

**Society of American Archivists
Council Meeting
January 23 – 26, 2013
Chicago, Illinois**

**Proposal to Revise Payment Options for Dues and Fees
(Prepared by SAA Treasurer Mark Duffy)**

BACKGROUND

The Finance Committee was charged with the task of exploring possible changes in policies for dues and registration fees that would be required to accommodate the following four proposals received from the SNAP Roundtable:

1. Allow members to renew their memberships at the bridge rate whenever they are unemployed.
2. Allow members to spread out their dues payment over the course of a year.
3. Allow members to renew their membership less than annually, i.e., for periods of less than one full year.
4. Institute tiered pricing for conferences and workshops.

DISCUSSION

The Committee discussed these proposals at its August meeting and during two subsequent teleconferences. The Committee requested staff members to gather data from SAA's software vendors and other professional associations regarding the availability, cost considerations, and if possible the financial impact and participation rate for credit card or similar billing arrangements.

The Committee's discussions were guided by several recurring themes or points that framed the group's perspective:

- The introduction of installment payment options would be a convenience that would not only benefit students and new professionals, but might also appeal to others who are at the upper end of the tiered dues schedule. Any decision to implement this convenience would have to be extended to all (non-institutional) SAA members.
- Currently, all members have the option of using a credit card to make dues payments to the Society, to purchase publications and goods, and to pay for educational and program offerings. By becoming the creditor, SAA would be exposed to new risks. Using a vendor to collect fees would require members to maintain a profile and credit card information on file with the vendor, for which members would nonetheless hold SAA responsible in terms of data security.

In addition, SAA would assume a financial liability in terms of uncollectable receivables.

- SAA's auditors have confirmed internal estimates that a dues installment plan could reduce available cash balances by 50% to 90% depending on the number of installments, and increase receivables by an indeterminate but substantial amount. The reduction could be offset by transferring funds from longer term (CD) assets, but this would come with a loss of some interest income. Tracking daily cash flow would require additional staff time to reconcile reports with SAA's association management software (AMS) system.
- The Society's AMS is not currently equipped to process or track credit card and similar installment plan payments. The staff received a cost estimate of \$30,000 from the AMS vendor to program this into the existing system (although this might be reduced if other clients with a similar need can be identified). The Committee noted with concern the cost of making an incremental upgrade to an aging system as measured against the value obtained by reserving those funds for a major revision to its membership software system. The Society should contemplate an installment payment feature in a new AMS software purchase.
- Even the most convenient and simple multiple payments credit systems (e.g., PayPal[®]) involve costs for the vendor if not the consumer. Transaction fees are the most obvious. Other costs include an automated in-house system for tracking and reminding members and staff of their billing status, staff time to monitor active members for the distribution of publications and other benefits, staff intervention or other collecting agent costs to collect lapsed payments, and the balance sheet cost of incomplete payments. The Committee agreed that both direct and indirect costs should be assessed to the payer who chooses to use an internal multiple billing system.
- The Committee is sympathetic to the financial hardships of student, unemployed, and underemployed archivists, and would not recommend actions that would exacerbate this condition. In seeking to preserve the heavily discounted membership dues for these groups, the Committee is unconvinced that an SAA-managed multiple payment process could be reasonably or economically implemented except as an optional surcharge for all members. The additional fee would be onerous as a short-term or interim fix, but it might be less costly overall if wrapped into the purchase of a more sophisticated AMS system in the near future (although this decision is dependent on the Council's willingness to invest in technology).
- Inferential data indicate that relying on self-reporting for income status in the tiered system of dues payments is unreliable. (Currently more than 47% of SAA's non-institutional or individual members claim a subsidized membership rate on the basis of student, retired, bridge, or ID1 self-report status.) The Committee is not optimistic about the staff's ability to verify special circumstances to qualify for reduction in workshop or conference fees on the basis of one's income or employment status, nor would that effort be cost effective for the benefit received in light of widely available credit options. The Council would be required to define the status of a "new professional."
- The staff is assisting the Committee in researching helpful comparative information from professional associations that offer installment dues payment options (ARMA, American Library Association, American Physical Therapy Association). At the time this report was prepared, we had not heard back from these organizations, but staff will share this information

with the Council when the data are verified.

- With regard to tiered pricing specifically, the Committee was not convinced that it could be successfully implemented. We noted that SAA has raised money for scholarships of various kinds, but most often these are directed to assisting students. These awards might be expanded to include access to educational opportunities other than the annual conference. The recent success of the DAS program aside, however, SAA's educational budget has not had the kind of sustained and robust return on investment that would argue for tiered income discounts or fee waivers. Every indication is that the current fees, which already offer a student rate, sustain a continuing education offering that is fairly priced and typically limited to predictable revenue-enhancing offerings. Indeed, the perceived inability of members to support the significant costs of a challenging educational program may have a limiting effect on the Society's capacity to be more innovative in deploying advanced content, expertise, and technology in its offerings. The Committee does not believe that introducing discounts and multiple payment systems will contribute to (and may detract from) the quality of the educational programs offered to the membership.
- As requested, the Committee consulted with interested parties, and in particular the SNAP Roundtable chair, who provided helpful context for the proposals. The chair offered the possibility of a more formal survey of SNAP members to gauge interest in an installment dues payment plan, especially as it might affect recruitment of new members.

CONCLUSION

The discussion of these items led the Finance Committee to conclude that at this time SAA is not in a position to deliver a fair installment plan for dues. Such a plan would add costs to member services and operations without opening up opportunities to recover the costs. No evidence exists that membership would be significantly increased by this measure.

The Committee considered the possibility of testing a multiple payment system such as PayPal^R in a stripped-down, experimental version with a sample population, but there was very little enthusiasm in asking the staff to undergo a time-consuming experiment when a future solution for the whole membership may come as early as three to five years. It is the Committee's hope and its recommendation (in a separate report to the May 2013 Council meeting) that the Society will move to invest in more sophisticated data and communication management systems in the near future. At that time, it might be wise to revisit this option.

The Committee does not believe that a reduction in fees by using tiered pricing for educational programs would benefit the Society as a whole, and it could potentially reduce our ability to fund high-quality educational offerings.