

# General Information on New EFTS by MLA

Last updated November 13, 2019 – Medical Library Association

The Electronic Fund Transfer System (EFTS) is an online billing system for interlibrary loan (ILL) transactions that collects an ILL charge from a borrowing library, on behalf of the lending library, and pays it to the lender, less a transaction fee.

- Participating libraries are able to exchange funds for the payment of ILLs instead of creating their own invoices and writing checks to each other.
- EFTS only processes the financial component of ILL transactions between a borrower and a lender, using ILL transaction information provided to EFTS by the lender.
- The National Library of Medicine (NLM) DOCLINE platform is the preferred service to match a lender with a borrower.
- The fulfillment of the ILL by the lender is managed outside of EFTS and DOCLINE, by the lender.

EFTS is currently operated by the University of Connecticut Health Center (UCHC) and has been since 1996, when UCHC and NLM collaborated to create EFTS.

On May 22, 2019, UCHC informed EFTS users that UCHC would regretfully cease EFTS operations on December 31, 2019, a date later extended to December 31, 2020. This announcement has understandably created major concerns for the many libraries that depend on the EFTS service. Since this announcement, MLA, UCHC, and NLM have collaborated on an MLA solution to launch a new and enhanced EFTS platform. UCHC has agreed to extend the current EFTS operations until MLA's EFTS platform is operational, to ensure a continuity of service.

**MLA has developed the specifications of a new EFTS platform. MLA will proceed with actual development and implementation if a minimum of 750 users sign up for the new platform by January 10, 2020. Users can pay for the cost of the US \$275 Activation Fee from their existing EFTS account at UCHC\*.**

**Click [here](#) to request a user agreement from MLA (one request per LIBID). User agreements will be sent to you electronically (DocuSign) starting the week of November 18.**

Click [here](#) to view the list of current EFTS libraries, sorted by LIBID.

\* Payment of the US \$275 is due **only if** MLA proceeds with the actual development. MLA will notify signed up users of its decision, at which time payment of the activation fee will be due.

## **Why is UCHC ceasing EFTS operations?**

The EFTS platform was developed 20+ years on older technology that does not meet today's security and operational requirements.

The volume of ILL transactions processed by EFTS has dropped by half in the last 10 years, resulting in insufficient revenues to support the UCHC administrative costs. UCHC estimates that it would need to invest US \$200,000 to reprogram the platform.

**Why is MLA taking over EFTS operations?**

MLA and its chapters have a long history of being a financial clearinghouse for ILL transactions. Many of you may recall purchasing and redeeming coupons. EFTS is an essential service to many libraries and fits in MLA's mission. For many smaller libraries, EFTS is the only affordable solution.

We determined that MLA has the expertise to develop a new platform that can provide enhanced service, use the latest technologies, and be sustainable at a lower ILL transaction volume. We can achieve this by adopting the latest technology, reducing administrative time, increasing transaction fees from 6% to 10% (that corresponds to a 4.3% reduction in margin for the borrower), and "crowdfunding" the development costs.

We aim to make the EFTS platform sustainable at a 50% decrease in transaction volume.

**Why is there a US \$275 activation fee? When is it due?**

EFTS is operating at 50% of its volume from 10 years ago, with continued decreases forecast. In order to justify a US \$200,000 investment in developing a 100% new platform, we are asking EFTS users to crowdfund the development, consistent with the communication that users received in May from UCHC.

We believe it is reasonable to forecast that 75% of the current 1,000 EFTS user will support a new platform, which adds up to US \$206,250.

Payment of the US \$275 is due **only if** MLA proceeds with the actual development. MLA will notify signed up users of its decision, at which time payment of the activation fee will be due.

**Who can sign up for the new EFTS?**

US and non-US libraries in good standing, with an active DOCLINE account and associated DOCLINE identification (LIBID).

There is NO requirement to be an MLA member. There is NO requirement to be a current EFTS library.

Click [here](#) to view the list of current EFTS libraries, sorted by LIBID.

**How and when can my library sign up for the new EFTS?**

You can request that we send you an [electronic user agreement](#). You will have the option to:

- Forward the agreement to the authorized signer
- Sign the agreement electronically
- Print, manually sign, scan, and upload the signed agreement

**What happens if a minimum of 750 users do not sign up by January 10, 2020?**

We will unfortunately not be able to proceed, and UCHC has indicated that will have to cease operating the EFTS platform no later than December 31, 2020 (one year more than originally indicated).

In this case, the user agreements do not go into effect, and no activation fee is due.

**Great. 750 users did sign up by January 10, 2020. What happens next?**

We immediately start the programming and testing of the new EFTS, which we expect to have launched in April 2020. The good news is that if we need more time (we want to get it right), UCHC's EFTS continues to operate.

Your activation fee is due. If you opted for the activation fee to be taken out of your EFTS account, the fee is processed in the current EFTS (UCHC).

**How will the EFTS transfer from UCHC to MLA happen?**

UCHC and MLA have designed a transition to be as seamless as possible for you:

- You can opt to have your EFTS balance of funds at UCHC transferred directly to your EFTS fund at MLA on the transition date. That way, you avoid the hassle of those funds coming back to your library.
- All ILL transactions processed on UCHC's EFTS platform (prior to the transition date) are settled by the UCHC system.
- New transactions processed on the MLA's EFTS platform (post the transition date) are entered into the MLA system.

