

Sage Library System

Membership Billing and Cost Allocation Policy

1. Purpose

This policy establishes a transparent, equitable, and sustainable framework for billing Sage Library System ("Sage") member libraries. It is intended to formalize how costs are assessed, invoiced, and administered and to ensure that all members understand the financial obligations associated with participation in the consortium.

2. Authority and Scope

The Sage User Council determines fees, adopts policies, and approves the annual budget. Baker County Library District (BCLD) serves as fiscal agent.

This policy applies to all current and prospective Sage member institutions, including but not limited to:

- Public libraries
- K–12 school districts
- Community and technical colleges
- Special libraries

Member libraries vary in size, governance structure, and population served; therefore, billing structures are designed to balance fairness, proportionality, and administrative feasibility.

3. Guiding Principles

Sage's billing practices are guided by the following principles:

- **Transparency:** All fees and billing methodologies are clearly defined and communicated.
- **Equity:** Costs are distributed in a manner that reflects member type, size, and usage where appropriate.
- **Sustainability:** Fees support the long-term stability, maintenance, and improvement of shared services.
- **Cost Recovery:** Fees reflect actual or reasonably projected costs incurred by the consortium.

4. Billing Components

Sage member billing may include one or more of the following components.

4.1 Annual Membership and Maintenance Fees

Annual membership fees support the core operations and shared infrastructure of the consortium. These fees may include, but are not limited to:

- Integrated Library System (ILS) hosting and maintenance
- Discovery layer and authentication services
- Resource-sharing courier network management
- Governance, fiscal management, and reporting

Membership fees may be structured using a formula approved by the Sage User Council (e.g., population served, student enrollment, FTE, collection size, net lending/borrowing, or a hybrid model).

4.2 Implementation and Migration Fees

One-time implementation fees may be assessed to new or returning members to cover the costs associated with onboarding, including:

- Project management and coordination
- System configuration
- Staff training
- Initial testing and validation

4.3 Record Migration and Cataloging Fees

Fees may be charged for services related to bibliographic and authority record work, including:

- Migration of existing bibliographic, item, patron, and authority records
- Data cleanup, normalization, or deduplication
- Specialized cataloging or metadata services requested by a member

These fees are typically assessed as one-time or project-based charges.

4.4 Courier Network Maintenance Fees

If applicable, Sage may assess fees to support shared physical delivery services, including:

- Courier contracts
- Supplies and equipment
- Routing coordination and administration

4.5 Interlibrary Loan (ILL) Fees and Surcharges

Sage supports interlibrary loan activity among member libraries. Billing may include:

- Cost-recovery fees for ILL transactions that exceed agreed-upon thresholds

- Surcharges for materials loaned outside the consortium, where applicable
- Pass-through fees assessed by third-party resource sharing networks

4.6 Optional, Cost-Recovery, or Third-Party Fees

Members may elect to participate in optional services that are not part of the core membership. These may include:

- Add-on software modules or integrations
- Third-party vendor services (e.g., authority control, e-resource management, analytics)
- Special projects or pilots

Such fees are billed on a cost-recovery basis and may be invoiced separately from annual membership fees.

5. Fee Allocation Methodology

This section describes how Sage allocates costs among member institutions in a manner that is consistent, predictable, and equitable across different library types and sizes.

5.1 General Structure

Annual membership fees are calculated using a hybrid model that combines a per capita calculation with a minimum base fee.

For each member, the annual fee shall be the greater of:

- the per capita calculation (based on population or enrollment), or
- the applicable minimum base fee.

This structure ensures that:

- smaller libraries are not overburdened,
- all members contribute to shared infrastructure, and
- larger institutions contribute proportionally to their scale of service.

5.2 Per Capita Rates

Per capita rates are used to allocate costs proportionally based on the size of the population or user base served by each member institution.

Rates:

- are established annually by the Sage User Council,
- may vary by member type (e.g., public, school, academic, special), and
- are published in the annually adopted Sage Fee Schedule.

The per capita calculation provides a scalable and transparent method for distributing costs tied to system usage and service demand.

5.3 Minimum Base Fees

All members are subject to a minimum base fee to ensure adequate support for shared consortium infrastructure and administrative functions.

