American Library Association
BARC Orientation Materials

BARC Chair
Treasurer
AED Finance
BARC Orientation Contents

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BARC Role and Responsibility

- Committee Charge
- Review YTD Financial Performance
- Review the Proposed Final ALA Budget (fall meeting)
- Review, Analyze and Critic the Development of the Proposed Upcoming Preliminary Fiscal ALA Budget
- Understanding the Decision-Making Process
- Role as a Liaison (Staff/Member Leaders)
- BARC Member Leader Interaction
- BARC Reporting Out on Activities (Executive Board (F&A) and Council)
The Budget Analysis and Review Committee (BARC) is charged to review the proposed budget, as forwarded by the ALA Executive Board, in the context of the ALA strategic plan, annual priorities and budget assumptions. To review the financial performance of the Association and the budget impact of potential actions of the ALA Council. To make budget recommendations to the ALA Executive Board and to report to Council regarding budget analysis and the process.
Role and Responsibility (con’t)

- Will review and react to ALA’s financial performance during the current budget year
- Will review and approve the final ALA budget (fall meeting)
- Will have an active role in the review, analysis and development of the upcoming (new) ALA budget
- Need to understand the decision making process
Role and Responsibility (con’t)

- Will develop relationships with assigned units/staff and member leaders, while promoting open two way communication.
- BARC chair reports to Executive Board and Council on the activities of the committee and any financial issues that affect the budget or have a significant financial implication.
- BARC committee will have member interaction with member leaders at Planning & Budget Assembly and BARC/Division Leadership meetings.
Role as a BARC Liaison

- Must gain an understanding of the plan, operations and activities of the units as they relate to budget development

- Develop and maintain a working relationship with the ALA staff liaison assigned to your units, as well as, the member unit or member leader

- Must encourage and ensure open and two-way communications

- Provide information and or advice, as necessary, on the ALA budget process, ALA financial policies etc.

- Make sure that you and the committee are speaking with one voice

- Act as a sounding board for ideas, concerns etc. from the unit to BARC and as necessary from BARC to the unit

- Be willing to critically analyze the budget information you receive and assist in the unit’s budget presentation at the spring BARC meeting

- Be an active participant in BARC organized activities i.e. Planning and Budget Assembly, “Best Practices” workshop etc. and encourage the unit to participate
Current Year Budget Review and Analysis

- Year to date results
- Year end projections
- Forwarding BARC actions
- Handling Council referrals to BARC
- Handling new initiatives/projects outside of the approved budget
Current Year Budget Review and Analysis

- Throughout the year BARC will review and analyze the quarterly performance of the Association.

- Any action approved by BARC will be presented to F&A and then to the Executive Board for their action.

- The mid-year (February) results are used to prepare preliminary year-end projections. Note that the results here may have an impact on the development of the new fiscal year budget that will be under development at this time.
Initiatives and projects that come up for funding that are not part of the approved budget process will be handled on a case by case basis, but are generally not encouraged.

Referrals from Council will be reviewed for their financial impact and reported back to Council and appropriate committees as conclusions or findings are reached.
Council Referrals to BARC

BARC is charged with determining the financial impact, if any, of any referrals from Council.

Past Council Referrals to BARC

- Divestment of Fossil Fuel Holdings from Endowment
- Report on Equitable Access to Electronic Content
- Resolution on Library Service to the Community in a Natural Disaster
- Report on ALA Governance in the 21st Century
- Declaration for the Right to Libraries
Planning and Budget Assembly

To assist the ALA Executive Board and the Budget Analysis and Review Committee (BARC), there shall be a Planning and Budget Assembly (PBA) which shall consist of one representative of each division, ALA committee, round table, and five councilors-at-large and five councilors from chapters. The representatives of divisions, committees, and round tables, shall be designated annually by each group; the Council representatives shall be elected by the Council for two-year staggered terms, none to extend beyond the regularly elected term on Council, from nominations submitted by the Council Committee on Committees. Additional nominations for the councilor members of the Planning and Budget Assembly may be made from the floor. The duties of the Planning and Budget Assembly are to study the budget and planning documents submitted by the ALA Executive Board, raise questions concerning them, and offer suggestions to the ALA Executive Board and Budget Analysis and Review Committee.

