

OCLC Credits Program Transition

Frequently Asked Questions

Important changes to credits for OCLC Cataloging and Resource Sharing will begin in July 2014

In 2011, the OCLC Global Council commissioned a member-led advisory group to look at the OCLC Credits Program. The Credits Program was developed in 1985 to give members a cost offset for certain cataloging and resource sharing transactions. While OCLC moved away from transaction pricing in 2006, the Credits Program remained a transaction-based program, essentially unchanged for 28 years.

Following an 18-month review that included discussions and recommendations from hundreds of member libraries, the Global Advisory Group on Credits and Incentives issued a report and recommended an evolution of the Credits Program. Its recommendation calls for the Credits Program to be phased out beginning July 2014, provided that such a transition does not materially impact the cost of OCLC services to members. The report is available on the [OCLC website](#). Global Council approved the advisory group's recommendation at its April 2013 meeting. The OCLC Board of Trustees accepted the recommendation, and transition plans are now underway.

- What credit changes are coming with the transition?
Response: The way cataloging and resource sharing credits are calculated and reflected on your OCLC invoice will change for those libraries receiving transactional credits today. Credits will no longer vary by units of activities, but rather will be transitioned to a flat-rate amount. (Note that libraries already receiving fixed credits today or libraries with credits included in their subscriptions will not see a change.)

- What will be different?
Response: Your library will no longer see individual transactional credit activity itemized on your OCLC invoice. Today, financial credits are itemized for each specific unit and type of activity. For example, your library may currently receive credits for activity related to original items cataloged, records enhanced, holdings deleted or interlibrary loans filled.

Beginning in July 2014, credit amounts will no longer be transactional or itemized. Instead, **one flat-rate credit amount will be included on your OCLC invoice for your cataloging credits, and one flat-rate credit amount will be included for your resource sharing lending credits.**

The flat-rate credit amount of the cataloging credit and the ILL lending credit will remain fixed moving forward. The flat-rate credit amount will be applied to your OCLC invoice for cataloging and for resource sharing for each billing period.

- How will the flat-rate cataloging credit amount be determined?
Response: The flat-rate cataloging credit amount will be determined by calculating the average of the total cataloging credits your library received during the past two fiscal years (i.e., for the fiscal periods ending June 30, 2012 and June 30, 2013).
- How will the flat-rate resource sharing lending credit amount be determined?
Response: The flat-rate resource sharing lending credit amount will be determined by calculating the average of the total lending credits your library received during the past two fiscal years (i.e., for the fiscal periods ending June 30, 2012 and June 30, 2013).

- What credits are included in the cataloging flat-rate calculation?
Response: The cataloging credits included in the flat-rate credit include the two-year average of those earned for original cataloging, record enhancement and holdings deletion.
- Are there any cataloging credits that will be excluded from the calculation of the average credit amount?
Response: Yes, the volume-based searching credits are not included. These credits will be discontinued as of July 2014. The product codes excluded are SBC0961 Cataloging Searches Over 12,000/month Credit and ONT2564 All Cataloging Volume Discount.
- What credits are included in the resource sharing lending flat-rate calculation?
Response: For resource sharing, the credit is based on the two-year average of the lending credits earned.
- How will I see the flat-rate credit on my OCLC invoice?
Response: The flat-rate credits will show on your invoice under the following product codes. An example of how this will be displayed on your invoice is provided at the end of this document.
Cataloging Credits:
 - FIX2323, FIX2324, FIX2329 and FIX2330 Cataloging Flat-rate Credit (specific product code depends on billing frequency of your subscription)Resource Sharing Credits:
 - FIX4212, FIX4213, FIX4214 and FIX4215 ILL Flat-rate Lending Credit (specific product code depends on billing frequency of your subscription)Group Services Credits:
 - GSC2491, GSC2492, GSC2493 and GSC2494 Group Services Cataloging Flat-rate Credit (specific product code depends on billing frequency of your subscription)
 - GSC4280, GSC4281, GSC4282, or GSC4283 Group Services ILL Flat-rate Lending Credit (specific product code depends on billing frequency of your subscription).
- Why is this a flat-rate credit instead of an adjustment in the subscription price?
Response: In effect, the flat-rate credit will result in an adjustment in the cataloging subscription price and the ILL subscription price. To provide visibility during the transition from the current program, the flat-rate credit will continue to be presented as a line item on the invoice.
- What if I have a credit balance—credits that my library has earned in the current or prior fiscal periods, but has not yet applied to an OCLC invoice?
Response: Per the current practice, unapplied credits will carry forward and can be applied to future OCLC invoices. Credits earned prior to July 1, 2012 will not expire and will be applied until exhausted. Credits earned after July 1, 2012 are valid for use for two fiscal years. The credits are applied on a first-in, first-out basis.
- Is it possible that the two-year average of my library's credits could approach or exceed my subscription amount?
Response: In rare circumstances, that is the case. In those instances, you will be contacted by OCLC by February 2014.

