

TO: ALA Executive Board

FROM: Denise Moritz, Interim Chief Financial Officer
Brad Geene, Director Budgeting & Planning

DATE: October 22, 2021

RE: **FY 2022 Budget memo**

Introduction

On Tuesday, October 26th, the Budget Analysis & Review Committee (BARC) and Finance & Audit Executive Board Subcommittee will be asked to take action to approve ALA’s Fiscal Year 2022 Final Budget. On Saturday, October 30th, Maggie Farrell, ALA Treasurer, will present the FY 2022 Final Budget and Revised annual estimates of income for Executive Board action and approval.

Material change

On September 15, 2021, The American Library Association’s Executive Board announced that LibLearnX: The Library Learning Experience, scheduled for January 21–24, 2022, in San Antonio, Texas will take place virtually.

“Given the ongoing COVID-19 pandemic and surge of its variants coupled with the size, scope, and location of LibLearnX, it is necessary to cancel the in-person portion of the event,” said ALA President Patricia “Patty” M. Wong. “As such, the Executive Board voted to transition the in-person portion of LLX in January 2022 to a virtual-only conference.”

The FY 2022 Final Budget schedules reflect this decision on the Conference Services tab. LLX is now budgeted to net \$160,000 whereas the in-person event had been budgeted at break-even.

Final Adjustments to the FY 2022 Budget

Since the Annual Conference meeting, ALA Unit Managers, in conjunction with Finance Office staff, continued to review their FY 2022 budgets and have made revenue and expense adjustments reflecting their most current information and decisions.

The operating and capital budget schedules can be found in **EBD #3.1/ BARC #3.1**.

In aggregate, for all funds that comprise Total ALA, the FY22 Budget contingency is \$263,000. All Unit Manager and Associate Executive Director committed expense savings have now been incorporated and the 2nd round of Paycheck Protection Program (PPP) funding of \$1.0 million will be applied.

| American Library Association Strategy to Cover Budget Deficit FY 2022 | | | |
|--|---------------|---|--|
| | (\$,000) | | |
| To cover the budget deficit, ALA will employ the following strategy: | | | |
| Budget deficit for FY 2022 | \$ (737) | as shown on Total ALA tab | |
| Paycheck Protection Program (PPP) funding | 1,000 | PPP 2nd round of funding: \$1 million will be used in FY 2021 and \$1 million will be used in FY | |
| FY 2022 contingency | \$ 263 | | |

FY 2022 Final Budget Schedules

Additional fund and unit level supporting detail for Total ALA, General Fund departments, Divisions, and Round Tables as well as Capital Requests can be found in “**FY22 Final Budget Schedules**” (BARC #3.1 EBD # 3.1).

The **Annual Estimates of Income**, reflecting all revenue changes made since Annual Conference now total \$72 million.

| | | TOTAL ALA |
|--|--|------------------|
| | | (\$,000) |
| ALA Net Assets (projected at end of FY 2021) | | \$ 27,231 |
| FY 2022 Budgeted Revenues | | |
| General Fund | | 27,239 |
| Divisions | | 13,559 |
| Roundtables | | 502 |
| Grants & Awards | | 4,310 |
| Endowment | | (794) |
| TOTAL | | 44,816 |
| FY 2022 Annual Estimates of Income | | \$ 72,047 |

FY 2021 Projections

The Fall budget schedules have been updated to incorporate ALA's 3rd Quarter close results (May 2021) and the FY 2021 Projections.