The base fee:

- reflects the fixed costs of operating Sage (e.g., system administration, hosting, governance, fiscal services),
- may vary by service level (e.g., ILL-only vs. circulating members), and
- is established annually in the Sage Fee Schedule.

If a member's per capita calculation falls below the applicable base fee, the base fee shall apply.

5.4 Service Levels

Sage recognizes different levels of participation, which may affect cost allocation.

- **ILL-only members** participate in interlibrary loan and resource sharing but do not circulate materials directly through the shared ILS.
- **Circulating members** fully participate in the shared ILS, including patron services, circulation, and catalog integration.
- **Tiny Circulating members with service population of less than 100** fully participate in the shared ILS, including patron services, circulation, and catalog integration, but are provided a discount for size.

Service levels are used to determine applicable base fees and may influence other cost allocations.

5.5 Multi-Branch Institutions

Libraries operating multiple service locations are assessed based on the total population or enrollment served by the institution as a whole, rather than by individual branch.

This approach ensures:

- consistency in how size is measured,
- alignment with governance representation structures, and
- avoidance of duplicative per-branch population charges.

Additional service-based fees (e.g., courier stops, implementation complexity) may be applied where multiple locations create measurable additional costs.

5.6 Data Sources

Population or enrollment figures used for billing calculations are based on an average of the most recent three years of official data.

Accepted data sources may include:

- certified population estimates for public libraries,
- official enrollment or full-time equivalent (FTE) counts for schools and academic institutions, and
- other standardized measures approved by the User Council.

Using a multi-year average helps stabilize annual fluctuations and provides greater predictability for member budgeting.

6. Billing Administration

6.1 Fiscal Agent Responsibilities

Baker County Library District serves as the fiscal agent for Sage and is responsible for:

- Assisting with crafting of annual budget and member billing schedule
- Receiving and processing payments
- Maintaining financial records
- Providing financial reports to the Sage User Council

6.2 Invoicing Schedule

- Annual membership and maintenance fees are typically invoiced once per fiscal year.
- One-time or project-based fees may be invoiced upon project initiation, completion, or according to a mutually agreed-upon schedule.
- Invoices will include sufficient detail to identify the services and time period covered.

6.3 Payment Terms

- Standard payment terms are net 30 days from the invoice date unless otherwise specified.
- Members experiencing payment challenges are encouraged to contact the fiscal agent promptly to discuss options.

6.4 Support and Ticketing

Billing questions or disputes should be submitted through Sage's designated support or ticketing system or directed to the fiscal agent's administrative contact. Sage will make reasonable efforts to respond to billing inquiries in a timely manner.

7. Non-Payment

Members failing to pay annual fees before the start of the following fiscal year may lose membership status in Sage.

Loss of membership may include:

- suspension of system access
- removal from courier services
- removal from the shared catalog.

8. Fee Schedule

The **Budget Committee** shall annually review:

- consortium costs
- fee structures
- service usage trends

and make recommendations to the User Council regarding membership fees.

The User Council approves all final billing structures as part of the annual budget.

9. Review

This policy shall be reviewed periodically and updated as necessary to ensure equitable cost allocation and sustainability of Sage services.

Sage Library System

Annual Fee Schedule (FY 2026-2027)

1. Per Capita Rates (Phasing toward)

Member Type	Rate
Public Libraries	\$1.00 per capita
School Libraries	\$1.00 per capita
Academic Libraries	\$4.00 per capita
Special Libraries	\$1.00 per capita

2. Minimum Base Fees

Service Level	Annual Fee
ILL-Only & Tiny School (<100) Members	\$700
Circulating Members	\$1,400

3. Fee Cap

Description	Amount
Maximum Annual Membership Fee	\$25,000

4. Additional Fees

4.1 Implementation Fees

Description	Fee
New Member Implementation Surcharge	\$2,500 base + project-specific costs

4.2 Optional Services

Service	Fee
As approved by User Council	Cost recovery

5. Notes

- Fees follow the Membership Billing Policy
- Population/enrollment based on 3-year averages
- Fee cap applies after all calculations

6. Approval

Approved by Sage User Council: _____

Chair: _____

Fiscal Agent (BCLD): _____