Budget Analysis And Review Committee (BARC)

Report to ALA Council, Executive Board, Membership and The Planning and Budget Assembly

Maggie Farrell – BARC Chair

Midwinter Meeting - Seattle, WA
Saturday - January 26, 2019

Discussion Topics

• BARC Overview
• ALA Financial Information
• Financial Learning Series
• Budgetary Ceiling
• 1st Quarter Results (11-30-18)
• Investment Plan Update

BARC Overview

• BARC Responsibilities
• Council Resolution Consideration
• BARC “Partners”
  ✓ Treasurer
  ✓ Finance and Audit Committee
  ✓ Endowment Trustees
  ✓ Council

ALA Finance Decision Making Process
BARC’s Budget and Financial Review Cycle

ALA’s Current Fiscal Year 2019 Covers the Period
- Starting September 1, 2018 – Ending August 31, 2019

Budget Review and Development is on a Continuous Loop* and Covers Three Fiscal Years
- Fall Meeting will discuss/review Fiscal Year 2018 – Preliminary Year End Results
- Fall Meeting will discuss/review and finalize upcoming Fiscal Year 2019 budget
- Midwinter Meeting will discuss/review Fiscal Year 2018 – Final Year End Results
- Midwinter Meeting will discuss/review Fiscal Year 2019 – 1st Quarter Results
- Midwinter Meeting will discuss/review budget assumptions for Fiscal Year 2020
- Spring Meeting will discuss/review Fiscal Year 2019 – 2nd Quarter Results
- Spring Meeting will discuss/review develop in detail Fiscal Year 2020 budget
- Annual Conference will discuss/review Fiscal Year 2019 8/9 month results
- Annual Conference will discuss/review Fiscal Year 2019 Year End Projections

*The Association’s Five-Year Plan is updated as needed and reviewed throughout the year.

Online ALA Financial Information

Treasurer’s Page
- Offers Reports, Resources and Links to the Six Webcasts
  - http://www.ala.org/aboutala/treasurerspage

ALA Online Learning Offerings by Unit
- Brief Descriptions of Units’ Learning Programs
  - http://ala.org/onlinelearning/unit

ALA Online Learning Webcasts
- Links to the page for the six webcasts
  - http://ala.org/onlinelearning/unit/finance
  - http://ala.org/onlinelearning/unit/governance

ALA YouTube Channel - Financial Learning Series Playlist
- http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E3184C2F3EE9

Financial Learning Series

- Budget Planning for a Pre-Conference or a One Time Event
- Organizational Structure
- Budget Cycle and Process
- The Operating Agreement
- The Long-Term Investment Fund
- Round Tables Financial Orientation

Budgetary Ceiling

Now Known as the Annual Estimates of Income
Made a Transition
Keeping with Policy

Budgetary Ceiling Components
• Unexpended Net Assets for the Divisions and Roundtables
• + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments
• = Budgetary Ceiling

Annual Estimates of Income Components
• Unexpended net assets for total ALA
• + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments
• = Annual Estimates of Income

Fiscal Year 20xx
Annual Estimate of Income

Net Assets
(Unexpended balance for total ALA remaining from fiscal year closing)

+ Revenue
(Anticipated in upcoming fiscal year)

= Budgetary Ceiling

Changes Since Annual Conference

Annual Estimate of Income @ AC

<table>
<thead>
<tr>
<th></th>
<th>Total ALA</th>
<th>$</th>
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<tbody>
<tr>
<td>ALA Net Assets (projected at end of FY 2018)</td>
<td>37,643,998</td>
<td>$</td>
</tr>
<tr>
<td>FY 2018 Budgeted Revenues</td>
<td>Total</td>
<td>$</td>
</tr>
<tr>
<td>General Fund</td>
<td>28,353,253</td>
<td>$</td>
</tr>
<tr>
<td>Divisions</td>
<td>13,426,560</td>
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<tr>
<td>Roundtables</td>
<td>398,284</td>
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<tr>
<td>Grants &amp; Awards</td>
<td>3,907,243</td>
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<tr>
<td>Endowment</td>
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<tr>
<td>Total</td>
<td>46,660,636</td>
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<td>FY 2019 Annual Estimates of Income</td>
<td>84,304,634</td>
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Annual Estimate of Income @ Fall Meeting

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<td>408,286</td>
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<tr>
<td>Grants &amp; Awards</td>
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</tr>
<tr>
<td>Endowment</td>
<td>579,632</td>
<td>$</td>
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<tr>
<td>Total</td>
<td>47,409,473</td>
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Current Fiscal Year Results
Three Months Ending 11-30-18

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Investment Plan Update

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.

Investment Plan

FY19 Investment Status

- Development
  FY19 Investment - $238,000
  Investment Status – On track with hiring 2.5 new staff positions by 3/19 and some marketing/fundraising efforts

- Advocacy
  FY19 Investment - $410,000
  Investment Status – Q1 was slow due to the ramp up for the new legislative session. Most expenditures expected in Q2 and Q3

- ITTS
  FY19 Investment - $1.4M, subject to revision based on the expected recommendations from IT consultants Delcor.
  Investment Status - Membership Dues/Donations and the Store e-learning e-commerce systems feature functional by 2/19

Invest $8.8MM in initiatives and infrastructure to improve mission capabilities and financial sustainability of Association.