

# To Pay or Not To Pay: Guidelines for Prepayment

William F. Schenck

"... the curious incident of the dog in the nighttime."

"The dog did nothing in the nighttime."

"That was the curious incident," remarked Sherlock Holmes.<sup>1</sup>

Acquisitions work has its own curious incidents; publishers, who like the dog in the Holmes adventure, do nothing; they do not publish, let alone deliver announced books. Acquisitions librarians are aware of the problem; surely life would be easier if all books were published soon after they were announced.

The problem is made much more severe, however, when publishers request that a library send payment for the material with an order. This seemingly reasonable request often puts a library in a difficult situation. While there are very valid reasons for making prepayments, a library must be very careful to ensure the receipt of material for which it has paid. Unfortunately, some libraries in North Carolina and elsewhere have lost money in recent years by making advance payments for material which was never delivered. While this is a problem nationally, librarians in North Carolina should be aware of guidelines to use when making prepayments. This article will first examine reasons to make prepayments and why publishers often require them, and will then discuss possible safeguards. It will end with a specific discussion of one problem publisher and his products, emphasizing two current problematical projects.

There are many valid reasons to make prepayments. As a result of today's economic situation, and with the current high interest rates on borrowed money, the number of publishers who request prepayment has increased. Here are some of the major reasons why advance payment is requested:

1. To obtain capital. Publishers can get interest free money by getting advance payment from libraries instead of banks. This method also allows a new firm to obtain capital to finance large projects which the more traditional funding sources might not be willing to support.
2. To save money. More and more publishers are requiring prepayment for all orders under a specific amount. For example, the American Library Association requires prepayment for all orders under \$10.00. By obtaining payment with the order the publisher saves the expense of invoicing.
3. To survey the market. By having advance paid orders, a publisher has a better idea of the market and can thus avoid printing too many copies.
4. To ensure payment. Usually libraries are good credit risks, as they eventually do pay. However, due to various bureaucratic procedures,

a library may be very slow to pay its bills. Prepayment ensures rapid payment.

Libraries also have valid reasons for making prepayments. Some of the reasons are

1. To acquire the material. In some cases there is no other way to acquire needed items. This is especially true of inexpensive materials published by associations and institutes.
2. To save money. Publishers will often set a lower price to encourage prepayments. On some larger projects it is also possible for a library to negotiate a discount if payment is sent with order. Prepayment also ensures delivery at that price. If a library waits until the material is actually available, it will often pay more. With inflation at about 10% a year, a library can estimate that the price of a project will increase at approximately that rate. The least a library should expect is the elimination of postage charges in return for payment.
3. To expend encumbered funds before established deadlines. A library may have ordered an expensive item only to discover that it is not yet available. It may be advantageous to pay for the material in the year the money has been allocated.

All of these reasons would be of little importance if libraries could always be sure of receiving material for which they had paid. Unfortunately, this sometimes does not happen. Firms which had the best of intentions find themselves going into bankruptcy; authors die, or price increases eliminate the projected market. Add to these problems the unscrupulous publisher who aggressively solicits advance payment without any plans to ever deliver<sup>2</sup> and it is obvious that a library needs to establish a set of strict guidelines on prepayments. Once the guidelines have been drawn up, they should be widely distributed, both to administrators and those on the staff responsible for processing orders and paying invoices. I have compiled the guidelines below from my own experience at the University of North Carolina at Chapel Hill and from those published by the Bookdealer—Library Relations Committee of ALA.<sup>3</sup> By keeping these guidelines in mind, a library can prevent inappropriate prepayments while getting the most value for its money.

These guidelines should be used when judging larger prepayments. Each library should establish its own monetary limit. In many cases it is cheaper to send payment for inexpensive items than to spend time locating information on the publisher.

1. Know the publisher. While it is not possible to know all publishers, the name should be familiar or should at least be listed in basic sources.
2. Contact the publisher. If possible, call and speak to an officer of the company. Be leery of firms that operate only with a post office box and do not have a phone listing.<sup>4</sup> (There are, of course, reputable firms which list only a post office box.)
3. Obtain specific information about the project. Ask for information on publishing schedules, previous projects published, credit references, or a Dun & Bradstreet rating. Do not be afraid to ask for this information; reputable publishers will gladly supply it. If it is possible, ask to receive a copy of the first volume or microform produced. (This in

itself is not proof of compilation, as some firms will produce Volume 1 for show and then never complete the set.)