As an elected or appointed representative to PBA your duties are:

1. Attend PBA meetings. PBA meetings (at the Midwinter Meeting and Annual Conference) will be held on Sunday, 1:00 – 2:30 PM.

2. Review carefully the ALA budget presentations/reports given by the ALA Treasurer and the BARC chair to Council and to the Executive Board.

3. Come prepared to discuss these documents and other Executive Board planning documents. Your feedback and ideas give member input into the Executive Board planning process.
The ALA Strategic Plan

- What is the ALA strategic plan?
- Establishing association needs and priorities
- Developing and reviewing a related strategic financial plan
Strategic Plan Development

- The strategic plan outlines the goals, objectives and priorities of the Association in order to strengthen libraries, the profession, and the public’s access to information. It drives the development of the ALA budget.

- The development process is open to all members and non-members via surveys, forums with Chapters and affiliated groups, as well as, an environmental scan.

- Division and roundtable member leaders meet with Executive Board to craft the goals, objectives and priorities form the information collected.

- Closely related to the strategic plan is the development of a related financial plan to support the goals and objectives of the strategic plan.
ALA Budget Development

- Annual Budget /Financial Planning Calendars and Reporting Milestones
- Budget Approval Process and Timeline
- Budgetary Ceiling and Fund Structure
- Fund Interrelationship
- Budget Assumptions/Considerations
- Budget Guidelines to Staff
- Spring Meeting Preparations
## Annual Budget Planning Calendar

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>September - October</td>
<td>ALA management reviews the strategic focus of the Association.</td>
</tr>
<tr>
<td>October - Fall Board Mtg.</td>
<td>The Executive Board reviews the strategic plan as presented by the Executive Director/Senior Management and further defines the strategic focus resulting in the broad programmatic objectives. The Executive Board and BARC review and approve the Division’s final Budgetary Ceiling for the current year.</td>
</tr>
<tr>
<td>Midwinter Meeting</td>
<td>The Executive Board - Treasurer - presents the broad programmatic objectives to Council for approval. BARC monitors the current budget. President-Elect proposes presidential program budget.</td>
</tr>
<tr>
<td>January</td>
<td>ALA staff prepares the Annual budget based on the broad programmatic objectives.</td>
</tr>
<tr>
<td>February - April</td>
<td>Budget meetings for ALA and the Divisions are held.</td>
</tr>
<tr>
<td>April - May</td>
<td>The Executive Board receives from staff - Senior Management - the preliminary budget for a high level review, which is then forwarded to BARC for a detailed review and analysis.</td>
</tr>
<tr>
<td>May - June</td>
<td>Staff – unit managers and senior management - updates the budget based on spring meeting and current year end projections.</td>
</tr>
<tr>
<td>Annual Conference</td>
<td>Executive Board approves the budget. Council approves the budgetary ceiling. Division Boards approve their budgets.</td>
</tr>
<tr>
<td>August - September</td>
<td>Staff begins preparation for next year’s budget and three-year financial plan.</td>
</tr>
</tbody>
</table>
## Annual Financial Planning Calendar

<table>
<thead>
<tr>
<th>Monthly</th>
<th>BARC Chair and Treasurer review monthly results with key staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>September/October</td>
<td>BARC meeting: Finalize FYxx budget</td>
</tr>
<tr>
<td>September/October</td>
<td>F&amp;A/Division Leadership Meeting: Meet new Division Presidents</td>
</tr>
<tr>
<td><strong>Fall Board Meeting</strong></td>
<td>The Executive Board reviews the strategic plan as presented by the Executive Director/Senior Management and further defines the strategic focus resulting in the broad programmatic objectives. The Executive Board and BARC review and approve the Total ALA Final Budgetary Ceiling for the current year.</td>
</tr>
<tr>
<td><strong>December – 1st or 2nd Week</strong></td>
<td>Year end financial review with staff. Meet with auditor to discuss the progress of the audit. Prepare Council mailing on year end results. Begin preparations for Midwinter reports to Council, PBA, ALA Finances Best Practices and Treasurer’s Forum (if necessary). Prepare for ALA annual report.</td>
</tr>
<tr>
<td><strong>Midwinter Meeting (January/February)</strong></td>
<td>The Executive Board - Treasurer - presents the broad programmatic objectives to Council for approval.</td>
</tr>
<tr>
<td><strong>January – 20xx</strong></td>
<td>ALA staff prepares the Annual budget based on the broad programmatic objectives.</td>
</tr>
</tbody>
</table>
## Annual Financial Planning Calendar (con’t)

