TO: BARC
FROM: L. Denise Moritz, Director of Financial Reporting and Compliance
       Gregory Calloway, AED Finance
DATE: January 15, 2014
RE: FY 2015 Budgeted Small Division Subsidy from the General Fund

The preliminary estimate of the total small division subsidy from the General Fund of 
$98,160 for the FY 2015 budget is the same as the FY 2014 budget amount of $98,160. 
This preliminary estimated subsidy consists of $41,577 for ASCLA and $56,583 for 
UNITED FOR LIBRARIES. Consistent with the overall General Fund guideline, the 
preliminary FY 2015 budget was developed by applying a 0% general inflation rate over 
FY 2014 budget expenses with no increase in salaries over FY 2014 budget. Based on 
this guideline, the budgeted revenue and expense level of ASCLA and UNITED FOR 
LIBRARIES meet the 50% funding level test since the dues and other revenues are at or 
more than 50% of the costs of supporting staff and basic service. A summary and 
description of the subsidy calculation is attached.

Motion made and carried at 2012 Midwinter Meeting: “BARC reaffirms that the small 
division subsidy for ASCLA and UNITED FOR LIBRARIES (ALTAFF) will terminate 
at the end of FY 2015 and caps the subsidy at FY 2012 levels of $41,577 (ASCLA) and 
$56,583 (UNITED FOR LIBRARIES) for FY 2013.”

Some of the FY 2015 preliminary budget highlights are:

ASCLA

In the FY 2015 preliminary budget, ASCLA proposed to continue share staffing with 
RUSA and with a total of 1.25 approved FTE. Of the 1.25 approved FTE, .25 FTE will 
be filled by an independent contractor and a .25 FTE will continue to be unfunded in FY 
2015. ASCLA projected dues revenue to be $42,500 and donations to be $3,800. The 
FY 2015 proposed basic services revenue for ASCLA is $58,320. The preliminary FY 
2015 ASCLA budgeted subsidy is $41,577 per management recommendation.

UNITED FOR LIBRARIES

In the FY 2015 preliminary budget, UNITED FOR LIBRARIES proposed to retain the 
approved 3.8 FTE with an unfunded .8 FTE as in FY 2014.

In the FY 2015 preliminary budget, UNITED FOR LIBRARIES projected $65,330 dues 
revenue, $108,000 subscription, and $131,000 donations in the basic services projects. 
The FY 2015 proposed basic services revenue for UNITED FOR LIBRARIES is 
$306,880 and the projected interest revenue from UNITED FOR LIBRARIES 
endowment fund is $4,000 with a total of $310,800 dues and other revenues to support 
basic services. The preliminary FY 2015 UNITED FOR LIBRARIES budgeted subsidy 
is $56,583 per management recommendation.
American Library Association
FY 2015 Budget

General fund Subsidy calculation:

(1) Dues and other revenues to support basic services  58,320
(2) Costs of providing staff & basic services  100,182
(3) Meeting the 50% required funding level  (1) / (2)  58%
(4) Operating reserve balance as of 8/31/13  96,576
(5) 50% of the FY 2015 budgeted basic service operating expenses  (2) * .5  50,091
(6) Basic service support from reserve balance  (4) - (5)  46,485
(7) Net basic services expenses  41,862
(8) Requested subsidy from General Fund to support basic services  (7) - (6)  (4,623)
(9) Allowable subsidy equals requested subsidy amount or recommended subsidy amount  41,577
(10) Additional support from reserve balance  N/A

ASCLA

Revenues

Dues and other revenues to support basic services

Expenses

Salaries & benefits  71,749
Operating expenses  10,553
Governance & committee support  12,970
Membership promotion  3,885
Conference program  -
Professional Relations/Advisory Services  -
Newsletter/Journal  1,000
Awards  25
Total expenses  100,182
Net basic service expenses  41,862

No. of members as of 8/31/13  848
Number of approved FTEs  1.25
General fund subsidy calculation:

(1) Dues and other revenues to support basic services 310,880  
(2) Costs of providing staff & basic services 354,246  
(3) Meeting the 50% required funding level (1) / (2) 79%  
(4) Operating reserve balance as of 8/31/13 (171,833)  
(5) 50% of the FY 2015 budgeted basic service operating expenses 197,123  
(6) Basic service support from reserve balance (4) - (5) 0  
(7) Net basic services expenses 83,366  
(8) Requested subsidy from General Fund to support basic services 83,366  
(9) Allowable subsidy equals requested subsidy amount or recommended subsidy amount 56,583  
(10) Additional support from reserve balance 26,783

