Outline

- Financial Committees and Responsibilities
- Committee Processes
- Budget Cycle
- Role of Council
- Financial Documents
- Financial Learning Series
- Questions/Discussions
Financial Committees
### 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
- Members serve only once unless they are elected as Treasurer

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

**BARC**

*Primary Focus - Budget and Programs*
- Review and analyze the proposed budget and strategic plan as forwarded by the Executive Board
- Review, analyze and interpret financial reports
- Review potential actions by Council that may have a financial or budget impact
- Jointly organize the Planning and Budget Assembly (PBA) with the planning component of the Executive Board (President-Elect)
- Conduct the mandated meeting with the Division leadership at MW and Annual Conference

**Finance & Audit**

*Primary Focus - Compliance*
- Oversee and make recommendations on the fiscal policy and management of the Association
- Meet with external auditors and oversee the annual audit review process
- Review recommendations on hiring an auditor
- Receive and review recommendations forwarded by BARC
- Review financial reports
- 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.
Planning and Budget Assembly

Members:
- Division representatives
- ALA Committee representatives
- Roundtable representatives
- 5 Councilors at Large
- 5 Chapter Councilors

Duty:
- Study budget and planning documents

http://www.ala.org/aboutala/committees/ala/ala-bf
Endowment Trustees

Members:
- Six trustees elected by the Executive Board on recommendation from Finance and Audit Committee

Duty:
- Hold, invest, reinvest, and disburse endowment Funds
- Oversee endowment operating procedures
- Select endowment investment managers
- Report endowment status

http://www.ala.org/aboutala/committees/ala/ala-endwmttr
Committee Process

- BARC holds committee meetings
- Committee actions taken based on work at meetings
- Reviews any referrals from Council

Recommendations from F&A and BARC forwarded

- F&A generates committee recommendations
- F&A reviews recommendations from BARC and accepts, rejects or modifies

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
With the dual goals of mission attainment and financial sustainability, the process for FY22 begins in Oct-Dec 2020 (1st Quarter FY21).
How Does it All Fit Together?

The Road Map
## Sources of ALA Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>
### Where Does Your ALA $ Go?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Category</th>
</tr>
</thead>
<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>
</tr>
<tr>
<td>23%</td>
<td>Member Services and Support</td>
</tr>
</tbody>
</table>
AL.A, the American Library Association, has developed a Strategic Directions and Five Year Financial Plan to achieve its mission. The ALA's mission is outlined as follows:

**ALA Mission**
- Advocacy for Libraries & the Profession
- Diversity
- Education & Lifelong Learning
- Equitable Access
- Intellectual Freedom
- Literacy
- Organizational Excellence
- Transforming Libraries

**ALA Key Action Areas**
- Advocacy for Libraries & the Profession
- Diversity
- Education & Lifelong Learning
- Equitable Access
- Intellectual Freedom
- Literacy
- Organizational Excellence
- Transforming Libraries

**ALA Strategic Directions**
- Advocacy
- Information Policy
- Professional & Leadership Development
- Equity, Inclusion and Diversity

**ALA Five Year Plan**

**ALA Annual Estimate of Income**

Guided by ALA’s Mission and Strategic Directions, the ALA Five Year Financial Plan and Annual Budget act as ALA’s financial “roadmap.”
Revenues, Expenditures, Assets, and Obligations are tracked separately for each of the funds above.
Operating Agreement

- Framework for ALA and Divisions
- Shared vision and management
- Specific goals and objectives
- Overhead fees for central services
- Does not include Roundtables

Operating Agreement Work Group in FY21
Council Responsibilities
Council Activities

- Elect PBA members
- Refer resolutions to BARC
- Consider Annual Estimates of Income
- Consider programmatic priorities
- Review financial reports
- Attend Council Information Sessions
- Inform yourselves!
- Ask questions!
Council Referrals to BARC

• BARC is charged with determining financial impact, if any, of any referrals from Council
• BARC works closely with Resolutions Committee to provide a transparent review process for resolutions
• BARC reports to Council on findings of financial impact analysis

Recent Council Referrals to BARC
• Roadblocks to Diversity Leaderships
• Fossil Fuel Investments in ALA Endowment
Financial Documents
Where to find financial data?

- Council documents
  - [http://www.ala.org/aboutala/governance/council/documents](http://www.ala.org/aboutala/governance/council/documents)
  - Sent prior to Council meetings via Connect
  - Archives arranged by meeting date
- BARC, F&A, and Executive Board documents
  - [http://www.ala.org/aboutala/governance/officers/eb_documents](http://www.ala.org/aboutala/governance/officers/eb_documents)
  - Series 3
  - Arranged by Fiscal Year
- Endowment Trustees
  - [http://www.ala.org/aboutala/committees/ala/ala-endwmttr](http://www.ala.org/aboutala/committees/ala/ala-endwmttr)
- Financial Reports - summaries
  - [http://www.ala.org/aboutala/governance/financialdata/financialrpts/financialrpts](http://www.ala.org/aboutala/governance/financialdata/financialrpts/financialrpts)
- Ask!
Additional Resources

Continuing Education
Topics

- 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

http://www.ala.org/aboutala/treasurerspage
Questions?