

International Payment: Methods to Consider

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ABSTRACT. As libraries gain access to more online databases, library patrons gain more access to obscure citations. Consequently, Interlibrary Loan Departments, once deciding to participate in International Loans must then decide on how they will pay and bill their international partners. This article describes six options available for international payment and billing. The methods described include how to use reciprocal agreements, standard invoicing, pre-paid requests, deposit accounts, OCLC ILL Fee Management, International Reply Coupons, and the IFLA Voucher Scheme to obtain and pay for ILL transactions. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <getinfo@haworthpressinc.com> Website: <<http://www.HaworthPress.com>> © 2002 by The Haworth Press, Inc. All rights reserved.]

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Do you have a patron who orders esoteric materials? What does the Interlibrary Loan Department do when the requested material is only available from an international lender? Even if the material is supplied how will you pay for it once it is received? What is the currency in the country of the supplying library? And after you find out, how does your library pay for an invoice in a foreign currency?

Do not add stress to the already hectic world of Interlibrary Loan. Before ordering another international request, spend a little time becoming familiar with the payment possibilities available for International Interlibrary Loan. Your library may already participate in a method for International Payment! Methods of payment for International Interlibrary Loan can range from reciprocal agreements to a voucher scheme. This article discusses how to use the reciprocal agreements, IFLA Voucher Scheme, standard invoicing, pre-paid requests, deposit accounts, OCLC ILL Fee Management, and International Reply Coupons to obtain and pay for ILL transactions.

RECIPROCAL AGREEMENTS

In her article "Library to Library," Mary Jackson states that the "operational definition" of a reciprocal agreement "may read as an informal agreement made between two ILL managers in order to avoid ILL charges" (67). What benefits does a reciprocal agreement have for International Interlibrary Loan? The answer is many of the same benefits reciprocal agreements provide with libraries only 100 miles away. Establishing reciprocal agreements gives the borrowing library familiarity with the lending library. In addition, they will know the cost of a request prior to placing an order.

To establish which libraries you would like to approach for a reciprocal agreement, you will need to decide from whom you frequently borrow. You will also need to determine what "frequently" means for your library. For some libraries requesting three items a month from the same supplier is frequent. For larger research institutions, requesting three items from the same supplier happens every week. If the library you approach agrees to establish a reciprocal agreement, your benefits will depend upon the agreement. Many reciprocal agreements include the free loan of books and the free supply of articles up to a certain number of pages. Depending on the established agreement, the benefits to your library in an international agreement include the ability "to avoid paying lender fees, to control the amount the borrower pays in borrowing

charges, and to minimize or eliminate the problems associated with processing invoices and issuing payment” (Jackson 67). Also, if your library agrees on free loans and copies you will not have to fret over the conversion factor when handling international currency.

IFLA VOUCHER SCHEME

The International Federation of Library Associations and Institutions (IFLA) Office for Universal Availability of Publications (UAP) has established the IFLA Voucher Scheme to make payment for loans and photocopy requests easier for International Interlibrary Loan. The IFLA Voucher Scheme was launched to by-pass what the UAP identified as common difficulties associated with international payment. These difficulties are “lack of access to hard currency, high banking charges for both the supplying and requesting library, currency exchange difficulties, and high administration costs in issuing and processing invoices” (Press Release 1).

The actual vouchers are plastic cards (see Figure 1). There are green vouchers equal to eight dollars and red vouchers equal to four dollars. The UAP Office recommends that an eight-dollar voucher pay for one transaction. However, the four-dollar vouchers are available for libraries that feel the supply of their materials are worth more than the eight-dollar voucher. Libraries are still able to establish their own fees for lending. For example, if you request an article from a library that is 28 pages, you could be charged at a different rate than a fifteen-page article.

By using the IFLA vouchers your library can avoid the costs of invoicing and the hassle of currency conversion. If your library tends to be a net lender, the IFLA vouchers can be collected and redeemed for their face value. Any library may join the IFLA Voucher Scheme by purchasing the vouchers. Over 60 countries and approximately 800 libraries participate in the Voucher Scheme (Gould).

STANDARD INVOICING

As with all interlibrary loaned materials, invoicing is appropriate for international ILL. For the borrower, the difficulties with standard invoicing include the written language and the rate of currency exchange. One can usually tackle the written language easily with the aid of a dictionary, but the rate of exchange could be more challenging.

FIGURE 1. Front of a Full IFLA Voucher



Often the detail of paying the invoice is passed on to an accounting or billing office. If the lending library will accept credit card payment, that may be the easiest method of payment for your library, since paying with a credit card will allow the borrowing library to receive a bill in their home currency from the credit card company.