UNITED FOR LIBRARIES

Revenues

Dues and other revenues to support basic services 306,880  
plus 4,000  
310,880

Expenses

Salaries & benefits 271,683  
Operating expenses 55,997  
Governance & committee support 3,400

Membership promotion  
Conference program  
Professional Relations/ Advisory Services  
Newsletter/Journal 59,316  
Awards 3,850

Total expenses 394,246

Net basic service expenses (83,366)

Projected Request Projected Sal Inc. 0% Merit & Basic Sal Inc. 0% Merit & Basic
Before 10% Ind., Incentives Service Service

$ 310,880 $ - $ 310,880

$ 271,683 $ - $ 271,683

$ 55,997 $ - $ 55,997

$ 3,400 $ - $ 3,400

$ 59,316 $ - $ 59,316

$ 3,850 $ - $ 3,850

$ 394,246 $ - $ 384,246

$ (83,366) $ - $ (83,366)

Number of members

Associate / affiliate members: 1,209 at 8/31/13 3,692

Subscriptions: 2,483 at 12/31/13  
Number of approved FTEs 3.80
General Fund subsidy calculation:

1. Dues and other revenues to support basic services
   (Total revenues generated from basic services projects:
   i.e. dues, subscriptions, donations, royalties, awards & endowment interest)
   ASCLA: 58,320
   UFL: 310,880
   Total: 369,200

2. Costs of providing staff & basic services
   (Total expenses budgeted in the basic services projects:
   i.e. salaries, operating expenses, governance & committee support, membership promotion,
   conference program, professional relations, newsletter, and awards)
   ASCLA: 100,182
   UFL: 394,246
   Total: 494,428

3. Meeting the 50% required funding level
   (Dues and other revenues - line 1, as a percentage of total costs of providing
   staff & basic services - line 2
   Division must generate from dues and other revenues at least 50% of the funding
   required to provide basic services. If a division is unable to meet this 50% level
   for two consecutive years, its status as a division must be referred to Council
   by the Executive Board, with an appropriate recommendation.)
   (1) / (2) = 58% / 79%

4. Operating reserve actual balance as of 8/31/13
   (Actual operating reserve balance as of the beginning of the fiscal
   year in which the next fiscal year budget is being prepared.)
   ASCLA: 96,576
   UFL: (171,833)
   Total: (75,257)

5. 50% of the FY 2015 budgeted basic service operating expenses
   (50% of the total estimated costs of providing basic services - line 2.)
   (2) * .5
   ASCLA: 50,091
   UFL: 197,123
   Total: 247,214

6. Basic service support from reserve balance
   (This is the difference between the reserve balance - line 4 and 50% of the cost
   of basic services - line 5.
   Small divisions are permitted to maintain reserves that are equal to no more than 50% of the
   amount required to support their basic services. The General Fund budget allocation request
   will be reduced by the amount by which the reserve exceeds 50% of the cost of basic services)
   (4) - (5)
   ASCLA: 46,485
   UFL: 46,485
   Total: 46,485

7. Net basic services expenses
   (The net budgeted basic services expenses is equal to: the total revenues generated
   from basic services projects less the total costs of providing basic services.)
   ASCLA: 41,862
   UFL: 83,366
   Total: 125,228

8. Requested subsidy from General Fund to support basic services
   (The amount of the budget allocation request is equal to: the net basic services expenses - line 7
   less the amount of the reserve which exceeded the 50% of cost of basic services - line 6)
   (7) - (6)
   ASCLA: 4,623
   UFL: 83,366
   Total: 78,743

9. Allowable subsidy equals requested subsidy amount or recommended subsidy amount
   ASCLA: 41,577
   UFL: 56,583
   Total: 98,160

10. Additional support from reserve balance
    (The difference between the requested subsidy - line 8
    and the allowable subsidy - line 9 will be supported by the reserve balance.)
    (8) - (9)
    ASCLA: N/A
    UFL: 26,783
    Total: 26,783

11. Projected operating reserve balance as of 8/31/14
    ASCLA: 91,775
    UFL: (183,415)
    Total: (91,640)