

**YALSA Board of Directors Meeting
ALA Annual Conference, San Francisco
June 26 – 30, 2015**

Topic: Fiscal Officer Report

Background: The Board of Directors has the responsibility of ensuring the short and long term fiscal health of the organization and that the budget is aligned with strategic priorities the Board identifies. YALSA's Fiscal Officer, Linda Braun, has provided the information below for the Board's consideration.

Action Required: Discussion

Questions for Discussion

- What do Board members need in order to better keep track of and understand YALSA's financial picture and as a result be able to make good decisions based on the financial capacity of the organization?
- What is the best way for the Board to include informed fiscal decision making into discussions about new projects, continued projects, and so on?
- How can we best work together to ensure that the budget is aligned with YALSA's strategic priorities?
- When your time on the Board is over, what do you want to be able to tell people about YALSA's fiscal capacity and what do you think it will take to get there?

Factors Impacting YALSA Finances in FY16

FY16 begins Sept. 1, 2015. The FY16 budget can be modified up through Annual.

Changes

Overall, the FY16 budget, as it is now, is not significantly different from FY15 in structure or in outlook. Dues, events and sales remain the three biggest revenue streams for YALSA.

- No significant changes are planned for dues.
- Sales is a revenue stream that's in flux due to the still new relationship with the bulk seal vendor/distributor and the shrinking revenue from publishing.
- Events is the biggest revenue stream with the most significant change, as YALSA's symposium is now being held annually.

Administration:

- Per ALA, there is a 2% budgeted salary increase for FY16
- Benefits are calculated at 33% of salary, the same as FY15 (as opposed to 32.5 in FY14, 30 in FY13 & 28 in FY12)
- MACS (10 cent per registrant/recording increase over FY15)
 - o \$5.41 per registrant including cancellations and no-shows (minimum of 6 registrants will be charged for each scheduled event)
 - o \$2.60 per recording purchase

Ads: we’re now offering ads on our app, but have yet to sell any

Continuing Education:

CE is continuing to be an area the Board needs to watch in terms of as a strategy to work towards its mission and also in terms of its role as a revenue source. YALSA leaders need to be cognizant of the competition in this area – mainly a glut of online options (especially free ones). As the next strategic plan is developed the Board can also be thinking about integrating continuing education into supporting the Futures Report related work of members.

Grants: We have been invited to apply for another round of Dollar General funding. If received, it would coincide with the FY16 fiscal year. YALSA submitted an IMLS grant proposal with ALA’s Center for the Future of Libraries. If funded the project focuses on creating resources to help libraries of all capacities integrate a connected learning approach in their overall library program.

Endowments: Per ALA, there will be an opportunity to transfer funds from operating budgets into endowments in FY16. YALSA’s Board voted to put forward a request to move \$25,000 into the endowment with the FY16 budget package.

Overhead to ALA: For FY16 overhead will be calculated at 25.9% (as opposed to 25.4 in FY15 and 24.2 in FY14). Overhead refers to the percentage of gross revenue Divisions pass on to ALA for certain types of revenue streams to support services that ALA provides Divisions, such as IT support, HR and legal counsel. For example, 25.9% of gross registration revenue for YALSA’s symposium will go to YALSA. So, if the total revenue amount is \$100,000, about \$25,000 of it will go to ALA and YALSA will keep the remaining \$75,000.

Publications: scaling back in this area, due to the long-term trend data showing shrinking revenues in this area

Seals: continues to be an uncertain revenue stream, as there isn’t much of a pattern to go on to plan for expenses. On the revenue side, the digital licensing payments are spotty.

Symposium: 2015 and 2016 will be the first years with back to back symposiums. Revenue for the FY16 symposium is in question—not sure if we can draw the same size crowd on an annual basis. Additionally, we’re increasing registration rates for the first time since 2008. Through May 50 individuals had registered for the symposium, as opposed to 90 this time last year.

DATA

May 2015 Financial Outlook

OPERATING BUDGET	Actual	Budgeted	Variance

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Total Revenue	793,116	523,177	269,939
Total Direct Expenses	579,424	495,865	-83,559
Contribution Margin (what's left over after you subtract cost from revenue)	213,692	27,312	186,380
Overhead (what we contribute to ALA in return for services)	69,743	37,726	-32,017
Tax	143	143	0
Net Revenue	143,949	-10,414	154,363
Ending Net Asset Balance	312,942		

In accordance with not-for-profit best practices, YALSA's fund balance needs to remain at or slightly above \$298,468 (6 months' expenses), or above \$198,978 (4 months' expenses) at a minimum.

Trends

KEY:

Green = growing

Yellow = fluctuating

Red = mainly in decline since recession

Revenue Stream	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Award seals	23,116	9,912	36,876	63,151	46,442	46,204	44,838	54,047
Dues	183,484	213,459	216,082	207,366	209,044	220,194	236,718	232,956
E-courses	18,081	28,506	18,427	4,123	6,068	5,609	3,162	4,543
Webinars	N/A	N/A	N/A	500	8,161	11,755	5,339	3,076
Curriculum Kits	N/A	N/A	N/A	N/A	N/A	N/A	(3,012)	6,651
Licensed Institutes	9,600	4,000	9,500	12,000	8,774	5,041	3,926	6,688
Periodicals	(37,182)	(13,856)	(24,540)	(12,337)	(22,069)	(19,623)	(11,035)	(6,709)
Books	8,436	10,758	1,676	19,654	9,225	8,199	6,360	985
TRW & TTW	68,609	85,815	9,464	8,000	20,796	23,669	18,176	24,216

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Events at ALA	41,228	42,101	32,289	13,300	29,334	11,648	38,652	30,445
Symposium	N/A	N/A	24,241	N/A	40,059	N/A	32,503	N/A
Donations	4,850	5,708	6,340	12,156	17,422	15,040	16,880	18,394
Interest	18,219	20,601	24,236	21,508	19,400	22,917	22,258	25,325
Grants	10,000	7,500	5,000	5,000	85,954	144,000	268,937	276,680

Additional Resources

- ALA Budget Process information, www.ala.org/groups/mleader/budget
- Future of Library Services for and with Teens report, www.ala.org/yaforum/project-report
- YALSA Business Plan.
www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlanFY014to17_0.pdf
- YALSA Strategic Plan, www.ala.org/yalsa/aboutyalsa/strategicplan