As a lender, if you are sending an invoice to an overseas library, it is necessary to send an invoice that is easy to read. Gretchen Hallerberg outlines eleven key concepts needed to produce clear invoices in her article “How to Prepare Effective Interlibrary Loan Invoices.” The steps applying to international invoicing are summarized as follows:

1. Know that your invoice may not be accompanying the returning payment.
2. Have a unique invoice number and date on the invoice.
3. Generic cover memos tend to get separated from attached papers.
4. Include the borrowing library’s complete address.
5. Invoices for small amounts of money may delay payment.
6. Include your complete address.
7. The “remit address” should be similar to the supplying library’s address.
8. Include a complete telephone number.
9. List acceptable payment methods.
10. The printed invoice should be clear with dark text.
11. Small invoices are easier to lose (22-3).

DEPOSIT ACCOUNTS AND PRE-PAID REQUESTS

Deposit Accounts are usually an option for payment to libraries that do not participate in IFM or the IFLA voucher scheme. As Virginia Boucher states in her *Interlibrary Loan Practices Handbook*, by using a deposit account, “. . . payment of individual invoices can then be avoided” (117). Deposit Accounts are convenient when numerous transactions take place with one foreign supplier. To create a deposit account, you must contact the lending library and decide if the account is feasible for each library and what the charges per transaction will be. Once the account is established, the lending library will withdraw the costs from the account as a request is filled. After the initial account has been established, replenishing the account with additional funds as needed becomes easy.

ILL FEE MANAGEMENT (IFM)

The OCLC ILL Fee Management Service allows the library to pay for and receive payment through your OCLC invoice. Once you have joined the IFM service, you need to update your MAXCOST field in the OCLC request to an IFM amount. However, both a dollar amount (with or without a dollar sign [\$]) and the IFM code must be included in your MAXCOST field for OCLC to recognize the transaction as one affecting IFM. For example, both “\$10IFM” and “10ifm” are acceptable, but “ifm” is not acceptable. According to OCLC’s IFM online guide *Handling Lending Charges Through OCLC Invoices*, ILL Fee Management works if:

- Both borrower and lender have entered valid ILL Fee Management statements.
- The LENDING CHARGES amount does not exceed the MAXCOST amount.
- The status of the request is updated to RECEIVED by the borrower.

With IFM, OCLC keeps track of the amount libraries may owe each other. To illustrate, if you receive a request from an international supplier with a MAXCOST of \$20IFM, you can answer yes to that request, charging no more than \$20IFM. Through IFM, OCLC will track whether you order a book from the same international library and how

much they charged your library. If you charged the international library \$15IFM and the international library charged you \$20IFM from that library, the international library will find a debit of five-dollars on their monthly Network or OCLC bill.

The monthly Network or OCLC bill is where you will see the change from participating in the IFM service. Like the international library in the example above, you may see a debit for that month. Or, if your library is a net-lender, you may find a credit to your account, which could decrease your overall OCLC bill. The other item you may find on your bill is the administrative fee, which OCLC charges for completed borrowing transactions. If you need additional information about participating in the OCLC IFM service, inquire at your area OCLC office.

INTERNATIONAL REPLY COUPONS (IRCs)

International Reply Coupons may be purchased from post offices in countries that are members of the Universal Postal Union (see Figure 2). (For a list of participating countries visit the UPU web site online.) IRCs allow borrowers to pay for international interlibrary loans by attaching a coupon to the request or invoice. The USPS web site states in Publication 51 that the IRC is “equivalent in value to the destination country’s minimum postage rate for an unregistered airmail letter. The purchase price is \$1.75 per coupon.” If your library begins to accumulate IRCs from international libraries, you may redeem them at your local Post Office for postage stamps. Generally, the exchange of IRCs for international interlibrary loans is dependent on the agreement between the borrowing and lending library. As with any loan, some libraries will charge more and, therefore, require that more coupons be sent as payment.

CONCLUSION

Ordering an international interlibrary loan should not add stress to the workload of ILL departments. If the options for international payment have been considered before placing an order, you may be able to avoid many of the challenges that arise when paying an international lender. The options discussed in this article—the IFLA Voucher Scheme, reciprocal agreements, standard invoicing, pre-paid requests,

FIGURE 2. Front of an International Reply Coupon



deposit accounts, OCLC ILL Fee Management, and International Reply Coupons—were intended to illustrate how an Interlibrary Loan Department can prepare for International lending and borrowing by establishing a method of payment, and ultimately better serve library patrons.

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