- Are there any changes to ILL Fee Management (IFM) Program credits for resource sharing?
Response: No. There will be *no change* to the ILL Fee Management program. If your library currently participates in the IFM Program, you will continue to receive transactional IFM credits as earned, and the credits will continue to appear on your OCLC invoice under product code IFM4571.
- Why is IFM not transitioning?
Response: The credits received for the IFM Program are payments from other libraries for items your library loaned. OCLC serves as the facilitator of the payment process. The program makes it easy for libraries to pay and receive funds from other libraries for lending and borrowing by including the IFM credits and debits on the OCLC invoice. The credits from this program will continue without modification.
- What is the timeline for communications and more information?
Response: In February 2014, your library will receive specific details on how the OCLC Credits Program transition will be reflected for your OCLC invoices beginning July 2014. In April 2014, you will also receive the Fiscal 2015 (July 1, 2014–June 30, 2015) renewal notice for your OCLC Cataloging and WorldCat Resource Sharing/WorldShare ILL subscriptions, which will include the details about your library's credits transition.
- What if my library's cataloging and/or ILL subscription renewal is not effective July 1, but instead it renews at another date?
Response: While the vast majority of OCLC member libraries renew their cataloging and ILL subscriptions effective July 1, a small number of libraries renew at other times of the year. For those libraries, the flat-rate credits will go into effect on the first day of their Fiscal 2015 renewals.
- What if my cataloging subscription covers multiple symbols?
Response: If a library has one cataloging subscription that covers multiple symbols, the credits earned under all of the related symbols would be totaled and averaged to create the new flat-rate credit. The credit will be applied to the symbol that receives the invoice amount for the subscription.
- Can my library delay moving to the flat-rate credit amount?
Response: Libraries may defer moving to the fixed credit amount until July 1, 2015, if they notify OCLC that they want to delay. If a library chooses to defer transition until Fiscal 2015 (July 2014–June 2015), the library will continue to earn transactional credits for the period July 1, 2014 through June 30, 2015.

If a library chooses to defer, the flat-rate credit amount will begin on July 1, 2015, rather than on July 1, 2014. The calculation of the flat-rate amounts for cataloging and for resource sharing loans will be the same for the fiscal periods beginning July 1, 2015. See the questions above, "How will the flat-rate cataloging credit amount be determined?" "How will the flat-rate loan credit amount be determined?"

Each library that has received transactional credits in the last two years will receive a notification letter in February 2014. That communication will include instructions on how to notify OCLC if a library elects to delay the start of the transition for one year.
- Where can I get more information?
Response: The final report of the Global Advisory Group on Credits and Incentives is [available online](#).

Additionally, this FAQ will be updated regularly as the transition occurs. As more details become available, you'll find them at <http://oc.lc/credits-transition-faq>

- Whom may I contact with questions?

Response: Please send any questions to IncentiveProgramInput@oclc.org. If you would like to speak with an OCLC staff member, please contact Becky Hurley, Director of Order Services, at 1-800-848-5878, ext. 4316.

OCLC Credits Program Transition Example

An **example** is presented below to illustrate how the Credits Program transition will be implemented. This example is for illustration only; it is not specific to your library.

Example of the flat-rate credit calculations: Chart A below shows an example of the credit activity detail that is currently provided on an OCLC invoice. The financial credit amounts differ between the two fiscal years in the example due to varying levels of credit activity. Under today's Credits Program, credits received are based on units of activity. After the transition, the credits will no longer vary based on units of activity, but will be applied at a flat-rate amount. That amount will be determined by the average total credit amount across the two fiscal periods ending June 30, 2012 and June 30, 2013, as illustrated below.

Chart A:

Example Credit Activities	CURRENT PROGRAM Credits Received		Average credits earned for the two-year period	NEW METHOD EFFECTIVE JULY 1, 2014 Credits Received	
	July 1, 2011 – June 30, 2012	July 1, 2012 – June 30, 2013		July 1, 2014 – June 30, 2015	Future Periods after July 1, 2015
Cataloging Credits: <ul style="list-style-type: none"> • AST1063 –Original Input Credit • ONT2565 – Database Enrichment Credit • OTC1071 – Online Holdings Deletion Credit 	(\$172.80)	(\$134.40)	$(\$424.80) / 2 =$ $(\$212.40)$	$(\$212.40)$	$(\$212.40)$
TOTAL Cataloging Credits	(\$241.44)	(\$183.36)			
Lending Credits: <ul style="list-style-type: none"> • OTC4561 –ILL Lending Credit 	(\$82)	(\$80)	$(\$162) / 2 =$ $(\$81)$	$(\$81)$	$(\$81)$
TOTAL Lending Credits	(\$82)	(\$80)			
ILL Fee Management (IFM) Debits & Credits				No change:	No change:

<ul style="list-style-type: none"> IFM4570 - ILL Fee Management Library to Library Debit IFM4571 - ILL Fee Management Library to Library Credit 	\$200	\$180		Continues transactionally under the IFM Program	Continues transactionally under the IFM Program
	(\$265)	(\$305)			

Example of a library's invoice after July 2014: Chart B below illustrates how the credit amount will be applied in future OCLC invoices, based on the calculations in Chart A.

Chart B: Sample Invoice

Product	Description	Quantity	Unit Price	Amount
	Cataloging & Metadata			
FIX1052	Cataloging Subscription Online-Annual	1.00	\$4,200	\$4,200
FIXAAAA	Cataloging Flat-rate Credit	1.00	(\$212.40)	(\$212.40)
	Resource Sharing and ILL			
FIX4510	ILL Subscription-Annual	1.00	\$2,400	\$2,400
FIXBBBB	ILL Flat-rate Lending Credit	1.00	(\$81.00)	(\$81.00)
IFM4570	ILL Fee Management Library-to-Library Debit	1.00	\$260.75	\$260.75
IFM4571	ILL Fee Management Library-to-Library Credit	1.00	(\$575.00)	(\$575.00)
	TOTAL AMOUNT DUE			\$5,992.35

Charts A and B are for illustration only. The specific flat-rate calculations for your institution will be provided in February 2014.