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>February - March</td>
<td>Budget hearings for ALA and the Divisions are held at ALA headquarters with staff.</td>
</tr>
<tr>
<td>April - May</td>
<td>The Executive Board receives the preliminary budget from staff (Senior Management), which is reviewed and then forwarded to BARC with recommendations.</td>
</tr>
<tr>
<td>April/May</td>
<td>BARC Meeting: BARC reviews and analyzes the preliminary budget and forwards with recommendations to the Finance &amp; Audit committee.</td>
</tr>
<tr>
<td>May - June</td>
<td>Staff updates the budget.</td>
</tr>
<tr>
<td>June</td>
<td>Treasurer, along with staff, prepares for reports to Council (FYxx budget) and PBA – if necessary</td>
</tr>
<tr>
<td>Annual Conference</td>
<td>Executive Board approves the budget. Council approves the <strong>budgetary ceiling</strong>. Division Boards approve their budgets</td>
</tr>
<tr>
<td>(July/June)</td>
<td></td>
</tr>
<tr>
<td>September/October</td>
<td>Final FYxx budget finalized, primarily reflecting division changes and projected year end results.</td>
</tr>
<tr>
<td>September/December</td>
<td>Staff begins preparing next year’s (FYxx) budget and three - year financial plan.</td>
</tr>
</tbody>
</table>
Midwinter Meeting
Financial Responsibilities

Friday
- BARC/F&A Joint Meeting
- ALA Finance Best Practices

Saturday
- F&A Meeting
- BARC Meeting
- ALA Council/Executive Board/Membership Session
  *Treasurer/BARC and Endowment Trustees Reports
- Presidential (Annually)/Treasurer (Every Three Years) Candidates Forum
Midwinter Meeting
Financial Responsibilities (Con’t)

Sunday
- Planning and Budget Assembly
- Division Leaders/BARC Joint Meeting

Monday
- F&A Meeting with Auditors
- Council II
  *Treasurer’s Report
- Executive Board II Meeting
  *Auditors Report and Endowment Trustees Report

Tuesday
- Executive Board III Meeting
  *BARC Report and F&A Report
Annual Conference
Financial Responsibilities

Friday
- BARC Meeting

Saturday
- F&A Meeting
- ALA Council/Executive Board/Membership Session
  *Treasurer/BARC and Endowment Trustees Reports
- Presidential (Annually)/Treasurer (Every Three Years) Candidates Forum

Sunday
- Planning and Budget Assembly
- Division Leaders/BARC Joint Meeting
Annual Conference
Financial Responsibilities (Con’t)

Monday
- Council II
  * Treasurer’s Report
- Executive Board II Meeting (Approves the next fiscal year’s Budgetary Ceiling)
  * BARC, F&A and Endowment Trustees Reports

Tuesday
- Council III (Treasurer submits the next fiscal year’s “Annual Estimates of Income”)
Timeline of Budget Process

1. **ALA Executive Office Units**
   - Units Develop Proposed Budgets
   - Unit Budgets Due to Finance
   - Internal Budget Review & Analysis

2. **Divisions & Round Tables**
   - Boards/Committees/Staff Develop Proposed Budget
   - Unit Budgets Due to Finance
   - Internal Budget Review & Analysis

3. **Governance Review Process**
   - Finance sends Budget Instructions & Worksheets to all units
   - Executive Board meets to review & recommend Preliminary Budget Ceilings
   - Council reviews & approves Total Budget Ceilings
   - Division Boards approve Final budget
   - Executive Board approves Final Budget Ceilings

