



LINC FINANCIAL FREQUENTLY ASKED QUESTIONS

What is the philosophy of shared costs?

The philosophy has been to allocate the costs of the LINC consortium according to how much each library uses the LLSAP. Use can be tracked in many ways for each library, such as number of ports, amount of circulation, number of holdings, total materials budget. All of these elements are calculated in formulas that assess the total costs of LINC and the Cataloging Center equitably to all participating libraries.

Committees and the LINC governing bodies have determined these cost formulas and approved them. LTLS does its best to control costs for the various elements that determine the overall bottom line. Libraries have also agreed that once costs are determined, the formulas should apply and libraries are responsible for paying their portion of the shared cost. Libraries that are members of the consortium agree to this, through the LINC Principles of Cooperation and the LINC Membership Agreement.

Who determines the cost sharing formula between libraries?

The LINC Directors Group determines the method of allocating costs between members of LINC.

What does the annual LINC Central Site cost pay for and how is it shared between the libraries?

For the LINC Central Site costs, member libraries pay for hardware and software maintenance expenses to SirsiDynix, the shared data circuit to access LINC as well as some support staff costs and supplies.

The LINC Central Site costs are allocated according to three data sources: 1) number of ports 2) circulation 3) holdings. The projected costs for the year are divided equally into three portions of the formula and each part is allocated according to the three data sources (ports, circulation and holdings). Example: if projected Central Site costs were \$90,000 for the year, \$30,000 would be allocated to the individual libraries according to the number of ports each library has, \$30,000 would be allocated according to the local circulation and \$30,000 would be allocated according to the number of holdings.

What does the annual Cataloging Center and OCLC costs pay for and how is it shared between the libraries?

For Cataloging Center, member libraries that use the center pay for the costs associated with the center including all OCLC use, professional and staff costs, and supplies.

The Cataloging Costs are allocated according to the individual library's materials expense less the periodical expense. That figure is used to allocate the projected Cataloging Costs for the year.

What does the LINC automation support staff do?

Automation support is available to LINC libraries 7 days a week, for a total of 85.5 hours of on-site coverage per week. Automation staff answer a variety of different types of phone calls and emails from libraries experiencing problems or issues related to connectivity, problem records, functionality, security, and special reports. In addition, staff perform upgrades to the Horizon software, configure new software such as PC Reliance and LINC Pac, change configuration information when requested for over 5,000 collections, itype, and patron codes, update agency records, input/delete security records, change passwords when requested by library directors, and prepare requested reports. Daily, staff configures day end processing to run at night, schedules unattended backups, and run various utilities that keep the system working optimally. The automation staff serves as the liaison with SirsiDynix Inc. support staff and communicate with this support group on a variety of 'logs' or problems that have been reported to the automation support team. There is also a great deal of work that goes into setting up and configuring newly-automating libraries, turning on/off holds for libraries that are closed for extended periods, preparing and sending the batchload adds/deletes files to OCLC, and managing authority control.

What is a port, how much does it cost, what does it pay for?

A port equates to a simultaneous user of the Horizon software. The cost of a port is currently \$4000 and has been since 1993. The port/access fees are used to purchase additional licenses from SirsiDynix as well as to be sure that the hardware has sufficient capacity to handle the number of users on the system. LTLS purchases additional hardware capacity and upgrades the software as the numbers of users are added to the system. In 1993, the Automated Libraries determined that it would be best to incorporate the hardware and software upgrades into the access fees in order to have a state-of-the-art system for members without assessing additional one-time charges for routine upgrades. This allows the libraries and LTLS to maintain response time and vendor performance guarantees and has been a very successful way of managing upgrades. In 2004, the LINC system went through a major upgrade from Dynix Classic to Horizon (at a cost of over \$350,000) and no fees were assessed to individual libraries to pay for that upgrade.

Does LT charge overhead?

No, LTLS does not charge building rent, insurance, or administrative overhead for the service of managing LINC.

What data is used to determine how much my library pays and when should I expect to know how much I owe for the next Fiscal Year?

The primary data (circulation, materials expenditures, holdings, and periodical expenditures) used in the formulas is derived from the Annual Profile Summary (APS) that member libraries complete. Besides APS data, the number of ports that a library has purchased is also part of the formula. LTLS tracks this data and updates it on a yearly basis during the month of February. Costs for the next fiscal year are presented to the LINC Directors Group at their Spring meeting.

What data (year) do we use?

For FY2007 costs, FY2005 APS data is used. Because libraries have different ending dates for their fiscal years, LTLS uses the data for the fiscal year that ends during the LTLS fiscal year (July 1 - June 30 of a given year). LTLS uses the current figures for the number of ports the individual library has access to as of February prior to the beginning of the LTLS Fiscal Year in July.

How often are libraries billed?

The LINC Central Site Costs and Cataloging Costs are billed on a quarterly basis. There are monthly bills generated for equipment and supplies.

How much grant money is used for LINC support?

In the past, we have used the Live and Learn grants to help new libraries join LINC. The grants have been in the amount of \$10,000 per library to help defray the start-up costs. We have also received grants in the past to upgrade the automation equipment such as a grant to upgrade the Wide Area Network. Every year that LTLS received Live and Learn Automation Grants, at least \$75,000 of the Live and Learn Automation Grant were used to directly benefit the LINC consortium. Since FY2003, Library Systems across the State were informed that they will not be receiving Live and Learn Automation Grant Funds. As a result, grant monies that have been a direct benefit to current users and to new libraries wanting to join the LLSAP are not available from this funding source.

When do libraries start paying their share of costs?

LINC automation start-up costs are paid by the library as the equipment is installed and services are provided. The Cataloging Center Costs begin after the first fiscal year and the LINC Central Site support begins after the second fiscal year.

Do we have a Capital Replacement Fund?

LTLS maintains a special fund “Automation Equity Fund” where all the money collected from port fees is tracked. LTLS uses that money for upgrades as described previously, but the fund is also used for replacement of hardware or purchasing a new system. Other money that is deposited in that fund includes any funds that were not expended from the LINC Central Site costs during the previous fiscal year.

How would we pay for a new automation system?

The money in the Automation Equity Fund would be used to pay for a new automation system. If the amount of funds in the Automation Equity Fund were insufficient to purchase a new system, several options for payment would be available including a special assessment to member libraries, borrowing the funds, or a special grant.