4. Beware of "trendy" titles. One infamous publisher advertised sets with title such as *The Encyclopedia of Women, Dictionary of Indians of North America*.
5. Check with others on their experiences. Call other acquisitions librarians in the area. Write the Better Business Bureau or the Postal Service in the publisher's city. The best source of information is the Bookdealer-Library Relations Committee of ALA, a focal point for complaints on problem publishers. The Committee has also compiled a list of certain imprints (and addresses) which have caused difficulty for libraries and book sellers.<sup>5</sup> Contact your book vendor. He or she will, from experience and contacts, have knowledge which can help you avoid making a mistake. You may wish to consider asking a dealer to actually make the prepayment. This should be done selectively, and you should avoid sending all prepayment requests to the same dealer.
6. Examine the announcements. Beware of flyers and brochures which look alike and carry similar information, but which may carry different addresses and imprints. Compare postmarks to see if they came from the same location.
7. Examine the price. It is legitimate to offer a lower price if an order is prepaid. Beware, however, of offers which have a great disparity between the two prices. You may want to set a limit on the amount which one person can authorize to prepay. At UNC-CH, the Head of Acquisitions must authorize any prepayment over \$50.00. Not only is this a double check, but it prevents an order and payment being made if the Head is absent. You might also consider either partial payment or a performance bond.<sup>6</sup>

If a prepayment is approved and made, the library should keep a special file of expensive prepaid orders and claim any which are not received when expected. The claim should be in the form of a letter or phone call and not on the library's regular claim form.

It would be nice if, with the publicity surrounding prepayments and the need for guidelines, problem publishers would have disappeared. They are, however, still alive, and even promoting "new" items in North Carolina. The imprints which have presented the most problems are those believed to be operated by Frank or Michael Gillie.<sup>7</sup> The names which this father and son team have used present an abecedarian of imprints, ranging from Academic Booksellers to Worldwide Reference Sources, with names in between like Bibliography Press, Knowledge Resources, Publishing Center, and Scholarly Press. While the addresses vary, many are located in St. Clair Shores, Michigan.

It is important to note that these imprints often sound like other legitimate publishers. Also, this does not mean that you should not order publications from these firms, just that you should be aware that other libraries have had problems with these publishers. Prepayments to these firms should be avoided.

There are two publications currently being advertised by publishers apparently affiliated with the Gillies. The first is directly aimed at North Carolina Libraries: *North Carolina News and Index*, published by the Publishers Sales Group, 610 S. Venice Blvd., Suite 4067, Venice, California (no telephone listing). The brochure for this publication promises a quarterly publication, and that it will "reprint and index the articles from hundreds of North Carolina newspapers." The second imprint is Knowledge Resources, Inc., 3303 Harbor Blvd., K-4, Costa Mesa, California (714-979-0211). This firm is offering various publications based on catalogs from the Library of Congress. One example, from what is called the MARC Systems Division of Knowledge Resources, is MARC-Card Religion BL-BX, a classed list of all LC cards in those categories. Another project is the NUC, 1956-1977, an author list master cumulation. According to the announcement, this will be available in either 300 printed volumes or on fiche. While prepayment is not required, the savings is substantial; 53%.

Before any library in the state invests money in these two specific publications, they should investigate, based on the guidelines listed in this article. By following the guidelines listed here and by using good common sense, libraries should be able to acquire all material needed at a reasonable cost and with a minimum of risk.

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## REFERENCES

1. From "Silver Blaze," *The Memoirs of Sherlock Holmes*, 1894.
2. For a tongue-in-cheek view of how a publisher would try to cheat libraries, see "How to Succeed in Publishing Without Really Trying" by Charles Oznott (Pseud.) in *Library Acquisitions: Practice and Theory*, Vol. 1, 1979, pp. 7-10.
3. "The Prepayment Dilemma: A Consumer's Guide," *American Libraries*, Nov., 1977, pp. 571-72, is the source for all suggestions except the fourth.
4. Under the U.S. Freedom of Information Act, it is possible to obtain the name and address of the holder of a post office box, if that box is used to conduct business. For details, see the U.S. Code, Section 552 title 5, or consult your local postmaster.
5. For a copy write to the Chair, Bookdealer-Library Relations Committee, RTSD, American Library Association, 50 E. Huron St., Chicago, IL 60611.
6. Thomas M. Schmid, "How to Safeguard Money with Performance Bonds," *Library Acquisitions: Practice and Theory*, Vol. 1, pp. 11-12, 1972.
7. For a list of these imprints, see FN 5.

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