

## OCLC Credit and Incentive Program Frequently Asked Questions

The original OCLC Financial Credits Program was established 28 years ago to encourage the growth and quality of WorldCat, the OCLC cooperative's database. It has provided financial credits to members to help offset OCLC service costs for original cataloging records, cataloging record enhancements, interlibrary loans and a variety of other items.

In 1985 when the program was created, OCLC pricing was transactional, based on unit activity including per-unit search activity. Libraries performing higher levels of original cataloging (contribution) had higher search activity resulting in higher search units and cost.

At that time, libraries were charged for searches above a certain threshold of search activity. The program mitigated the excess search costs associated with original cataloging. Credits also were established for lending materials through the OCLC Interlibrary Loan system.

Today's Credit and Incentive Program remains relatively unchanged from the Financial Credits Program begun in the 1980s, yet pricing methods, member activity and the nature of library collections and work have changed significantly.

In 2006/2007, OCLC moved from transaction-based pricing to a subscription pricing model. Members are no longer charged on a per-unit basis for searching cataloging and metadata management services. Interlibrary loan also moved to a subscription basis in 2006/2007. The current Credit and Incentive Program remains largely on a transaction basis, covering substantially the same services as in 1985.

In 2011, a Global Council committee recommended reviewing the current Credits and Incentive Program as part of its analysis of potential new cost-sharing models for the cooperative.

- Why is the program under review?  
**Response:** The program is being analyzed at the request of the OCLC Global Council in order to consider updating the Credit and Incentive Program to reflect the changes in library management and the changing needs of member libraries. An Advisory Group on Incentives, made up of representatives from member libraries, is currently working with OCLC management and staff to gather input and feedback from member libraries via regional meetings, discussion groups, webinars and other means.
- Are the credits being eliminated?  
**Response:** The Advisory Group on Incentives plans to share a recommendation with the OCLC Global Council in April 2013. No decisions have been made at this time.

- Who are the representatives to the OCLC Global Council Advisory Group on Incentives?

**Response:**

- **ChewLeng Beh**, National Library Board of Singapore, APRC
  - **Raymond Bérard** – ABES, France, EMEARC
  - **Sarah Campbell** – Portland (Maine) Public Library, ARC
  - **Hsueh-hua Chen** – National Taiwan University, APRC
  - **Alison Elliott** – National Library of New Zealand, APRC
  - **Barbara Preece** – Loyola-Notre Dame Library, Baltimore, MD, ARC
  - **Anne Prestamo**– Oklahoma State University, University Libraries, ARC
  - **Brian Schottlaender** – University of California, San Diego, OCLC Trustee
  - **Anja Smit** – Utrecht University, EMEARC
  - **Jerry Stephens** – University of Alabama at Birmingham, ARC
  - **Wilbur Stolt** – University of North Dakota, ARC
  - **Anne Van Camp** – Smithsonian Institution Archives, ARC
  - **Bob Wolven** – Columbia University, member-at-large
- How can I participate in the discussion?  
**Response:** Please share with OCLC or your Regional Council representative how the current Credit and Incentive Program affects decisions and workflows at your library today. Also, if you were to create an updated incentive program, what new activities would you reward that benefit members of the cooperative? You can send your comments or questions to [IncentiveProgramInput@oclc.org](mailto:IncentiveProgramInput@oclc.org).

### **Background on the OCLC Credit and Incentive Program:**

- What types of credits are provided today?  
**Response:** The program continues to include generally two categories of credits: cataloging credits and resourcing sharing credits, just as when it was originally developed. There are various types of cataloging credits including: original cataloging credits, Enhance credits, CONSER credits, database enrichment credits, minimal upgrade credits, holdings deletion credits, etc. There is one type of resource sharing credit, provided for lending.
- What prompted the review of the OCLC credit program?  
**Response:** Over the last nearly four years, there have been several member-led bodies engaged in the evaluation and analysis of cost-sharing models and OCLC cataloging credits and incentives. In June 2011, the Global Council Cost Sharing Task Force issued a set of recommendations to the membership and OCLC management including:
  - Increasing awareness of non-revenue generating activities of the cooperative

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- Reestablishing a Global Council Finance Committee
  - Reviewing differential pricing for the increasingly diverse membership
  - **Reviewing the current Credit and Incentive Program.**

The specific recommendation from the Global Council Cost Sharing Task Force said:  
“OCLC Management should conduct an analysis of the current system of financial credits for contribution and create an updated incentives program. Such an analysis should take into account:

- The original purpose of credits
- Cost of administering the system
- Potential for providing incentives for new or different activities
- Applicability across regions
- Projections of financial impact on members and OCLC.

