



TO: CRKN Library Directors, Collections contacts

FROM: Bethany Tory, Director of Operations

RE: 2009-2010 Invoicing update

DATE: February 26, 2010

With fiscal year-ends fast approaching for CRKN and our member institutions, I am pleased to provide you with a status report on invoicing to members for content licenses and for the Digital Content Infrastructure for the Human and Social Sciences (DCI) project.

STATUS OF LICENSE INVOICING

The licenses outlined in the following table were up for renewal at the end of December 2009. At this time CRKN has completed vendor negotiations and has received financial commitment forms from participating members for the renewal period.

We are now in the process of finalizing license agreements, booking short-term forward contracts for 2010 payments to these vendors, and invoicing members. We anticipate that invoicing for the following products will be completed by March 15, 2010.

Publisher	Product	License term
American Chemical Society	ACS Web Editions	January 1 – December 31, 2010
	ACS Archives	
Cambridge University Press	Online Journals	January 1 – December 31, 2010
Informa Healthcare	Online Journals	January 1 – December 31, 2010
Institute of Physics	IOP Online Journals	January 1 – December 31, 2010
Oxford University Press	Oxford Journals Online	January 1 – December 31, 2010
	Oxford Journals Digital Archive	
	Oxford Journals Digital Archive Upgrade	
Taylor & Francis*	Online Journals	January 1 – December 31, 2010

*Due to the title reconciliation process still underway with Taylor & Francis, proforma invoices will be issued to accommodate members' fiscal year-end requirements. Once members' holdings reconciliation is complete, subsequent invoices/credits will be issued for exchange rate and holdings differences.

To date, CRKN has completed invoicing for the following vendors/products. These invoices were sent both electronically on the date of issue, as well as by postal mail with relevant attachments. Financial statements are also distributed monthly, to apprise members of outstanding amounts and to ensure no invoice is mislaid or overlooked.

Publisher	Product	License term
Alexander Street Press	Various databases	February 1, 2010 – January 31, 2011
American Mathematical Society	MathSciNet	January 1 – December 31, 2010
ARTstor	ARTstor	January 1 – December 31, 2010
Canadiana.org	Early Canadiana Online	January 1 – December 31, 2010
Center for Research Libraries	Global Resources	July 1, 2010 – June 30, 2011
Economist Intelligence Unit	Country Reports and ViewsWire	January 1 – December 31, 2010
Elsevier	ScienceDirect	January 1 – December 31, 2010
	Scopus	January 1 – December 31, 2010
Gale Cengage	Eighteenth Century Collections Online	January 1 – December 31, 2010
	Times Digital Archive	December 29, 2009 – December 28, 2010
ProQuest	Canada's Heritage from 1844 (Globe & Mail)	January 1 – December 31, 2010
	Historical Newspapers, Primary Offer	April 1, 2010 – March 31, 2011
	Historical Newspapers, Optional Offer	April 1, 2010 – March 31, 2011
	House of Commons Parliamentary Papers 19 th & 20 th Centuries	April 1, 2010 – March 31, 2011
Royal Society of Chemistry	RSC electronic journals	January 1 – December 31, 2010
SAGE	Online journals	January 1 – December 31, 2010
Springer	SpringerLINK online journals	January 1 – December 31, 2010
	Online Journal Archive	
	Journal Archive Update	
Thomson Reuters	Web of Science	January 1 – December 31, 2010
	Web of Knowledge	January 1 – December 31, 2010
Wiley-Blackwell	Online Journals	January 1 – December 31, 2010



FORWARD CONTRACTS

As you know, CRKN uses short-term forward contracts to better manage payment of vendor contracts in foreign currencies. These short-term forward contracts allow CRKN to fix an exchange rate at a future payment date (typically 60-90 days) related to a member invoice, and invoice members at that rate of exchange.

This process has allowed CRKN to simplify annual invoicing to members and shorten our overall invoicing and collections cycle. Upon signing a vendor agreement or receiving a vendor invoice, CRKN is now able to book a short-term forward contract, invoice members at a known (rather than estimated) rate of exchange, collect required funds from members, and then release funds to the vendor on the closing date of the forward contract. This process eliminates the need for after-the-fact reconciliation invoices to members.

It is important for members to note that even when exchange rates are favourable, CRKN does not undertake forward contracts for subsequent years of a license agreement. Although this may be advantageous in terms of securing competitive rates for one or two years in advance, there is a risk that significant fluctuations in the exchange rate when large or multiple contracts are booked, would require margin call obligations which CRKN would not have the available cashflow to fund.

Therefore in compliance with the Foreign Exchange Policy, CRKN uses forward contracts not to optimize gains from currency exchange rates or take part in hedging activities, but where it provides the most efficient means to reduce currency fluctuation risk, increase predictability for members, and eliminate the administrative challenges in the current operating environment. Additionally, the Finance & Audit Committee continues to monitor the Foreign Exchange Policy and the way in which forward contracts are utilized.

INTEREST ON OVERDUE ACCOUNTS POLICY

The tightening of the invoicing cycle and the need for CRKN to meet commitment dates for the forward contracts place added pressure on CRKN to collect member payments in a timely manner. To that end, the [Interest on Overdue Accounts Policy](#), approved by the Board of Directors in June 2009, allows for payment within 60 days of invoice date without incurring interest. We appreciate all efforts our members have made to speed up the payment process, and hope that our delivery of invoices by electronic means assists members as well.

Many of our members are already using **Electronic Funds Transfer (EFT)** for payment of CRKN invoices, and we encourage you to implement this payment option if you have not already done so. For further information please contact Ken Blonski, Finance Manager, kblonski@ResearchKnowledge.ca or 613-907-7037.



DCI PROJECT INVOICING

Invoices to participating institutions for Year 3 of their financial commitments, as agreed to under the DCI Inter-Institutional Agreement, were issued during the first week of February 2010. These invoices are also subject to the Interest on Overdue Accounts Policy.

If you have questions regarding invoicing or need further information on these matters, please contact:

Bethany Tory, Director of Operations
btory@ResearchKnowledge.ca
613-907-7030

Ken Blonski, Finance Manager
kblonski@ResearchKnowledge.ca
613-907-7037