4. **BARC Fall Meeting**
   - Review Audit/Fund Balance/Preliminary Instructions for new year
   - BARC holds Financial Planning Seminar & Review Instructions
   - BARC meets to review Budget Ceilings
   - BARC meets to recommend final Budget Ceilings to Executive Board

5. **Timeline**
   - Fall
   - November
   - December
   - Midwinter
   - January
   - Winter
   - February/March
   - Spring
   - April/May
   - Annual
   - June
   - Fall
   - Fiscal Year Begins in September
Total ALA FY 20xx Budgetary Ceiling

Net Assets
(Unexpended balance remaining from FY 20xx i.e. current fiscal year)

+ Revenue
(Anticipated for FY 20xx upcoming fiscal year)

= Budgetary Ceiling
## FY 20xx Total Budget Revenues By Fund

$50,382,457*

### TOTAL ALA OPERATIONS

<table>
<thead>
<tr>
<th>OPERATING FUND</th>
<th>PLANT FUND</th>
<th>GRANTS &amp; AWARDS</th>
<th>LONG TERM INVESTMENTS</th>
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<tbody>
<tr>
<td><strong>$45,499,832</strong></td>
<td><strong>$0</strong></td>
<td><strong>$3,945,909</strong></td>
<td><strong>$936,716</strong></td>
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<tr>
<td>General Fund</td>
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<td></td>
</tr>
<tr>
<td>$31,640,176</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Divisions</td>
<td></td>
<td></td>
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<tr>
<td>$13,464,992</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Round Tables</td>
<td></td>
<td></td>
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<tr>
<td>$394,664</td>
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</table>

- **Headquarters Building**
- **Washington & Choice Offices Operating**
- **Furniture & Equipment**

- **Exchange Trans (G)**
- **Exchange Trans (NG)**
- **Contributions (NG)**

- **Unrestricted**
- **Temporarily Restricted**
- **Permanently Restricted**
- **Huron Plaza Property**

*Example
FY 20xx Total Budgetary Ceiling By Fund
$64,196,615*

<table>
<thead>
<tr>
<th>TOTAL ALA OPERATIONS</th>
<th>OPERATING FUND</th>
<th>PLANT FUND</th>
<th>GRANTS &amp; AWARDS</th>
<th>LONG TERM INVESTMENTS</th>
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<tr>
<td></td>
<td>$59,313,990</td>
<td>$0</td>
<td>$3,945,909</td>
<td>$936,716</td>
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<tr>
<td>General Fund</td>
<td>$31,640,176</td>
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<td>Unrestricted</td>
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<tr>
<td>Divisions</td>
<td>$26,107,055</td>
<td></td>
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<td>Temporarily Restricted</td>
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<tr>
<td>Round Tables</td>
<td>$1,566,759</td>
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<td>Permanently Restricted</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Huron Plaza Property</td>
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</table>