In the days leading to the actual transition, expect several action items related to configuring your new EFTS account, so that all is set up prior to processing ILL transactions on the new system.

Until then, business as usual on UCHC's EFTS platform.

**EFTS Features and Enhancements****User roles**

Each library designates a manager. Managers are able to add or remove individuals assigned to their library account and to perform higher level roles such as financial transfers. Managers can then assign multiple individuals to their library account.

An individual can have multiple roles for different library accounts.

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## **EFTS fund account**

Each library has money in its own EFTS fund account held by MLA on its behalf. Your library's fund account receives money transferred by your library or earned by lending transactions, and is used to pay out money owed as a result of borrowing transactions or fees assessed by EFTS. Libraries with a positive fund account balance may transfer money out of their EFTS fund account.

Fund accounts and transactions are in US dollars only.

## **External fund transactions that work for everyone**

We are making it simple for you to transfer money between your library and your EFTS fund account.

For payments from your library to your library's EFTS fund account, you have the following options:

- Check in US dollars sent to an MLA bank lockbox
- Automated clearing house (ACH) eTransfer secure connection in US dollars
- Credit card payment (Visa, MC, AmEx) in US dollars or non-US dollars (subject to bank currency conversion fees).

We will add a 3% credit card processing fee for any payment made by credit card to offset credit card processing charges (to avoid this charge, send a check, or better yet, send an eTransfer).

For payments from your library's EFTS fund account to your library, you have the following options

- Check in US dollars sent to your library
- ACH eTransfer secure connection in USD
- International wire transfer in US dollars or non-US dollars (subject to bank currency conversion fees and transfer fees)

Transfers from your library's EFTS fund account to your library are processed quarterly. Those are triggered by rules configured by your EFTS manager.

EFTS will use [Bill.com](#) as the secure gateway for financial transactions. Bill.com is a "gold standard" for optimal user experience and high-level of security and internal controls, including payment card industry (PCI) compliance.

What is new:

- You are in control, with no need to contact EFTS administrative staff (we will be available for support).

- MLA holds no financial account information (e.g., credit card number, bank account number is securely held by Bill.com if you opt to save it).
- You receive your notices for payment automatically, and let Bill.com walk you through the payment process (no more calling or faxing credit card information). You can still pay by check.
- You can securely connect your bank account and save your credit card information, or not. Use checks (in US dollars) if that works best.
- American Express is accepted. All payments by credit card are charged a 3% processing fee to cover the bank charge (unfortunately, that's new)

### **Flexible account configuration**

In the default Wallet configuration:

- You load funds into your library's EFTS Wallet by check, credit-card, or eTransfer via the payment of an invoice sent by EFTS. The triggers, frequency, and amount of Wallet reloads are configurable by the manager, including manual reloads.
- ILL transaction costs incurred by library through your borrowing activities are automatically deducted from the Wallet balance.
- You agree to maintain a positive Wallet balance at all times.

The ILL Transaction configuration is available to libraries that are not allowed to carry a fund balance and that have been approved by MLA for this configuration. In the ILL Transaction configuration

- Borrowers receive a monthly EFTS invoice for their borrowing transactions. Payment is expected within thirty days, unless a longer payment period has been agreed to.
- Lenders receive payment for their lending transactions every quarter.

What is new:

- The ILL Transaction configuration: it is designed for those libraries who are not allowed to (or do not want to) hold a balance outside of their institution.

### **Let DOCLINE and EFTS do the heavy lifting for entering ILL transactions (NEW)**

Lending libraries will continue to be able to:

- upload transaction files created by third party ILL management programs (e.g., QuickDOC, ILLiad, Clio)
- enter transactions manually.

What is new: libraries will be able to opt to have DOCLINE provide the ILL transaction information to EFTS, eliminating the need for upload files or manual entries. This is how it works:

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- You input and regularly update your library's ILL pricing grids with fields that reflect the standard DOCLINE fulfillment fields.
  - Each library has a default ILL pricing grid. You can create additional ILL pricing grids and attach the LIBID of specific libraries to each ILL Pricing Grid in order to accommodate preferential library consortium pricing.
  - The ILL transaction price will be calculated price based on the fulfillment features and lender's pricing grids, not to exceed the maximum price specified by the borrower in their DOCLINE request.

Regardless of the configuration, lenders can review, adjust if necessary, and confirm their transactions before they are charged to the borrower(s). EFTS also allows lenders to credit transactions previously invoiced.

### **Useful dashboard, reporting, and notifications**

You can view your library's EFTS balances, transactions, and required action list through a combination of a dashboard and downloadable reports. You are notified via email when there is a required action item (e.g., validating transactions).

### **Fees**

UCHC set EFTS fees 20+ years ago based on a significantly higher ILL volume and marginal use of credit cards.

To sustain EFTS operations, MLA will charge an account activation fee for all users, increase the transaction fee charged to lenders, and add a credit card transaction fee for libraries who use them.

As a borrower, if you pay by check or electronic transfer, nothing changes.

- MLA-EFTS Library Account Activation Fee: US \$275 (one-time)
- ILL Transaction Fee: 10% of charged amount to borrower, paid by the lender when payment is received by the lender (was 6%)
- Credit Card Processing Fee: 3% (was 0)
- Annual account inactivity fee: US \$50 (to accounts with no ILL activity in the prior 12 months, on accounts 12 months and older)

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Stay tuned for updates. For immediate questions, please contact [Kevin Baliozian](#), MLA executive director.