



PALCI™

Partnership for Academic Library
Collaboration and Innovation

Member Financial Policy and Procedures

Date Effective: July 1, 2012

Approved: June 7, 2012

INTRODUCTION

This document summarizes the fiscal relationship between PALCI and its member libraries. PALCI delivers products, services, and support to its members and levies charges based upon the principles that:

- PALCI should enable members to pay the lowest possible prices consistent with sound fiscal management of the organization;
- PALCI should provide accurate, complete, and timely invoices to members, and maintain appropriate records of charges, invoices, and payments;
- Every member should pay for products, services, and support received without subsidy from any other member;
- Members should pay for products, services, and support according to the terms stated in each invoice to protect the reputation and sustainability of the organization.

GENERAL PROCEDURES

PALCI Fiscal Year

The PALCI fiscal year is July 1 through June 30.

PALCI Services and Fees

PALCI dues and fees for products and services are announced by the PALCI Executive Director each year based on authorization by the Board of Directors. Changes in fees require Board approval except where such changes are not under the control of PALCI. Supplements and revisions may be required if circumstances warrant.

Member Records

PALCI maintains individual records for each member institution, listing receipts from the member, payments made for the member, and the current balance.

Audit

The PALCI Bylaws require the Board of Directors contract for an audit to be performed by a certified public accountant on an annual basis. The Finance Committee will prepare a summary of the audit for inclusion in the annual report or separate distribution to members. Copies of the full auditor's report are available from PALCI upon written request.

PALCI MEMBERSHIP DUES

To take advantage of PALCI services, a library must sign a membership agreement with PALCI and pay annual membership dues. The general benefits and requirements of PALCI membership are described on the PALCI web site at www.palci.org.

Membership Agreement

The basic membership agreement between a library and PALCI governs participation in governance and availability of various products, services, and support, as well as any special terms and conditions that must be met for participation in particular programs of the organization.

Membership Dues

Annual membership dues, established by the Board of Directors, shall be charged to each member institution. In establishing the annual membership dues, the Board of Directors will consider the projected administrative costs of maintaining the organization plus strategic needs that support and enhance member services and programs. Payment of annual dues is required for membership, in accordance with the terms printed on the invoice. Membership dues are posted on the PALCI web site at www.palci.org.

The Executive Director will communicate any anticipated changes in membership dues by February 1 each year with notice that member director or designee must notify PALCI by email of any intent not to renew membership by March 1.

PALCI SERVICES AND PRODUCTS

In addition to annual dues, members may elect to participate in PALCI services and programs. The fees for these services will be established by the Board and are wholly separate from annual dues. Members electing to participate in these services or programs are expected to pay for them in accordance with the terms printed on the invoice.

Electronic Resource Subscriptions

PALCI negotiates with database, e-journal, and e-book producers/vendors for the best possible subscription prices. Subscriptions are charged on an annual or one-time basis, with payment due according to the terms on the invoice.

Resource Sharing Products

PALCI negotiates with vendors to support resource sharing across member libraries. The Board of Directors will determine annual fees, and the Executive Director will strive to advise members by April 1, or as soon as reliable pricing is available from respective vendors, of fees anticipated for the upcoming fiscal year.

Special Services and Grants

In accordance with its strategic directions, PALCI will seek opportunities to support member needs through contracted services and by applications for grants. If warranted, PALCI will create limited agreements and invoice members for services received.

INVOICES

Annual Invoices

As required by the agreement between the member and PALCI, invoices for anticipated fees to be incurred in the upcoming fiscal year are issued annually, usually in May of the fiscal year preceding the fiscal year to which the invoices apply.

Other Invoices

Members may, from time to time during a fiscal year, purchase products or services for which they may request PALCI to issue separate invoices. Request for specific invoicing for such products must be made at the time of order for the products or services.

Due Dates

Unless otherwise stipulated on the PALCI invoice, all invoices are due and payable upon receipt.

PAYMENT OF FEES

PALCI Membership Fee

The PALCI membership fee is due and payable upon signing of the basic PALCI Membership Agreement. This fee is not prorated except in the case of a member joining after six (6) months of the fiscal year have passed when the dues are reduced by fifty percent (50%).

TAXES

PALCI members are non-profit, tax-exempt organizations. However, in some instances, a member may be liable for sales and/or other taxes. As provided in the PALCI membership agreement, any tax assessed against PALCI that is, in the view of PALCI, the obligation of the member, or any tax that PALCI, in its view, is obligated to collect from the member shall be added to the charges due and payable by the member.

MEMBER ACCOUNT STATEMENTS

PALCI maintains individual accounts for each member. A member's account shows in detail all receipts from the member and all payments (disbursements) made for the member, as well as a current account balance (positive or negative). Members may request information regarding their PALCI account at any time.

Disputed Charges

A PALCI member may dispute their account statement by notifying the PALCI Executive Director. PALCI staff will work with the member to resolve the matter satisfactorily. It is understood that members are responsible for all charges on an invoice or statement that are NOT in dispute.

LATE PAYMENTS AND DELINQUENT ACCOUNTS

A member account may fall into a deficit condition when invoices for annual fees, products or services are not paid after repeated statements at thirty (30) and sixty (60) days after initial issue.

Surcharge for Late Payments

A surcharge of one percent (1%) per month of the unpaid amount may be charged by PALCI for payments that are not received within fifteen (15) days after the sixty (60) day statement.

Suspension/Expulsion

If an invoice remains unpaid at 90 days from its initial issue, a formal communication of non-payment (letter or email) will be sent to the member Library Director and Official Voting Representative with notice to the Board of Directors. A member may be suspended or expelled by the Board of Directors for failure to pay fees or dues within ten (10) business days after receipt of a notice of nonpayment from PALCI. Any such action will not relieve the member from its obligation to pay all monies owed to PALCI, including the late payment penalties.

REFUNDS AND ADJUSTMENTS

Any positive balance in a member's PALCI account due to overpayment can be refunded by written request. Alternatively, the member may elect to carry the balance over to the following fiscal year billing cycle and apply the balance against the new invoice.

Refunds Upon Termination of PALCI Membership

No fees or dues will be refunded if a PALCI member terminates membership.

Refunds for Undelivered Products/Services

Refunds for undelivered products and/or services are determined on a case-by-case basis.

Adjustments

Adjustment of charges to members resulting from price reductions, changes in discounts, or other factors are credited to the member's account as appropriate. Subject to proper notice, the member's account is debited for any liability incurred by the member in excess of that originally estimated.

INVESTMENTS

The Board of Directors sets policy regarding investment of all monies managed by the Corporation. Revenue earned from investments will accrue to increase the principal. Investments are considered operating reserves and will be used as needed for the benefit of the Corporation and not apportioned to any member.

INDEBTEDNESS

In accordance with the Bylaws, approval of the members is required for PALCI to borrow money, pledge credit, or mortgage real or personal property.

INQUIRIES/CLARIFICATION

Inquiries concerning this PALCI Financial Policy should be addressed to the Executive Director.

POLICY MAINTENANCE AND CHANGES

This policy is maintained current by PALCI Executive Director and the Board of Directors. Changes may be made by the Board of Directors upon recommendation of the Finance Committee of the Board, without prior notice.

POLICY AVAILABILITY

This policy document is issued to all new PALCI members and is posted on PALCI's web site at www.palci.org.