

2018 - 2019 ALACD #33.0

2018 - 2019 Midwinter Meeting

# Budget Analysis And Review Committee (BARC)

report

to

ALA Council, Executive Board, Membership

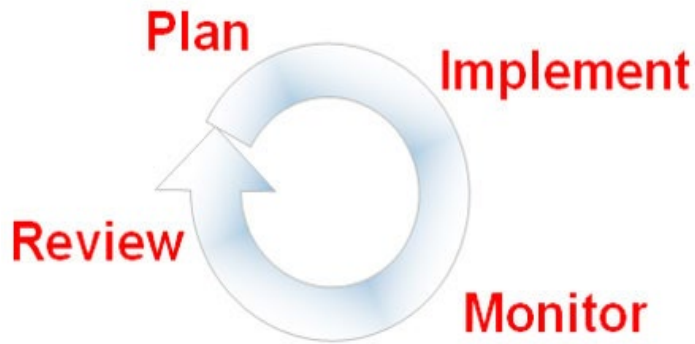
and

The Planning and Budget Assembly

Maggie Farrell – BARC Chair

Midwinter Meeting – Seattle, WA  
Saturday – January 26, 2019

# Discussion Topics

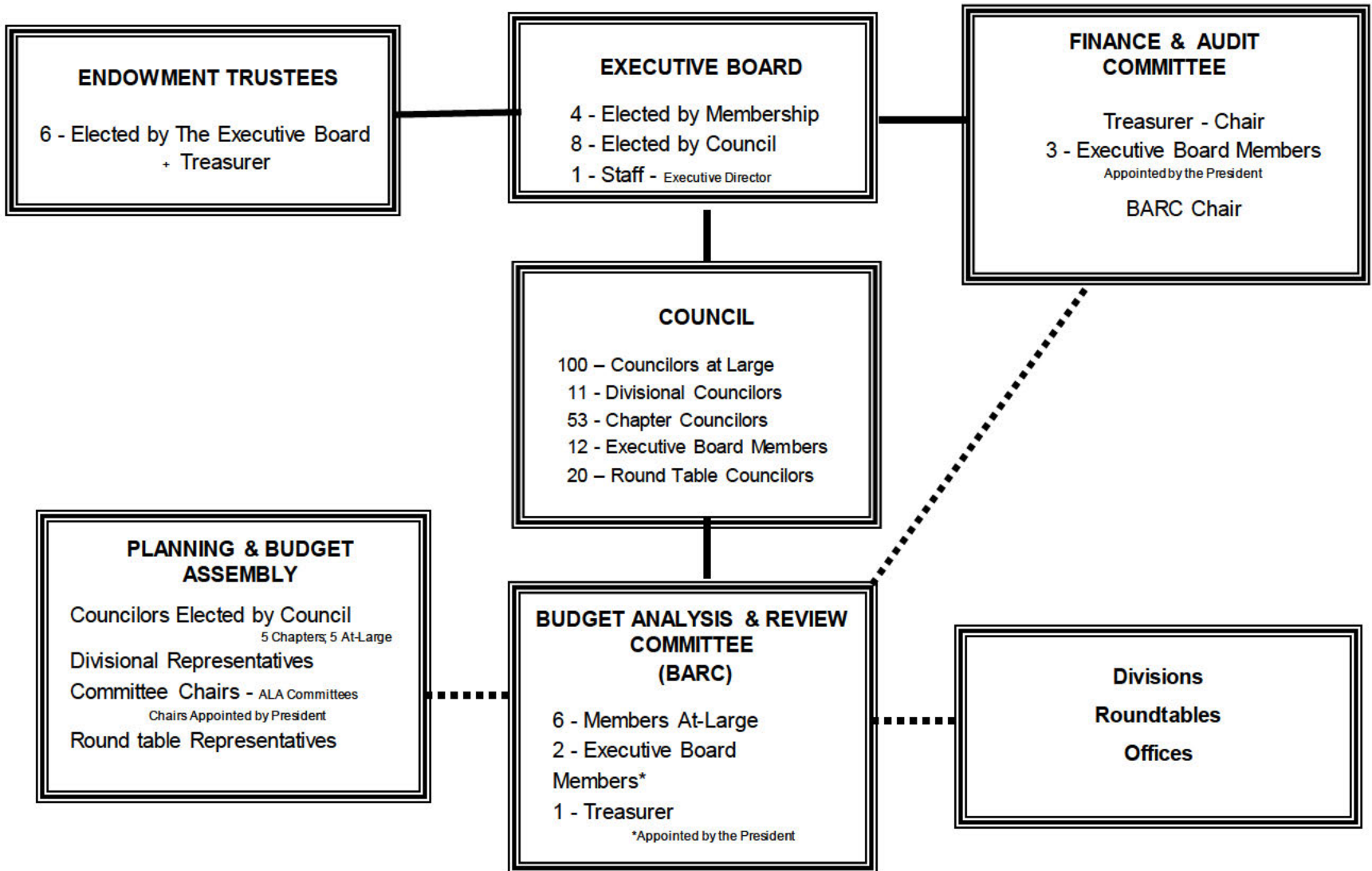


- BARC Overview
- ALA Financial Information
- Financial Learning Series
- Budgetary Ceiling
- 1<sup>st</sup> Quarter Results  
(11-30-18)
- Investment Plan Update

# BARC Overview

- BARC Responsibilities
- Council Resolution Consideration
- BARC “Partners”
  - ✓ Treasurer
  - ✓ Finance and Audit Committee
  - ✓ Endowment Trustees
  - ✓ Council

# ALA Finance Decision Making Process



# BARC's Budget and Financial Review Cycle

## ALA's Current Fiscal Year 2019 Covers the Period

- Starting September 1, 2018 – Ending August 31, 2019

## Budget Review and Development is on a Continuous Loop\* and Covers Three Fiscal Years

- Fall Meeting will discuss/review Fiscal Year 2018 – Preliminary Year End Results
- Fall Meeting will discuss/review and finalize upcoming Fiscal Year 2019 budget
  
- Midwinter Meeting will discuss/review Fiscal Year 2018 – Final Year End Results
- Midwinter Meeting will discuss/review Fiscal Year 2019 – 1<sup>st</sup> Quarter Results
- Midwinter Meeting will discuss/review budget assumptions for Fiscal Year 2020
  
- Spring Meeting will discuss/review Fiscal Year 2019 – 2<sup>nd</sup> Quarter Results
- Spring Meeting will discuss/review/develop in detail Fiscal Year 2020 budget
  
- Annual Conference will discuss/review Fiscal Year 2019 8/9 month results
- Annual Conference will discuss/review Fiscal Year 2019 Year End Projections