*Capital Budget
$2,223,342

*Example
# Inter-Fund Relationship

*(Example)*

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Divisions</th>
<th>Roundtables</th>
<th>Plant Fund</th>
<th>Grants &amp; Awards</th>
<th>LTI</th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td>$ 26,699,956</td>
<td>$ 13,939,616</td>
<td>$ 363,775</td>
<td>$ -</td>
<td>$ 3,436,271</td>
<td>$ 551,212</td>
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<tr>
<td>Revenue Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Interest/Dividends</td>
<td>$ 77,727</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 82,661</td>
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<tr>
<td>Life Member Dues</td>
<td>$ 49,000</td>
<td>$ 19,950</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (68,950)</td>
</tr>
<tr>
<td>Cont. Member Dues</td>
<td>$ (4,200)</td>
<td>$ 4,200</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 26,822,483</td>
<td>$ 13,963,766</td>
<td>$ 363,775</td>
<td>$ -</td>
<td>$ 3,436,271</td>
<td>$ 564,923</td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td>$ 26,904,751</td>
<td>$ 13,771,925</td>
<td>$ 330,218</td>
<td>$ 1,883,691</td>
<td>$ 3,034,995</td>
<td>$ 626,245</td>
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<tr>
<td>Expense Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Small Div Suppt</td>
<td>$ 87,603</td>
<td>$ (87,603)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Plant Fund Transfer</td>
<td>$ 1,725,093</td>
<td>$ 158,598</td>
<td>$ -</td>
<td>$ (1,883,691)</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Overhead</td>
<td>$ (1,473,637)</td>
<td>$ 1,473,637</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Overhead</td>
<td>$ (20,051)</td>
<td>$ -</td>
<td>$ 20,051</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Overhead</td>
<td>$ (401,276)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 401,276</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 26,822,483</td>
<td>$ 15,316,557</td>
<td>$ 350,269</td>
<td>$ -</td>
<td>$ 3,436,271</td>
<td>$ 626,245</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$ -</td>
<td>$ (1,352,791)</td>
<td>$ 13,506</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (61,322)</td>
</tr>
</tbody>
</table>
Budget Assumptions

- Finance staff researches the inputs that may affect the general economy and budget
  - inflation
  - healthcare benefit rate
  - expected investment returns
  - government overhead rate
- Business units (Publishing, Conferences etc) provide input on industry activities
  - production services costs
  - lodging and meals
  - travel costs
  - membership growth
Spring Meeting Preparations

- Staff receives budget instructions for the new budget development in November
- Staff prepares the preliminary budget through budget meetings, which are held in February/March
- BARC will receive (March) from the ALA Budget Director the proposed budgets for each of their assigned units.
- Will need to review, analyze and critique each budget – test the assumptions and proposed activities
- Need to contact liaisons to discuss and review proposed budget
- Will present – with the unit director - a summary of the proposed budget to BARC
Core Operational Financial Concepts
- See Handout/Module 3 -

- Operating Agreement
- Indirect Costs & Annual Study*
- Long-Term Investment (Endowment) Fund

*The annual study is performed by the finance staff to determine the annual overhead/composite/indirect cost rate using the parameters established by the Operating Agreement
Operating Agreement

- Establishes the relationship between ALA* and the divisions
- Details what services will be provided by the ALA, as well as, which services will incur a direct charge and those that will not
- Details the revenues that will not be assessed an overhead charge
- Details the revenues that will be assessed an overhead charge and the % that will apply
- Details the formula used to determine the overhead rate

*General Fund central administration
Indirect Costs and Annual Study

- Indirect costs are generally expenses that cover activities such as Human Resources, Finance/Accounting, Telephone, Technology Services, Building Maintenance, etc. that are incurred and paid for by the Association for the benefit of all units.

- The Operating Agreement lays the framework for the sharing of these costs.

- The indirect cost rate is determined by an annual study conducted by the finance staff using the parameters established by the Operating Agreement.

- Once the rate for a given fiscal year is developed and reviewed by BARC and F&A, it is applied to the budget to be developed three years in the future i.e. FY12 rate will be applied to the FY15 budget etc.
Long-Term Investment Fund*

- The LTI fund is one of the most valuable assets in the Association
- It can and does provide support ( $$$ ) to the General Fund, Divisions, Round Tables and individual units
  - General operations
  - Scholarships & awards
  - New initiatives
  - Programs
  - Special interest
- It provides an opportunity for the Association and units to recognize the valuable works prominent individuals in the profession

*Endowment Fund
ALC Finance Best Practices Midwinter Meeting

- Meeting session used to educate new member leaders who are taking on financial responsibility roles for their unit – division, round table & other
- BARC finance webcasts will serve as the foundation for this session
- BARC will be available to answer questions and receive feedback on the webcasts
ALA-APA RESPONSIBILITY

- Budget Development and Approval
- Monthly Performance
- Business Plan Review
- Operating Agreement
- Financial Reports
Other Financial Concepts

- Glossary of Terms
- Fund Accounting
  - Formula
Glossary of Working Terms

**501 C3 (ALA)** – a tax law provision granting exemption from the federal income tax to non-profit organizations. Exemptions apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.

