable?

What is the type of material that this would attract that is not already being loaned, or not likely to be added in the next couple of years?

For example, costly printed monographs? new, not-so-new, or out of print? bound journals? sound and video (videotapes, DVD's, etc.) in the range of \$100-\$200? hard-to-find commercial audio-visual products? non-commercial audio/visual?

We have heard that hard-to-replace and expensive items are already coded as non-requestable. We also heard that even with a higher replacement fee (when that was being considered) they would likely continue to be coded as non-requestable.

also see: http://www.orbiscascade.org/staffhome/loan_more_types-SBC-ST_report.htm

◆ To pay for lost or damaged expensive items

Current situation and replacement cost: How does the current replacement rate stack up, and how are members doing?

- Does \$75 represent the average cost of replacement?
- Are members collecting about the right amount, or less or more than the cost of what was lost? (if net gain, could that be counted toward cost of a more expensive item next year?)

◆ Setting up a reimbursement system

How? How would reimbursements be handled?

- establish a Reimbursement Reserve fund?
- disburse money as requested, or as part of process?
- individual requests by owning site, made to Alliance staff?

How much? How would the reimbursement be calculated?

- based on original cost or replacement cost?
- repay in whole or part?
- based on the remainder after \$75 current replacement fee?
- item reimbursement ceiling: capped at a certain amount? (e.g. \$300)
- item reimbursement floor: over a certain minimum? (e.g. \$100, considering the cost of processing individual requests)
- annual program ceiling? (a) item reimbursements at full amount continuously throughout the year until funds are exhausted, or (b) distribute up to maximum available once each year, and determine individual item reimbursement based on that request's proportional share of the total amount of reimbursements requested that year

Background

In the past year, two policy issues came before Council related to this topic:

1. Loaning more, and more types of, materials

http://www.orbiscascade.org/staffhome/loan_more_types-SBC-ST_report.htm

excerpts:

The Collection Development and Management Committee and the Executive Committee have asked how more materials might be available through Summit Borrowing. The assumption is that this is to be encouraged, but not required. Staff at several member institutions loaning those materials have mentioned that they hear some pressure for others to reciprocate, and staff at institutions that don't loan the materials have mentioned some library staff or campus faculty skepticism about becoming a lender.

Primary concerns about loaning more types of materials organize around these themes:

1. Expense: some materials are so costly to replace that they will not be loaned

2. Value: some materials are irreplaceable, rare or special and will not be loaned for use outside the library
3. Use restrictions, copyright: some materials cannot be loaned via Summit Borrowing (for example, films with limited performance rights)
4. I will if you will: some members will loan more if others loan more (who goes first? is there a way to negotiate a "package deal"?)
5. Curriculum need: getting materials back to the Owning Site in time for use by local faculty (especially related to videos used for classes)
6. Local history and policy: Many institutions do not yet loan "media" materials to their own patrons, or it's a recent development. Some may be able to loan more soon, or eventually, but only after their local policies are amended or when campus constituencies are more comfortable with the practice.

Policies discussed:

In-house use. Some members might be willing to loan materials if it would be used by the patron only in the library ... Steering Team does not recommend working on this loan rule. EC and Council considered and decided not to pursue further.

One-day only. Steering Team does not recommend this solution.

High replacement fee. Acknowledging that some members are worried about loaning materials that will be much costlier to replace than the current replacement fee, \$75, Steering Team recommends a new, additional loan rule patterned after the current short loan rule:

3-days, no renewal, and a higher replacement fee: \$150. This loan rule would be the 4th (regular; short; CRL; short-higher fee). The team discussed higher replacement fees, and feels that double the current fee is sufficient to satisfy the concern; the most costly materials will probably not be coded for loaning anyway. Also mentioned:

Will members re-code materials already loaned on the short loan rule to a new item type to take advantage of a new loan rule?

Should the item or the bookband/label be marked to warn patrons that this is a "high fee" loan? for example, a sticker with \$\$\$\$. Procedures will be discussed if the recommendation is adopted."

2. Reimbursing for lost items

"The Orbis Cascade Alliance, and Orbis and Cascade before the merger, have had annual processes to reconcile incomplete Borrowing transactions and account for lost items. Final review and clearing transactions will continue as it has so that item and patron records will reflect a conclusion of the process. Whether and how to reimburse another member for lost items has been a discussion topic nearly every year because the process is time-consuming. Is it worth it? Are there alternatives?"

Council decision

After reviewing the background information and discussing these two issues, Council decided to

- make the reimbursement process simpler and less costly, and
- not support the recommendation to establish a new loan rule with a higher replacement fee.