BARC Report at the Information Session to the ALA Executive Board, ALA Council and the Planning and Budget Assembly
Topics to be Covered

• Eight Month Financial Results Ending 4-30-19

• FY20 Preliminary Budget

• Strategic Investment Budget Update

• Financial Education
Eight Month Financial Results Ending 4-30-19
- Total ALA -

- Total ALA revenues were $29.2 million compared to budget of $28.6 million due to higher Grants & Awards and LTI interest.
- Total ALA expenses were $34.3 million compared to budget of $33.2 million due to higher expenses in Grants & Awards and the General Fund.
- Net revenue (expense) was ($5.1 million) compared to budget of ($4.6 million).
Eight Month Financial Results Ending 4-30-19  
- General Fund -

- General fund revenues were $14.0 million compared to budget of $15.1 million. Results were less than budget due to lower publishing and membership dues revenue and lower overhead.

- General fund expenses were $18.7 million compared to budget of $18.3 million. Expenses were higher due largely to higher expenses in human resources and conferences.

- Net revenue (expense) was ($4.7 million) compared to budget of ($3.2 million).

- *Note that Grants & Awards higher in both revenues and expenses by $1.4 million due to higher than expected activity.*
Eight Month Financial Results Ending 4-30-19
- Divisions and Roundtables -

**Divisions**

- Division revenues were $9.1 million compared to budget of $9.5 million
- Division expenses were $10.0 million compared to budget of $10.6 million
- Net revenue was ($896,389) compared to budget of ($1.1 million)
- While revenue is less than budget the expense savings should result in the divisions ending the year on budget

**Roundtables**

- Round tables revenues were $412,182 compared to budget of $265,171
- Round tables expenses were $194,421 compared to budget of $243,550
- Net revenue was $217,761 compared to budget of $21,621
- The Round tables are on budget and are expected to end the year better than budget
FY 2020 Revised Preliminary Budget

To Be Presented to Council at this Annual Conference in Washington, DC

➢ At its spring meeting, BARC reviewed, discussed and approved the preliminary FY 2020 budget
Strategic Investments within ALA Infrastructure
The Strategy

Improve Mission Capabilities by Investing in 3 Key Areas

While Streamlining Organizational Structure to Focus Existing Resources on Mission and Growth

Information Technology

Advocacy

Development

Re-allocation of Resources from Non-mission Critical Uses

• Occupancy
• Administrative and Support

Simultaneously, the Association is embarking on several studies to answer key questions re. governance, membership model, and org structure.
Invest $8.8MM in initiatives and infrastructure to improve mission capabilities and financial sustainability of Association.

NOTE: $6.8M in proposed IT Investments includes initiatives to enhance Advocacy and Development. See page 18 for list of IT investments FY19-23.
Metrics – Assessing Results

- BARC working with Finance Office
- Developing key metrics
- Goal to assess the return on investment
## Expected Return on Investment

### Focus Area

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<tr>
<th>Information Technology</th>
<th>Anticipated Benefits</th>
<th>Potential ROI Metrics</th>
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<tr>
<td></td>
<td>• Better Member Service</td>
<td>• Member Satisfaction Scores</td>
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<td></td>
<td>• Increased Employee Productivity</td>
<td>• Projects Delivered On Time/Budget</td>
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<td>• More Successful IT Projects</td>
<td>• IT Expense as % of Revenue</td>
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<td>Advocacy</td>
<td>• Stronger, More Effective Member Relationships with Key DC Stakeholders</td>
<td>• Number of Advocates</td>
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<td>• Enhanced Professional Development Opportunities</td>
<td>• Number of Connections</td>
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<td>• Targeted, More Efficient Relationship Building Strategies</td>
<td>• Number of Strategic Visits</td>
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<td>Development</td>
<td>• Additional Revenues for the Association</td>
<td>• Number of Participants at State and Local Levels</td>
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<td>• Increased Member Engagement</td>
<td>• Total Additional $ Raised</td>
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To ensure benefits are realized, ALA management will track and report on specific key performance metrics (KPI) by investment area. These can be reported along with key outcome metrics, such as ALA’s Net Promoter Score (NPS).
BARC Engagement

• Liaison structure with Divisions, Roundtables, and ALA offices
• Liaisons to key initiatives: SCOE and Vision 21
• Workgroup on metrics
• Briefing calls between conferences
  • Vision 21
  • ROI/Metrics for Infrastructure Investments
  • Overhead Rate
  • Committee Orientation
Financial Education

BARC continues to stress the importance of education for its members, particularly in the area of learning and understanding the finances of the Association. As such, members are encouraged to take advantage the following:

- The Financial Learning Series
- The ALA Financial Handbook
- The Council Financial Orientation (@ MW/AC)

http://www.ala.org/aboutala/treasurerspage