Global Council should discuss these findings and provide feedback on any potential changes prior to implementation.”

To respond to this, the Global Council appointed an advisory group to provide the OCLC membership and OCLC management with recommendations and guidance to either enhance the current program or establish a new approach to address the concerns raised. The advisory group first convened in November 2011 and intends to share a recommendation with Global Council in April 2013. The group’s activity has included studying the background, benefits and limitations of the current Credit and Incentive Program. Additionally, it has analyzed how an incentive program fosters the values of the cooperative in our increasingly global, digital environment.

Below is a timeline of other member-led initiatives dealing with the OCLC Credit and Incentives Program.

**Timeline of Member-led Credits and Incentives Committees:**

- **May 2008:** The Cataloging and Metadata Service Group of the OCLC Members Council recommends that the cataloging credit structure needs to be reviewed.
- **September 2009:** Global Council Executive Committee issued a charge to convene a Task Force on Cost Sharing and Pricing Strategy to develop and evaluate cost-sharing models that advance the public purpose of OCLC, create a sustainable approach to cost-sharing for the cooperative, and support the use of differential pricing strategies.
- **December 2009 to May 2010:** Task Force on Cost Sharing and Pricing Strategy convened.
- **April 20, 2010:** Task Force on Cost Sharing and Pricing Strategy created a preliminary report and engaged delegates in a plenary discussion during Global Council’s first meeting on April 20, 2010, led by John Helmer, Chair.

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- **June 1, 2010:** The Task Force on Cost Sharing and Pricing Strategy issued a final report that recommended the adoption of Principles of Cost Sharing for the Cooperative, and recommended the establishment of new Global Council Cost Sharing Models Task Force to advise OCLC management and continue to evaluate cost-share models. Final Report of the Recommendations of the Cost Sharing and Pricing Strategy Task Force (June 2010):  
[http://www.oclc.org/us/en/councils/documents/cost\\_sharing.pdf](http://www.oclc.org/us/en/councils/documents/cost_sharing.pdf)
  - **November 2010:** Global Council appointed and charged a Cost Sharing Models Task Force, chaired by John Helmer.
  - **January to June 2011:** Cost Sharing Models Task Force convened.
  - **June 3, 2011:** Cost Sharing Models Task Force issued final report with this recommendation: OCLC management should conduct an analysis of the current system of financial credits for contribution and create an updated incentives program. Such an analysis should take into account the original purpose of credits, cost of administering the system, potential for providing incentives for new or different activities, applicability across regions, and provide projections of financial impact on OCLC and members. Global Council should discuss these findings and provide feedback on any potential changes prior to implementation. Final Report of the Cost Sharing Models Task Force (June 3, 2011):  
<http://www.oclc.org/us/en/councils/documents/csmtf-final-6-3-2011.pdf>
  - **November 2011:** Status Report on Recommendations from the Global Council Cost Sharing Models Task Force released with updates on actions by OCLC and the Global Council Advisory Group on Credits and Incentives.
  - **January and June 2012:** Jerry Stephens and Sara Campbell gave updates of the work of the Global Council Advisory Group at ARC member meetings at ALA Midwinter and ALA Annual, and at the April Global Council meeting.
  - **November 2012:** Jerry Stephens provided an update on behalf of the Global Council Advisory Group on Credits and Incentives at the Global Council meeting, which triggered a discussion on OCLC-CAT.
  - **December 2012 to January 2013:** OCLC staff and member leaders of the Advisory Group on Credits and Incentives host webinars to provide librarians with information and background about the current Credit and Incentive Program, to provide additional background on the work of the Advisory Group, and to gather feedback and input. The recording of the December 17 webinar on the cataloging credit program is available at the following link:  
<https://oclc.webex.com/oclc/lsr.php?AT=pb&SP=EC&rID=58124292&rKey=ed01b054d81f2dd8>.  
Please note that this recording is in the Universal Communications Format (UCF) rich media file format. For a list of players that support viewing rich media files using UCF, see  
<https://oclc.webex.com/oclc/systemdiagnosis.php>.
  - What are the factors leading to this review?  
**Response:** The current incentives program is unchanged since 1985. It is primarily a North American program, although OCLC now has a global membership. In the last few years, approximately 60% of member libraries did not participate in the incentive program.

