

The Nature of the PCC as an Organization

PCC Chairs
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The current nature of the PCC as an organization and its structure reflect its past rather than its future. That past was a stable MARC-dominated cooperative environment rather than the emerging post-MARC environment. In the next few years, the PCC needs to act on several fronts identified in the current strategic directions plan, in the work of existing task forces and projects, and in the Linked Data Advisory Group's white paper. These fronts include: the pilot partnership with ISNI; the development and use of a sandbox environment in partnership with the Mellon-funded LD4P projects; and partnerships with ILMS vendors, bibliographic utilities, and national libraries to simultaneously maintain the MARC production environments and develop post-MARC environments as production environments rather than test or experimental projects.

As PCC participates in building the new operational environment for shared metadata production for library resources, we might change the nature and structure of PCC to make the PCC as effective as possible, as necessary. One key issue for the nature of PCC is its legal status as an organization. For all its impact on our field over many years, as it is now, the PCC cannot have a bank account, cannot receive payments or grants, cannot write a check, and cannot participate as a PI in a grant. Legally, PCC has an insubstantial, not to say ghostly or imaginary aspect to it. Given that we expect a dynamic environment and expect PCC to partner with other--more substantial and might we say more tangible--organizations such as ISNI, PCC might change its legal nature to better serve the community. Some questions we'd need to ask are: What benefits would come? What costs would accrue? How might a change in PCC's legal nature affect its relations with the Library of Congress, OCLC, ALA?

Structurally, the PCC is complicated: the chair, the Steering Committee, PoCo, the standing committees, and operations--the programs that existed prior to PCC's formation in the 1990s. Then, the PCC was made from linking the programs together. In the past year, we restructured the representative model that underpinned PCC's Policy Committee to strengthen the focus of PoCo on the PCC as a whole. Given the expected dynamic environment and the call for PCC to partner with other library and non-library organizations, PCC might change its structure by addition of new standing committees or the creation of new programs to supplement NACO, SACO, BIBCO, and CONSER or by other changes to simplify or streamline, to extend or expand beyond a library domain, to further internationalize PCC.

On its "about" webpage, the PCC describes itself as an *effort*, "an international cooperative effort aimed at expanding access to library collections by providing useful, timely, and cost-effective cataloging that meets mutually-accepted standards of libraries around the world." The PCC also speaks of itself as a *community*. Is it time for the PCC to be a legally recognized entity that can act on its own?

Paths to consider:

1. The nature and structure of the PCC continue in their current form.
 - a. What challenges does this present? What opportunities are difficult to realize?
2. The structure of the PCC changes to address current challenges.
 - a. What changes to our existing organizational structure would help move us forward?
New programs? New representation on PoCo?
3. The nature of the PCC as an organization changes, to become a legally recognized nonprofit entity -- a 501(c)(6) organization.*
 - a. What benefits would this provide? What would be the costs? What would this mean for the PCC's relationship with LC, OCLC, and others?

*A IRC 501(c)(6) provides for exemption of business leagues, chambers of commerce, real estate boards, boards of trade, and professional football leagues (whether or not administering a pension fund for football players), which are not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual. In contrast 501(c)(3) charities pay their boards.

If PCC becomes a 501(c)(6) organization, we could have a checking account and pay vendors, rent space, pay speakers, etc. Financial accounts would be managed by an appointed treasurer and monitored by a Board. PCC would have to channel any dues and donations into programs, not compensation.

More information on what it means to be a 501(c)(6) organization is included in Appendix 2 and from web resources such as:

