ALA Treasurer’s Report
Virtual Information Session for Members, Councilors, and Executive Board
January 2023
FY23 Sept.-Oct. Financial Results
ALA American Library Association

Total ALA Actual Revenue and Expenses FY 2023 and FY 2022

- **Total ALA Revenue**: FY 2023: $5,376,317, FY 2022: $5,514,471
- **Total ALA Expenses**: FY 2023: $7,273,859, FY 2022: $6,250,980
- **Deficit from Operations**: FY 2023: $(1,897,542), FY 2022: $(736,509)
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FY2023 Total Revenue by Fund September through October 2022

- General Fund
  - Revenue: $2,484,861 (46%)
  - 20% of total revenue
- Divisions
  - Revenue: $253,394 (5%)
- Round Tables
  - Revenue: $41,296 (1%)
- Grants and Awards
  - Revenue: $1,522,757 (28%)
- Endowment Fund
  - Revenue: $1,074,010 (20%)
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FY 2023 Total Expenses by Fund
September through October 2022

- General Fund: $3,648,265 (50%)
- Divisions: $1,674,010 (23%)
- Round Tables: $218,757 (3%)
- Grants and Awards: $20,317 (0%)
- Endowment Fund: $1,712,511 (24%)
FY24 Budget Objectives and Programmatic Priorities
Budget Objectives

• Budget Assumptions
  • Positive revenue/expense budget
  • 3% salary increase for staff
  • 26.5% overhead
Budget Objectives

• **Tactical Goals based on the Pivot Strategy**
  • Membership: 18% market share
  • 6 Revenue Streams (Continuing Education, Contributed Revenue, Conference, Membership, Publishing & Media and Data Design & Research)
  • All General Fund Units tracked to $ generating
  • 8 Divisions with 75% of Membership
  • Public facing Annual Conference
  • LibLearnX Event
  • Culture of One ALA
  • Centralized Continuing Education
  • ALA aligned to ASAE/Association industry standards
  • Testing public markets for internal products
  • Strategic hires only
Budget Objectives

- Positive revenue/expense budget
- Rebuild membership base
- Monitor new revenue sources
- Develop budget surplus
- Focus on financial stability and growth
- Develop new budget metrics
Operating Agreement Implementation
Operating Agreement

Develop a new budget process that is clear, consistent, collaborative, and employs strong communication throughout the Association.

Eliminate the internal transfer of Division funds referred to as “overhead” to develop a new process for funding shared operational and member valued services through a new budget process.

Consider a budget process for Round Tables and some ALA units who internally transfer funds as “overhead” to determine if this practice should continue or if a new budget process manages these expenses.
Operating Agreement

Determine a strategy that addresses the historical Net Asset Balances as a new budget process is developed.

Determine a strategy that accounts for revenues over expenses to fund initiatives, reserves, and/or adding to the ALA endowment.

Develop accountability measures that review and ensure quality shared services.
Operating Agreement

• Update on the work so far
  • Subgroup work
  • Integrating the larger group
  • Challenges
  • Timeline
  • Outside consultant
Two questions
1. Describe how, in the absence of overhead, you might envision funding for shared operational and member valued services through a new budget process.
2. What do you see as the characteristics of a successful new budget process in ALA?
Have a great time at LLX 2023!