# Online ALA Financial Information

## Treasurer's Page

- Offers Reports, Resources and Links to the Six Webcasts
- <http://www.ala.org/aboutala/treasurerspage>

## ALA Online Learning Offerings by Unit

- Brief Descriptions of Units' Learning Programs
- <http://ala.org/onlinelearning/unit>

## ALA Online Learning Webcasts

- links to the page for the six webcasts
  - <http://ala.org/onlinelearning/unit/finance>
  - <http://ala.org/onlinelearning/unit/governance>
- ALA YouTube Channel - Financial Learning Series Playlist
  - <http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E31B4C2F3EE9>

# Financial Learning Series

- 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

# Budgetary Ceiling

*Now Known as the  
Annual Estimates of Income*



# Made a Transition

Keeping with Policy

## Budgetary Ceiling Components

- Unexpended Net Assets for the Divisions and Roundtables
- + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments
- = Budgetary Ceiling

## Annual Estimates of Income Components

- Unexpended net assets for total ALA
- + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments
- = Annual Estimates of Income

# Fiscal Year 20xx Annual Estimate of Income

## **Net Assets**

**(Unexpended balance for total ALA remaining from fiscal year closing)**

**+**

## **Revenue**

**(Anticipated in upcoming fiscal year)**

**=**

## **Budgetary Ceiling**

# Changes Since Annual Conference

## Annual Estimate of Income @ AC

		<u>Total ALA</u>
ALA Net Assets (projected at end of FY 2018)	\$	37,643,998
FY 2019 Budgeted Revenues		
General Fund	\$	28,353,253
Divisions	\$	13,426,560
Roundtables	\$	398,284
Grants & Awards	\$	3,907,243
Endowment	\$	<u>575,296</u>
Total	\$	46,660,636
FY 2019 Annual Estimates of Income	\$	<u>84,304,634</u>

