

Pennies from Heaven to Libraries

How to make the most of a one-time funding allocation

Every once in a while, librarians face the happy task of spending money that has unexpectedly fallen into their bank accounts from bequests, donations from outside sources, grants, or budget surpluses. As many lottery winners have found, handling a windfall gracefully can be much harder than it looks. Librarians need to use these funds wisely, both to avoid waste and to ensure that the library will be an attractive candidate when more funds become available.

How to Get Lucky

Luck is often described as preparation meeting opportunity. This is as true for libraries as it is elsewhere in life. Librarians can greatly improve their chances of receiving a windfall by making the library an attractive target for unexpected funds. Windfalls come from many sources. Identify the likely sources of windfalls, and make sure your library is visible and valued by those sources. At the same time, make sure those sources know how much more the library could do with additional funds.

At the University of Baltimore, the director of the law library is in close contact with the dean of the law school, and the dean is very aware of the work the library does. In addition, the American Bar Association did a site visit in 2003, and its report emphasized the need to adequately fund the library. Thus, the library was already at the forefront of the dean's mind when he learned that extra funds might be available.

In addition to being generally visible, the library must also be ready to answer when opportunity comes knocking. In some cases, such as a dedicated bequest, the library may not have to compete with other entities for the money. But in most situations, the library will be just one of several worthy beneficiaries, and success will depend on a quick and persuasive response to requests for proposals. The key to a successful response is to be specific, concrete, and in tune with the priorities of the entity holding the purse strings. It pays to know ahead of time who is responsible for drafting such a response and for that person to have the autonomy to make the pitch, even if certain stakeholders are not available.

The University of Baltimore Law Library's windfall came in the form of a tuition surplus that occurred when more students than expected matriculated at the university. After several levels of state

government had input as to how the money was to be allocated, very little time was left when the request for proposals reached the law school. The dean asked each department to make a pitch for the funds, which he would then incorporate into the law school's overall proposal for a share of the surplus. Despite having less than two days to put the proposal together, Clement Lau, assistant director for technical services and administration, drafted a memo that I'm sure played a big role in our success. In response to a fairly vague request—essentially, “what would you do with an undisclosed amount of money”—the memo included very specific requests for collection development, equipment, and facilities improvement. Most importantly, it tied each request to a particular section of the law school's strategic plan. By being so specific, Lau made it very easy for the dean to argue the library's case to the provost. As a result, the library got a much larger share of the available funds than other candidates within the law school and at the university as a whole.

You've Got the Money, Now What?

Most libraries are subject to cycles of good and lean years, which can play havoc on a collection that requires significant upkeep costs simply to maintain the status quo. By definition, a windfall is a single event of limited duration. It's nice to have, but if it's not managed well, it provides only momentary satisfaction. This creates a good year, but has little effect on subsequent lean years. On the other hand, with proper management, a lump sum can provide benefits to the library long after the last check is written.

It's rare for money to come to a library with no strings attached. Most often, funds are restricted to a particular subject collection, expense category, or time period. Probably the most common restriction is that the funds must be spent in the same fiscal year as they are allocated.

If you need to spend all of the money by a particular date, it's essential that you keep a close eye on the calendar. Keep in mind that buying goods and services as an institution is a much slower process than buying them as an individual. Ordering, processing, and invoicing all take time. Make sure that you know all of the ins and outs of your institution's procurement regulations. Big ticket items often trigger

additional steps. Do you need to get approval from someone outside the library? Are you required to solicit bids for certain purchases? Does your institution put a moratorium on purchasing a few weeks before the official end of the fiscal year? Is it sufficient to “encumber” funds (i.e., earmark funds for a purchase) by the deadline, or must you actually receive the goods and process an invoice?

You should also consider possible delays from the vendors’ end of the transactions. If you are filling in gaps in your collection, you may order titles that are out of print or hard to find. Customized goods (signage, fixtures, etc.) can take a long time to deliver. Many libraries that receive public funding are required to order furniture from prison workshops, which often have a longer lead time than commercial vendors.

Make sure that you have a backup plan if, despite your best efforts, you still have money to spend as your deadline draws near. Leaving money unspent is a bad idea for a couple of reasons. First, the unspent funds may be returned to a general fund rather than stay within your home institution so that you lose almost all of the benefit. More important, returning money will damage your library’s credibility. Libraries are chronically underfunded, and we constantly advocate for more resources. If the library returns a portion of an unexpected windfall, the people holding the purse strings are likely to be skeptical of future requests for funds.