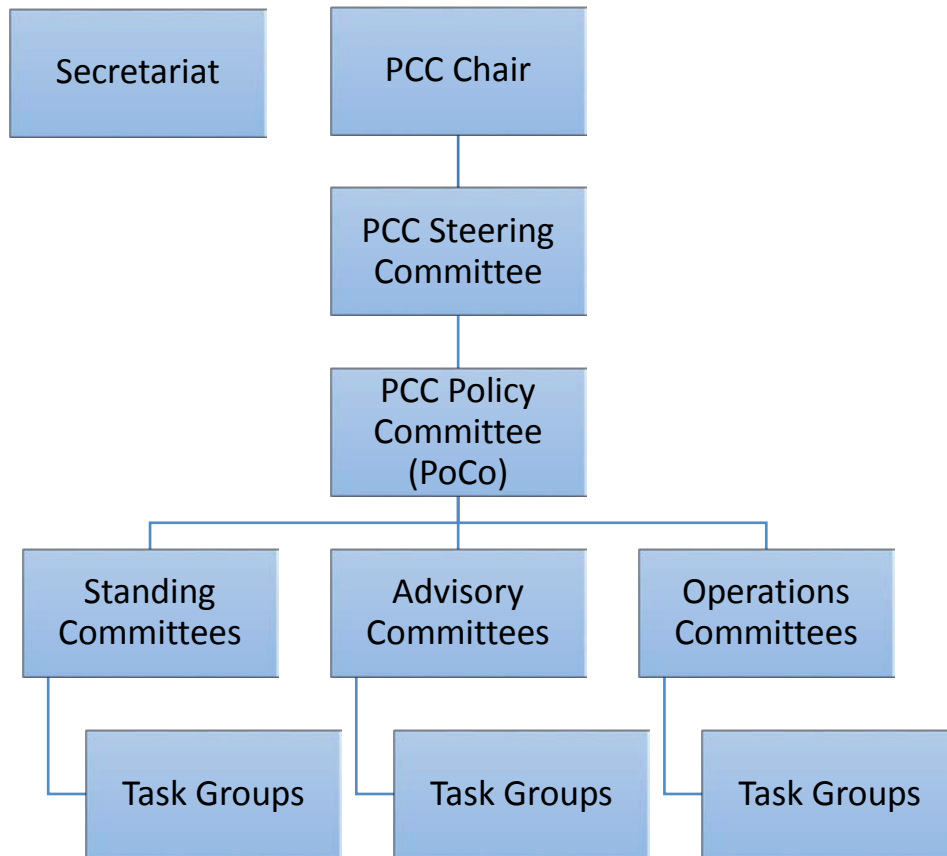
- <https://www.irs.gov/charities-non-profits/other-non-profits/business-leagues>
- <http://smallbusiness.chron.com/501-c-6-organization-60734.html>

Likely outcome of discussion at facilitated session/PoCo:

Form a small task group (of past chairs and others?) to investigate, develop analysis of pros and cons, and make a recommendation by time of OpCo.

Appendix 1: PCC governance structure (unofficial overview)

based on Governance Document, prepared for orientation of new PoCo members



The responsibilities of each body are derived from the Governance Document and other official documents prepared by the Secretariat.

Secretariat

The Library of Congress' Cooperative and Instructional Programs Division (COIN), under the direction of the PCC Secretariat, provides ongoing **administrative support** for members and for the rotating elected PCC leadership. The chief of the COIN Division serves as the PCC Secretariat. COIN staff members manage membership, communications, training and record contribution, event planning, meeting summaries, statistics and reports, and the PCC web pages and directory.

PCC Chair

Works closely with the Steering Committee and the PCC Secretariat, and **carries out and/or delegates responsibility** for assignments that move forward the goals of the program. The Chair represents the Program as necessary.

PCC Steering Committee

The PCC Steering Committee works with the Secretariat to **manage** the Program.

The committee is composed of five voting members and non-voting members from the Secretariat (Judith, etc.). The voting members are the Chair, Chair-Elect, Past Chair, and the permanent representatives of the Library of Congress (Beacher) and OCLC (Cynthia).

The Steering Committee polls the Policy Committee representatives and other members in regard to important issues that arise between regularly scheduled meetings and makes decisions, as appropriate; directs the strategic planning process for the Program; and seeks and manages resources in support of Program goals.

If there is no clear consensus on a decision by the Policy Committee, the Steering Committee was empowered make the final decision on the disposition of particular recommendations.

PCC Policy Committee (PoCo).

PoCo **guides** the PCC. Voting members include three executive officers (Chair, Chair-Elect, and Past Chair), nine at-large representatives elected from active PCC institutions (some of whom may also be executive officers), the three Standing Committee chairs, and permanent representatives of the Library of Congress, the British Library, Library and Archives Canada, and OCLC. Non-voting members include members of the Secretariat at the Library of Congress and the ALCTS Advisor.

The responsibilities of the Policy Committee (PoCo) are to guide the governance of the Program as a whole; to develop, review, and approve long term strategies, plans, goals, and objectives; to initiate, review, and approve policy in regard to non-technical matters; to devise criteria for membership; and to review resource implications of technical policy initiatives and other operational recommendations, e.g., establishing task forces, etc.

Standing Committees

There are three standing committees that **manage core functions** of the PCC: Applications, Standards, and Training. Standing Committees may form task groups or subcommittees to **address specific issues** as needed with the approval of the Policy Committee Chair or at the instigation of the Policy Committee.