## Annual Estimate of Income @ Fall Meeting

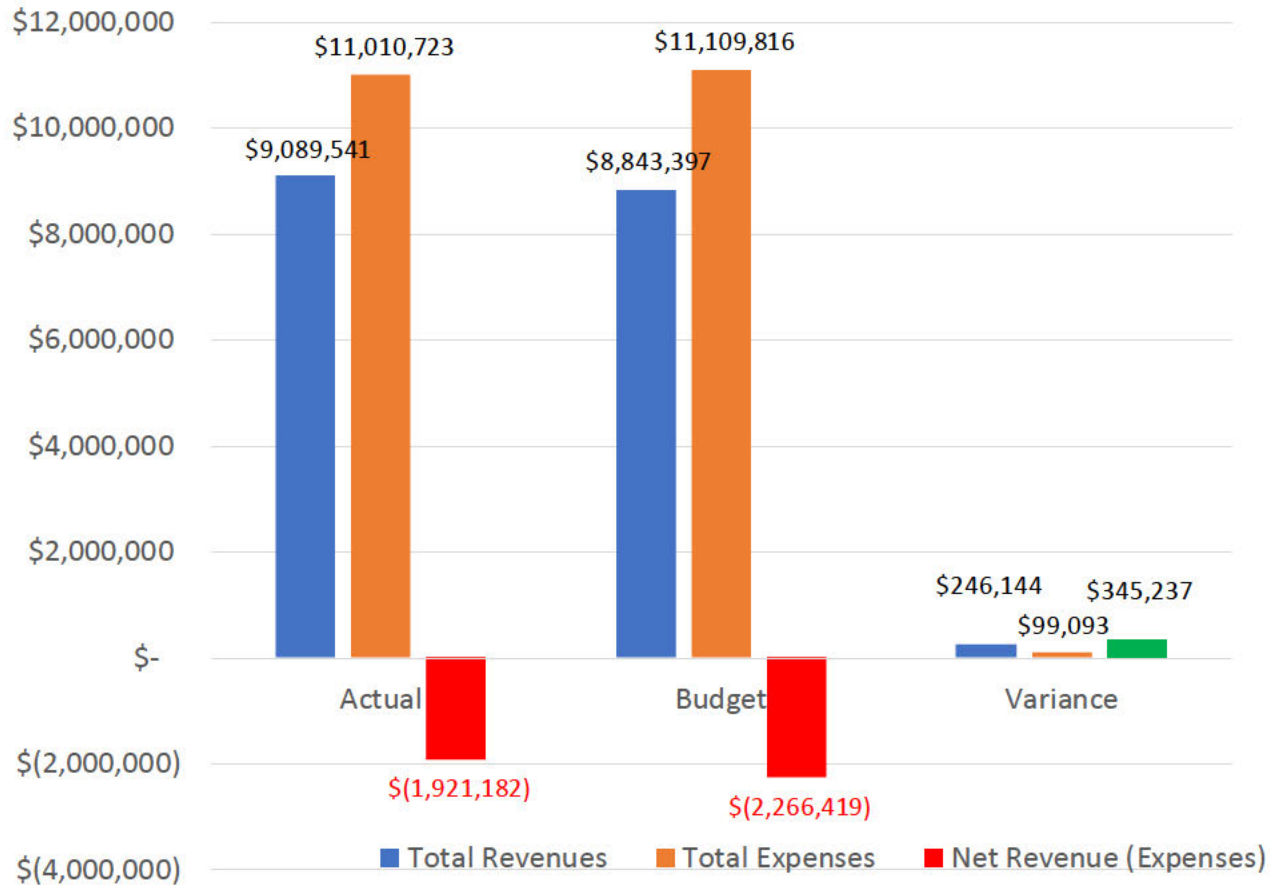
		<u>Total ALA</u>
ALA Net Assets (projected at end of FY 2018)	\$	37,643,998
FY 2019 Budgeted Revenues		
General Fund	\$	28,138,527
Divisions	\$	13,375,007
Roundtables	\$	408,286
Grants & Awards	\$	4,908,021
Endowment	\$	<u>579,632</u>
Total	\$	47,409,473
FY 2019 Annual Estimates of Income	\$	<u>85,053,471</u>

