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### 1. Purpose

This policy provides an operating framework for understanding revenue and expenditures associated with Electronic Health Library of BC (e-HLbc) operations, and offers guidelines to facilitate effective stewardship of the consortium’s funds.

### 2. Revenue

The majority of e-HLbc’s operating revenue consists of membership and licensing fees derived from full and affiliate members.

#### 2.1 Membership Fees

##### a) Full Members

e-HLbc full member fees are sufficient to cover base operational and administration costs of the consortium. Fees cover staffing costs for a librarian position and additional administrative support to the equivalent of 1.5 FTEs, as well as basic administrative overhead including newsletter,

meeting and telecommunication costs, etc. Full members make a three-year commitment to membership fees.

Full members are invoiced annually in Canadian dollars for membership fees as outlined in the Membership Pledge, available at: <http://ehlbc.ca/about-us/key-documents>

## **b) Affiliate Members**

e-HLbc affiliate member fees are used to support the base operational and administration costs of the consortium. Affiliate members commit to fees on an annual basis.

Affiliate members are invoiced in Canadian dollars for annual membership fees, as outlined in the Membership Pledge, available at: <http://ehlbc.ca/about-us/key-documents>

## **2.2 Core Suite License Fees**

### **a) Full Members**

Full members commit to the cost of three-year core suite license fees and pay the fees annually in Canadian dollars. Core suite vendors invoice the consortium in US dollars based on information presented in a triennial Core Suite Case for Renewal report. The Case for Renewal for 2015 to 2018 is available at: <http://ehlbc.ca/about-us/key-documents>.

### **b) Affiliate Members**

Affiliate members make a one-year commitment to core suite license fees and pay the fees annually. These fees are used to subsidize full member core suite licensing fees.

## **2.3 Boutique License Fees**

Licensing fees for boutique resources (e-HLbc's opt-in/opt-out resources) are on a cost-recovery basis. No additional administrative fees are levied.

## **2.4 Carryforward Funds**

Carryforward funds are all unspent revenue that will be available for use in the next fiscal year. These funds are kept separate from e-HLbc's operating funds. Examples of carryforward funds include license or membership prepayments and the affiliate member subsidy.

### **3. Expenditures**

The expenditures detailed below are the primary expenses associated with the core business of e-HLbc.

#### **3.1 Licensing**

Providing high quality, affordable, evidence-based resources to member institutions is the primary goal of e-HLbc. Licensing fees received from full and affiliate members are remitted to vendors in order to honour licensing commitments.

#### **3.2 Operations**

For any organization to run smoothly and efficiently, resources in the form of staffing and infrastructure must be set aside. Fees received from full and affiliate members will be used to pay for staffing and basic operations including:

- 1) *Staffing:* The e-HLbc Administrative Centre consists of a Coordinator, librarian support, and administrative support from the BC ELN Office. Administrative Centre staff support the operations of the consortium, maintain the consortium's communications infrastructure, and provide technical and clerical support.
- 2) *Infrastructure & Communications:* Funds are used for basic administrative overhead, such as hosting fees, meetings and teleconferences, newsletters, and reports, as well as website maintenance, migration, and enhancements.
- 3) *Committee Operations:* e-HLbc committees are the primary instruments for responsible governance and project management. In the course of operations, the Management Committee may request funds to support projects that further e-HLbc's strategic goals. Travel funds are available to Management Committee members in conducting e-HLbc business.
- 4) *Strategic Planning Development:* Strategic planning is the process of an organization identifying goals it would like to achieve, and making decisions on allocating its resources – both in terms of capital and staff – to achieve those goals. e-HLbc engages in strategic planning to identify

the consortium's future objectives and plan a framework for their achievement.

- 5) *Miscellaneous*: Other operational expenses associated with the work of a consortium, such as additional project staffing, conference fees, etc.

#### **4. Principles of Financial Management**

The e-HLbc Management Committee, with the support of the Administrative Centre, provides leadership, recommends the annual expenditure plan, negotiates pricing for licensed resources with the vendors, and ensures that objectives are met through support and oversight of the operational activities of the consortium.

In managing the consortium's finances, the Management Committee (with support from the Administrative Centre) adheres to the following principles:

- Prepares an annual Expenditure Summary and Expenditure Plan to present to the Steering Committee.
- Reports expenditures outside the normal transactions of the consortium, to the Steering Committee. Examples of such expenditures include, but are not limited to, website migrations, recruitment drives, invoicing system upgrades, etc.
- Manages the affiliate member licensing fee subsidy and the affiliate member fee subsidy. The licensing fee subsidy is used to subsidize core suite licensing fees for full members. The affiliate member fee subsidy is used to support consortium operations.
- Ensures that all unspent revenue will carry forward into the following fiscal year.
- Updates the financial framework policy every three years to ensure that it continues to accurately represent the financial management of the consortium.