**501 C6 (APA)** – a tax law provision granting exemption from the federal income tax to non-profit organization that promotes a line of trade or business. This exemption is reserved for business leagues, chambers of commerce, real estate boards or boards of trade etc. The APA is exclusively devoted to a number of functions which cannot be undertaken to a "substantial" extent by the American Library Association, which is organized as a nonprofit educational association under section 501(c)3 of the U.S. Internal Revenue Code. These functions are (1) the certification of individuals in specializations beyond the initial professional degree and (2) the direct support of comparable worth and pay equity initiatives and other activities (e.g. legislative lobbying) designed to improve salaries of librarians and other library workers. As a 501(c)6 professional association, the ALA-APA is able to serve as a vigorous advocate for America's librarians and other library workers and will be able to offer certifications which will help promote individual status and the quality of library service.

**Accrual Accounting** - An accounting method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received).
Glossary of Working Terms

**Assets** – An item of economic value owned by an individual or organization, that can be converted to cash.

**Budgetary Ceiling** – Except for projects supported by grants to the Association, annual estimates of income shall be based upon the unexpended balance remaining from the previous year plus anticipated revenues for the next budget year. In no case may expenditures be budgeted in excess of the estimates of income arrived at in this manner except for projects supported by grants to the Association. The annual estimates of income and budget objectives for each year are to be submitted to Council for approval.

**Capital Appreciation** – an increase in the market value of an asset (marketable securities) over its original cost.

**Capital Budget** - A detailed plan to secure or finance long-term outlays, for fixed assets such as facilities, furniture, equipment, software and hardware.

**Credit*** – Entry on the right side of a DOUBLE-ENTRY BOOKKEEPING system that represents the reduction of an ASSET or expense or the addition to a LIABILITY or REVENUE. (See DEBIT.)

**Debit*** - Entry on the left side of a DOUBLE-ENTRY BOOKKEEPING system that represents the addition of an ASSET or expense or the reduction to a LIABILITY or REVENUE. (See CREDIT.)

*See accounting formula
Glossary of Working Terms

**Deferred Revenue** – Income received but not earned until all events have occurred. Deferred income is reflected as a LIABILITY.

**Depreciation** – Expense allowance made for wear and tear on an ASSET over its estimated useful life.

**Expenses** - In *accounting*, an expense represents an event in which an asset is used up or a liability is incurred.

**Grants & Awards** – Funds from government and non-government agencies made available to support specific programs, services and initiatives.

**Liabilities** – a financial obligation, debt, claim, or potential loss – what an organization **owes**.

**Long-Term Investment** – The active management of a pool of securities, which includes equities, fixed income (bonds) and REIT’S, for the purpose of growing the corpus, assets, and investment resources so as to support current and future Association needs, including scholarships, awards and unique programs that build a strong future for the American Library Association and America’s libraries.

**Market Value** – The value that an asset (marketable securities) can receive, as determined by open bidding between buyers and sellers in a regulated market place i.e. NYSE

**Net Asset Balance** – The accumulated revenues minus expenses for ongoing operations.
Glossary of Working Terms

**Operating Budget** – Is an annual *budget* of an activity which includes revenues, expenses, programs etc.

**Operating Cash** – The revenue generated from on-going operations from the primary revenue generating units to conduct daily operations.

**Overhead Recovered** – Reimbursable costs to the General fund (Administration Central) for providing administration and infrastructure support from certain revenues generated within the Association.

**Plant Fund** – Consists of capital assets and general operations for buildings, capital equipment, construction in progress and improvements in and infrastructure or land. This includes:

- ALA Headquarters
- Washington Office
- Capital Budget

**Realized** (gain/loss) – an investment *transaction*, that recognizes the gain or loss in value of a security when it is sold.