Good candidates for your “nuclear option” include large historical sets, prepaying large subscriptions for the coming year, and equipment purchases. Just be sure to coordinate with your vendor to ensure that the goods are in stock and available for immediate shipment and invoicing.

One-Time Funds Mean One-Time Expenditures

Even if one-time funds don’t come with a spending deadline, the money should be spent on one-time purchases. Just as you wouldn’t put a down payment on a house when you couldn’t afford the subsequent mortgage payments, libraries shouldn’t start new subscriptions that they can’t afford to maintain in the future. That still leaves plenty of options to stretch the effects of the funds into the future.

Equipment purchases are a good choice for windfall funds. Are you due for

upgraded computers? Do you need additional public workstations? Is now the time to install a wireless network? Many libraries lease rather than own some of their equipment. While that may make sense under normal circumstances, perhaps you should consider using some of your funds to buy equipment outright. Historically, the University of Baltimore Law Library leased copiers and contracted with the leasing agent for maintenance. We used some of our funds to purchase new copiers and negotiated a lower maintenance fee, thus realizing savings over the next several years.

Training is another area where funds spent one year will benefit the library far into the future. Most libraries have to limit who goes to out-of-town meetings and conferences. Why not use your windfall to offer these great training opportunities to people on your staff who normally stay behind? Many library associations offer programs specifically geared toward paraprofessionals. Also consider broadening the scope of eligible training. Perhaps someone on your staff would benefit from attending non-library meetings, such as subject-specific continuing legal education or the ABA tech show. Finally, consider offering an in-house training session run by a professional facilitator. Structured team-building exercises that involve the entire staff can improve relationships among various library departments that will survive long after the library’s windfall is a distant memory.

Look for opportunities to stretch the effect of your newfound wealth into the next fiscal year by leveraging some already existing financial structures. Does your library have deposit accounts with some vendors that you replenish periodically? This would be a good time to add money to those accounts. Many libraries also have a pattern of suspending the purchase of new monographs before the end of the fiscal year in order to ensure that there are enough funds in the budget to cover the cost of serials and continuations without interruption. They then start out the new fiscal year by making a large purchase of titles that have accumulated on the “when we have money” list, thus putting the new year’s budget behind the eight-ball from the very beginning. Use your windfall to break this cycle. Earmark some of the funds specifically for late-year monograph orders,

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Securing and Managing New Funds

Identify the likely sources of windfalls, and make sure your library is visible and valued by those sources. At the same time, make sure those sources know how much more the library could do with additional funds.

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Make sure that you have a backup plan if, despite your best efforts, you still have money to spend as your deadline draws near. Leaving money unspent means that the funds may return to a general fund rather than staying within your home institution. More importantly, it damages your library’s credibility for future funding.

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and you will avoid front-loading your budget demands for the following year.

Depending on your institution's procurement policies, you may be able to work with your major vendors to pre-pay certain fixed-rate subscriptions. For instance, if you have a flat-rate subscription to an online service and usually pay month-to-month, consider paying the coming year's subscription as a single annual payment before the close of the current fiscal year. This is a good "nuclear option" in case you find yourself in a use-it-or-lose-it position as the end of the fiscal year draws close.

Many libraries also have a special discretionary fund (often the result of alumni gifts or bequests) that they spend on items such as specialized office furniture, out-of-state travel, and recruitment expenses. Some libraries also use these funds as a cushion to maintain the collection in

the lean budget years. Although you may not be able to add money to the fund directly from the windfall, you can certainly forgo tapping into that fund during the year in which you need to spend your extra funds. This allows the discretionary fund balance to grow and to provide a more substantial safety net for the next budgetary squeeze.

Collection Development

The most obvious, and in my mind the most satisfying, way to spend an unexpected windfall is to strengthen the library's monograph collection. Because the law changes constantly, the core collection of law libraries is subscription-based and requires a long-term commitment of funds. When budgets are tight, other segments of the collection suffer in order to preserve these essential titles.

Monograph purchases are especially easy to cut, since they generally don't require deliberate action by the library staff the way, for instance, cancellation of a standing order would. In addition, monographs are more likely than continuations to cover topics broader than American law exclusively. A review of the monographs that the University of Baltimore recently purchased with our extra funds showed an emphasis on interdisciplinary studies and the law of non-U.S. jurisdictions. When faced with the choice of canceling either the flagship law review from an ABA-accredited school or forgoing a new monograph on poverty policies in the European Union, the law review will win every time. After a couple of years, the result is a library collection seriously lacking in breadth.

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