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As the OCLC cooperative has new activities and services, there are no incentives for the participation in or use of the new activities of the membership.

Finally the OCLC Credit and Incentives Program has a substantial financial impact on the membership. During FY12, OCLC provided libraries with \$22.4 million in credits.

- What types of credits are included in the program review?  
**Response:** Both OCLC cataloging and lending credits are included in the evaluation.
- Are ILL Fee Management (IFM) credits included in the program review?  
**Response:** No, the credits made available through the IFM program are not included in the evaluation. Those credits are actually payments received from other libraries for items loaned. OCLC is simply the facilitator of the IFM payment process; these credits are not provided by OCLC. Therefore, they are not included in the evaluation of a future incentive program.

#### **Current Credit and Incentive Program:**

- How many credits does OCLC issue annually?  
**Response:** The following information is in the OCLC Annual Report. Here are the latest seven years of data:
  - 2012: \$22.4 million credits
  - 2011: \$19.8 million credits
  - 2010: \$19.6 million credits
  - 2009: \$17.6 million credits
  - 2008: \$18.9 million credits
  - 2007: \$16.1 million credits
  - 2006: \$15.7 million credits
- What is the level of participation in the incentive program throughout the OCLC membership?  
**Response:** Annually, approximately 40% of OCLC member libraries participate in the Credit and Incentive Program. The relatively low rate of participation across the total membership is one of the factors considered when the Global Council asked that the program be reviewed.
- Have any structural changes been made to the credit program this year?  
**Response:** One change was made to the Credit and Incentive Program for FY2013. The total cataloging and ILL credits that can be applied to a library's OCLC billings were capped so that the maximum credits earned annually are equal to 100% of your library's total annual OCLC billings (excluding OCLC and IFM credits) in the previous fiscal year. This change impacted a very limited number of libraries.

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Credits earned will be applied to your invoice on a FIFO (First In, First Out) basis and are valid for use in the fiscal year earned. Any credits earned in excess of your total annual OCLC billing can be applied to your OCLC invoice for the following two fiscal years. All credits earned prior to July 1, 2012, will not expire. These credits will continue to carry forward until all credits have been applied against OCLC products and services.

- Are credits given for records added via batchload or only via online input?  
**Response:** Credits are given for original records added via batchload, but at a lower rate than for records added via Connexion, OCLC's online cataloging system.
  
- Why weren't the international members included in the incentive program?  
**Response:** The program, originally called the Financial Credits Program, was established in 1985. At that time, the majority of member libraries were located in North America. Since the program's inception, the services and programs offered by OCLC have ranged from cataloging and resource sharing services to, more recently, Integrated Library Systems. The credits program was extended to few libraries beyond the North American geography over the past 28 years. But in many cases, libraries outside North America use WorldCat records differently, for example, to supplement national bibliography records used for their local catalogs. Many do not tend to access WorldCat through Connexion. Increasing the footprint of the program to include more geographies would likely require additional funding from the membership. The Global Council Advisory Group on Credits and Incentives includes members from multiple geographies. They are addressing geographic coverage considerations among the factors they are reviewing.
  
- What is the percentage of credits annually for cataloging vs. ILL?  
**Response:** The following is the split for the financial value of the credits received by member libraries in fiscal year 2012:
  - 78% for cataloging credits
  - 20% for ILL credits
  - 2% for library school-related credits.
  
- How many institutions were earning credits in excess of their total OCLC bill?  
**Response:** Less than 0.5% of organizations participating in the Credits Program were earning credits in excess of their total OCLC bill in FY12.
  