**Unrealized** (gain/loss) – The prevailing value of an unsold investment, as determined by the market and compared to its original cost, that results in a gain or loss in the value.
Glossary of Working Terms

**Revenues** - The amount of money that an organization receives from its activities in a given period, mostly from sales of products and/or services to customers. *Note: conflicts abound as to when revenue should be recognized. The Financial Accounting Standards Board’s (FASB) Statement of Financial Accounting Concept 5 states that revenues should be recognized when they are “realized or realizable” and “earned”. Revenues are “realized or realizable” when products are exchanged for assets (such as cash) or claims to assets (such as promises to pay). Revenues are “earned” when the entity has performed all duties necessary to the purchaser.

**Statement of Operations** – Same as the income statement, which illustrates the profitability i.e. revenue less expenses, over a given period of time – monthly, quarterly, annually etc.

**Statement of Positions** – Same as the balance sheet, which gives a snapshot holdings i.e. assets, liabilities and member equity, on a specific date.

**Subscription Equivalent** – dollar amount transferred from the general administration to Publishing in order offset the net expense of publishing and distributing American Libraries.

**Variance** – The difference between the actual revenue/expense and the budgeted revenue/expense.

**Yield** - The annual rate of return - interest/dividends/appreciation - on an investment, expressed as a percentage.
Housekeeping

- Will be reimbursed for out of pocket expenses related to airfare, hotel, food and taxis
- Daily per diem - $50 ($10/$15/$25)
- Expense reports* should be submitted to E. Klimek ASAP after each meeting – see attached
- Please notify E. Klimek if there are any special dietary needs

*Original receipts must be included
BARC Expense Guidelines

BARC members may use the ALA travel agency, Gant Travel, 800/323-6222 to make their airline reservations to/from Chicago for the spring and fall meetings. Simply identify yourself as a member of the committee and use charge line: 11-101-5210-0012.

Hotel reservations for the spring and fall meetings will be made by ALA staff. Cost of room and taxes will be direct billed to ALA. Members are responsible for any personal expenses (in-room movies, laundry, health club, personal telephone calls, etc.). ALA will pay for the hotel for the all meeting dates ; dates before or after these must be paid by the BARC member. However, there will be exceptions for some meetings
The following expenses, which may be incurred by members attending official BARC spring and fall meeting dates, are reimbursed by ALA:

- Round trip air travel (if not using the official ALA travel agent) at the lowest possible economy class fare without requiring plane changes or layovers; round trip train fare. The cost of changing an existing airline reservation is not reimbursable except if it is considered an act of nature (inclement weather) or if the airline cancels an existing flight.

- Airline luggage fees
- Ground transportation between home and airport (taxi, van or personal car, tolls, mileage, airport parking)
- Ground transportation between airport and hotel or meeting site (taxi, van or public transportation)
- Three meals daily for meals not provided at BARC meetings, meals are reimbursed at the ALA per diem rate of $50 ($10 breakfast; $15 lunch; $25 dinner)
Barc Expense Guidelines (Reimbursement) Con’t

- Mini-bar charges are considered part of the per diem and are not separately reimbursable
- Taxi fares for rides to/from hotel/meeting site to restaurants
- Reasonable tips (skycaps, bellmen, housekeeping)

Barc members are asked to submit expense reports (form attached) of their meeting expenses in a timely fashion (two weeks after the meeting). Original receipts for hotel, air fare, luggage, taxis, meals, etc. must be submitted. A copy of the travel itinerary must be attached when using an electronic ticket. Members should deduct all personal expenses from their expense report, these expenses are not reimbursed by ALA. Expense reports with receipts should be mailed to Finance staff at ALA Headquarters.

Finance staff reviews the reports, assigns charge lines and obtains proper authorizing signatures. A reimbursement check will then be issued, usually within days of authorization.

Please note – expenses for Barc members to attend ALA Midwinter Meetings and Annual Conferences are not reimbursable by ALA.
Refreshment Preferences and Dietary Needs

In order to make the meeting more pleasant for you, please fill out the attached preferences survey and send it back to Finance staff.
## Refreshment Preferences and Dietary Needs (con’t)

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<th>Name:</th>
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<td>Allergic to:</td>
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<td>Will not eat or drink:</td>
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<td>Coffee:</td>
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<td>Anything else?</td>
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