Example: The PCC SCS Task Group on the Work Entity reports to the Standing Committee on Standards

The **Standing Committee on Applications** (formerly Automation) is charged to identify and address issues related to applications, technologies, and automated processes that support the Program. SCA cooperates with and elicits support from related organizations--the Program participants, national libraries, vendors, standards organizations, and others—with a focus on metadata creation, enhancement, management, use, and reuse. It maintains and shares best practices relating to users, applications, technologies, and automated workflows, as they relate

to the mission of the Program. SCA will support external initiatives that further the strategic direction of the PCC.

The **Standing Committee on Standards** is the single point of contact between PCC and the Library of Congress Policy and Standards Division (PSD). The responsibilities of this role include consulting on joint policies, drafting and/or coordinating the text for the LC-PCC Policy Statements, and escalating policy decisions to the Policy Committee as needed

The **Standing Committee on Training** is charged to identify the need for training programs, workshops, and institutes aimed at developing cataloging skills that support the PCC goals for both new participants and for continuing education; and identifies, develops as necessary, and promotes the distribution of easy-to-use documentation

Advisory Committees

Advisory Committees are appointed by PoCo or the Steering Committee and consist of experts from within and outside the PCC. Advisory Committees provide PCC management with advice and direction on big picture issues. An advisory committee that is formed to advise on a particular topic, synthesize a broad array of issues, help managers explore new ideas or make unbiased recommendations on options presented by committees reports to PoCo. An advisory committee that is formed to advise on long range strategy, achievement of mission or recommend a course of action that would fundamentally change the PCC reports to the Steering Committee.

Examples: the PCC Linked Data Advisory Committee, the PCC Task Group on URIs in MARC and the PCC BIBFRAME Task Group report to PoCo.

The PCC Task Group on Identity Management in NACO reports to Steering.

Operations Committees

PCC Operations (OpCo) is not part of the governance structure. It is composed of two representatives from NACO and SACO programs, representatives from BIBCO and CONSER libraries, members of the Secretariat at the Library of Congress, and the OCLC liaisons. Its role is to maintain efficient and effective PCC activity locally and across the Program. It may appoint committees to: review operational procedures and suggest changes; develop and maintain documentation; and contribute to the development of standards by proposing, reviewing, and/or commenting on proposed changes to cataloging instructions, LC-PCC Policy Statements, encoding standards, or other standards in conjunction with the Standing Committees. The Operations Meeting keeps Program members informed of current developments that have potential impact on Program policies through communication with all PCC members and notices to appropriate discussion lists.

Appendix 2: 501(c)6 – What it is and What it Means to You

What is a 501(c)6?

IRS.gov (12/9/16) - Section 501(c)(6) of the Internal Revenue Code provides for the exemption of business leagues, which are not organized for profit. “A business league is an association of persons having some [common business interest](#), the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit.”¹

“To be exempt as a business league, an organization's activities must be devoted to [improving business conditions](#) of one or more [lines of business](#) (as distinguished from [performing particular services](#) for individual persons). It must be shown that the conditions of a particular trade or the interests of the community will be advanced. Merely indicating the name of the organization or the object of the local statute under which it is created is not enough to demonstrate the required general purpose. To be exempt, a section 501(c)(6) organization must receive meaningful [membership support](#).”¹

What does being a 501(c)6 mean to you?

- Each Chapter has a Federal Tax ID number called an Employer Identification Number (EIN), which designates the Internal Revenue Service (IRS) structure of a 501(c)6. This number is verified annually with the Chapter filing of a 990-series form and by AORN's IRS subordinate audit.
- All Chapters have an independent EIN number from Headquarters. Each Chapter is its own, individual business league.
- Maintaining tax-exempt status is listed among the Chapter Accountability Standards that were endorsed by the AORN Board in the fall of 2009 and approved by the House of Delegates in 2013.
- 501(c)6 means you **must** pay state sales taxes, unless you file for an exemption with your state.
- 501(c)6 designation is a business league/trade association, not a charity. Vendors and others cannot make tax deductible contributions. Their contribution would be deducted as a business expense using an IRS W9 form (*See W9 information*).

Background

- Exists for the benefit of the organization members.
- Must be an association of people having some common business interest and its purpose must be to promote this common business interest.
- The organization will have no specific ownership and is generally controlled by members who do not receive stock. All profits are reinvested in the organization.
- No part of the organization's net earnings will be distributed for the benefit of any private shareholder or individual and it may not be organized for-profit or engage in for-profit activities.
- The organization must be primarily supported by membership dues and other income from activities substantially related to its exempt purpose.
- Not eligible for Federal grants, but eligible for Foundation grants.
- May engage in any amount of legislative activity relevant to the common business interests of the organization's members, but lobbying should not be the organization's major focus.

Information from <http://aorn.org/-/media/aorn/community/chapters/501c6-information.pdf>

AORN is the Association of periOperative Registered Nurses