- How does the incentive program work for WorldShare Management Services (WMS) libraries since WorldCat is the local catalog?  
**Response:** Libraries that license WorldShare Management Services (WMS) also subscribe to OCLC cataloging services and can receive credits for original records and enhancements. As workflow processes are modified and streamlined for WMS libraries, cataloging holdings deletions performed within WMS Circulation and WMS Acquisitions do not generate credits.

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- We submit records of our digital library items via WorldCat Gateway. Do we get credit for those records?

**Response:** The WorldCat Gateway program is a free program, not part of OCLC's cataloging service. Therefore, it does not qualify for credits under the OCLC Credits Program.

- Where can I find the credit amounts for each activity?

**Response:** The FY2013 OCLC Price List is available on the Online Service Center (OSC) for your convenience. Please visit [www.oclc.org/servicecenter/](http://www.oclc.org/servicecenter/) and then log on to your OSC account to access the price list.

- How much does it cost the cooperative annually to fund the Credit and Incentive Program?

**Response:** Credits are funded by members, for members. The Credit and Incentive Program funding totaled \$22.4 million in FY12 or roughly 10% of OCLC's annual revenues.

- How do libraries currently receive credits for enhancing records in WorldCat?

**Response:** OCLC offers two programs for enhancing WorldCat records:

1. The Enhance program, established in 1983, allows designated libraries to correct or add information to bibliographic records in WorldCat. More than 180 institutions participate in the program. Requirements for participation, an application, guidelines and training are available at: <http://www.oclc.org/us/en/support/documentation/cataloging/default.htm>

OCLC Enhance institutions are specially authorized to lock, edit and replace records in WorldCat. Those participating at the Regular Enhance level can replace most member-input records. National-Level Enhance participants, chiefly selected Library of Congress (LC) cataloging staff and Program for Cooperative Cataloging (PCC) participants, may additionally replace most national-level records (including Encoding Levels blank and 1).

The libraries in the Enhance program receive credits for their work.

2. In response to requests from the cataloging community, OCLC introduced the Expert Community Experiment from February–August 2009. Members with full-level cataloging authorizations were given the ability to improve and upgrade WorldCat master records. The experiment was a success and all libraries with full-level cataloging authorizations have continued to have this functionality available. Participants are able to correct, improve and upgrade all WorldCat master records, with the exception of PCC records (BIBCO and CONSER records).

Participants receive the same credits they received prior to the Expert Community Experiment, but they do not receive any additional credits for this new activity. OCLC management and the Global Council Advisory Group will consider this with other ideas for a future incentive program.

### Future Credit and Incentive Program:

- If credits are discontinued, will we see this reduction in OCLC's expenditures reflected in a lowering of our cataloging subscription amounts?

**Response:** That potential change to the Credit and Incentive Program is one of many being considered by the Global Council Advisory Committee and OCLC management.

- How are you receiving input from the OCLC membership on potential changes to the credit program?

**Response:** The Global Council Advisory Committee has been receiving feedback in a number of ways noted below. If you have input or feedback you would like to share, please e-mail these ideas to [IncentiveProgramInput@oclc.org](mailto:IncentiveProgramInput@oclc.org).

- The OCLC Global Council and Americas Regional Council held several discussions and requested feedback during member meetings over the last 18 months.
- At the request of the OCLC Global Council Advisory Group, OCLC management have held 10 discussion groups throughout the U.S., with an additional six scheduled in the winter and spring of 2013 in the U.S. and Canada.
- OCLC Asia Pacific staff are holding one-on-one discussions in the winter and spring of 2013 with libraries throughout the region to gain their feedback.
- OCLC EMEA staff will hold discussion groups throughout the region in spring 2013.
- OCLC staff have been tracking all of the feedback on the OCLC-CAT listserv and have provided that to the Global Council Advisory Committee.
- The OCLC Global Council Advisory Group and OCLC management held a webinar in December 2012 to review the group's progress and request additional input. Another webinar will be scheduled for February 2013.

- What other sort of activities have you examined for incentives?

**Response:** In addition to potential changes or updates to the cataloging and ILL services currently included, the Global Council Advisory Group has discussed the potential of considering incenting member libraries to build and share other types of library-related contributions. These include the creation and sharing of library service apps and participation in pilot programs to name a couple of the ideas that members have provided.