American Library Association

BARC and Finance & Audit Committee
Orientation Materials

Maggie Farrell- BARC Chair
Susan Hildreth - Treasurer
Mark Leon - CFO

Wednesday, October 3, 2018
Webinar
With the End in Mind

Where We Are
...Today?

Committee Charges
Responsibilities
The Decision Making Process

Terminology

BARC and F&A.
Moving Forward

Planning
Calendars
Committee Composition

**BARC**
- A standing committee of Council
- 9 members serving non-renewable terms
- Chair selected by Pres-Elect from at-large members
- 6 members appointed at-large from the general membership to staggered 4 year terms
- 2 members appointed from Executive Board to staggered 2 year terms
- Treasurer is a voting member

**Finance & Audit**
- A committee of the ALA Executive Board
- 3 members of the Executive Board and the BARC Chair
- The committee is chaired by the ALA Treasurer
- Each of the three Board members serves a three year term
- Members may serve additional terms if elected to the Executive Board
Committee Purpose

**BARC**

*Primary Focus - Budget and Programs*

- To review and analyze the proposed budget and strategic plan as forwarded by the Executive Board
- To review, analyze and interpret financial reports
- To review potential actions by Council that may have a financial or budget impact
- To jointly organize the Planning and Budget Assembly (PBA) with the planning component of the Executive Board (President-Elect)
- To conduct the mandated meeting with the Division leadership at MW and AC

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**Finance & Audit**

*Primary Focus - Compliance*

- Oversees and makes recommendations on the fiscal policy and management of the Association
- Meets with external auditors
- To oversee the annual audit review process
- To review recommendations on hiring an auditor
- To receive and review recommendations forwarded by BARC
- To review financial reports
- To act as a liaison to the Endowment Trustees via the Treasurer
Committee Process

**BARC**
- Recommendations to the Executive Board resulting from the work of the committee are forwarded to F&A.
- Potential resolutions received from Council are reviewed for their potential financial/budget impact and the findings are:
  - Shared with F&A
  - Reported back to Council

**Finance & Audit**
- Recommendations resulting from the work of the committee are forwarded to the Executive Board.
- Recommendations received from BARC, the Endowment Trustees and senior management are reviewed and:
  - May be accepted and forwarded to the Executive Board
  - May be altered and forwarded to the Executive Board
  - May be rejected
- Some recommendations to the Executive Board will be forwarded to Council i.e. Preliminary Budget
Committee Process (Con’t)

- BARC Holds Committee Meetings
- Committee Actions Taken Based on Work at Meetings
- Reviews Any Referrals from Council

Recommendations from BARC Forwarded

- F&A Generates Committee Recommendations
- F&A reviews recommendations from BARC and accepts, rejects or modifies

Recommendations from F&A and BARC Forwarded

- BARC Recommendations Reported via BARC Report to Board
- F&A Recommendations Reported via F&A Report to Board

Executive Board Reviews and Accepts or Rejects Recommendations From F&A

Actions or Findings Taken on Council Referrals are Reported Back to Council

Some Board Actions Need Approval By Council i.e. Preliminary Budget
How Does it All Fit Together?

The Road Map
The mission of the American Library Association is to provide leadership for the development, promotion, and improvement of library and information services and the profession of librarianship in order to enhance learning and ensure access to information for all.
# Sources of ALA Revenue

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Dues</td>
<td>17%</td>
</tr>
<tr>
<td>Meetings &amp; Conferences</td>
<td>24%</td>
</tr>
<tr>
<td>Publishing</td>
<td>36%</td>
</tr>
<tr>
<td>Grants</td>
<td>10%</td>
</tr>
<tr>
<td>Interest</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
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### Where Does Your ALA Dollar Go?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Category</th>
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<tbody>
<tr>
<td>14%</td>
<td>Advocacy</td>
</tr>
<tr>
<td>12%</td>
<td>Literacy Diversity and Equity of Access</td>
</tr>
<tr>
<td>13%</td>
<td>Information Policy and Intellectual Freedom</td>
</tr>
<tr>
<td>38%</td>
<td>Professional and Leadership Development</td>
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<tr>
<td>23%</td>
<td>Member Services and Support</td>
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The ALA Strategic Directions & Five Year Financial Plan
How Do We Achieve the ALA’s Mission and Fund It?

Guided by ALA’s Mission and Strategic Directions, the ALA Five Year Financial Plan and Annual Budget act as ALA’s financial “roadmap”
With the dual goals of mission attainment and financial sustainability, the process for FY19 begins in Oct-Dec 2017 (1st Quarter FY18)
The ALA by Fund

- General Fund
- Divisions
- Round Tables
- Post-Retirement Program
- Technology Reserve
- ALA Headquarters, Washington Office
- United For Libraries, and Choice
- Grants & Awards
- ALA Endowment

Revenues, Expenditures, Assets, and Obligations are tracked separately for each of the funds above.
Planning for the Year

Goals and Dates
Goals for the Year

- Transparency in budget processes
- Clarity around budget terms
- Clarity for budget processes and timelines
- Strengthen communication
- Responsive to member inquiries
- Focus on long term financial objectives
2018/2019 Meeting Dates

Thursday, October 25, Chicago
(Plan on travel October 24 and return home late on October 25 or early October 26)

January 25-28, Seattle
ALA Midwinter Meetings
BARC will meet Friday afternoon, Sunday afternoon, and tentatively late Monday afternoon to consider possible Council resolutions

April 8-9, Chicago
BARC and F&A joint meeting
(travel likely on April 7 and departure late afternoon April 9)

June 20-25, Washington, DC
ALA Annual Conference
BARC will meet Friday afternoon, Sunday afternoon, and tentatively late Monday afternoon to consider possible Council resolutions
Additional Resources
Continuing Education
Topics of Webcasts

- 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
Questions?