# Current Fiscal Year Results

*Three Months Ending 11-30-18*

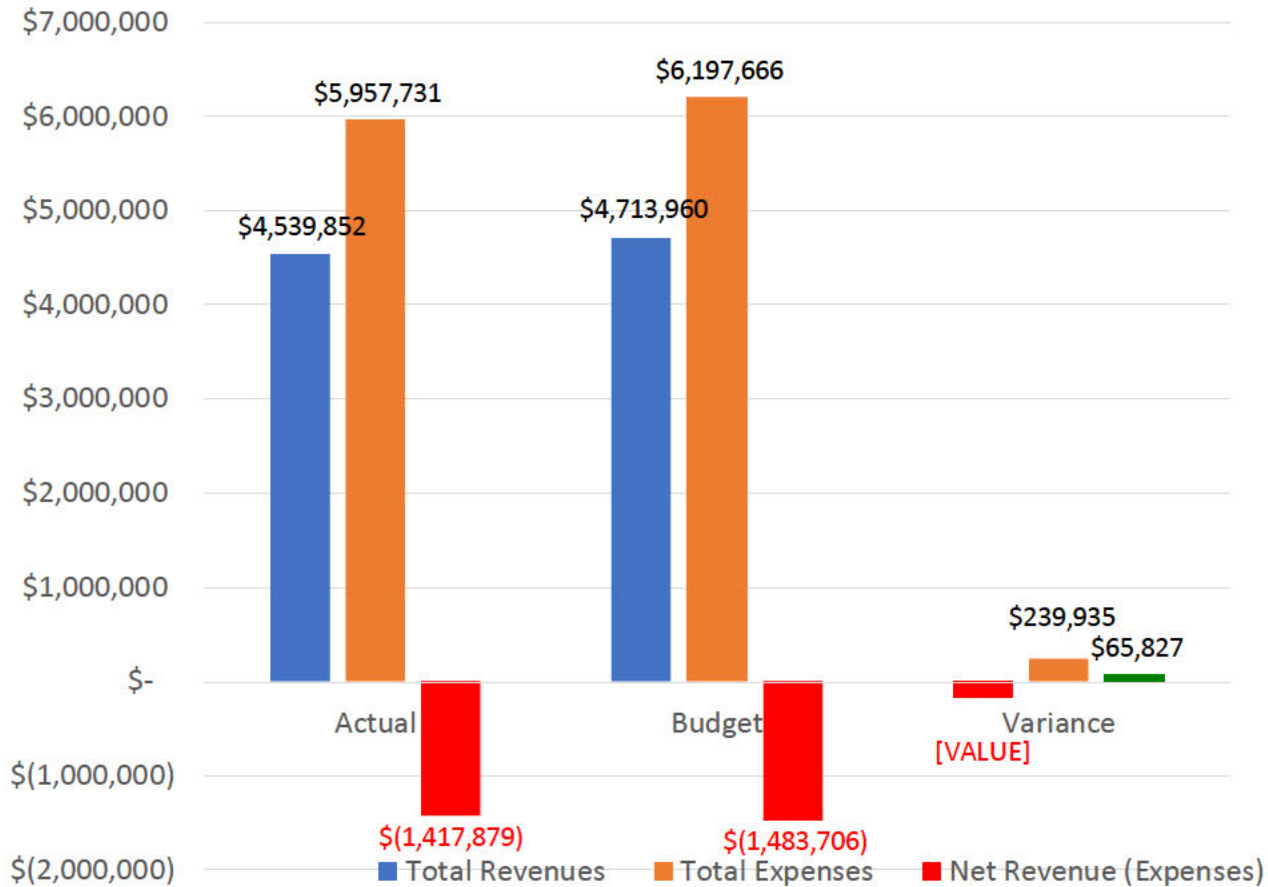
# 1<sup>st</sup> Quarter Financial Results @ 11-30-18

## Total ALA



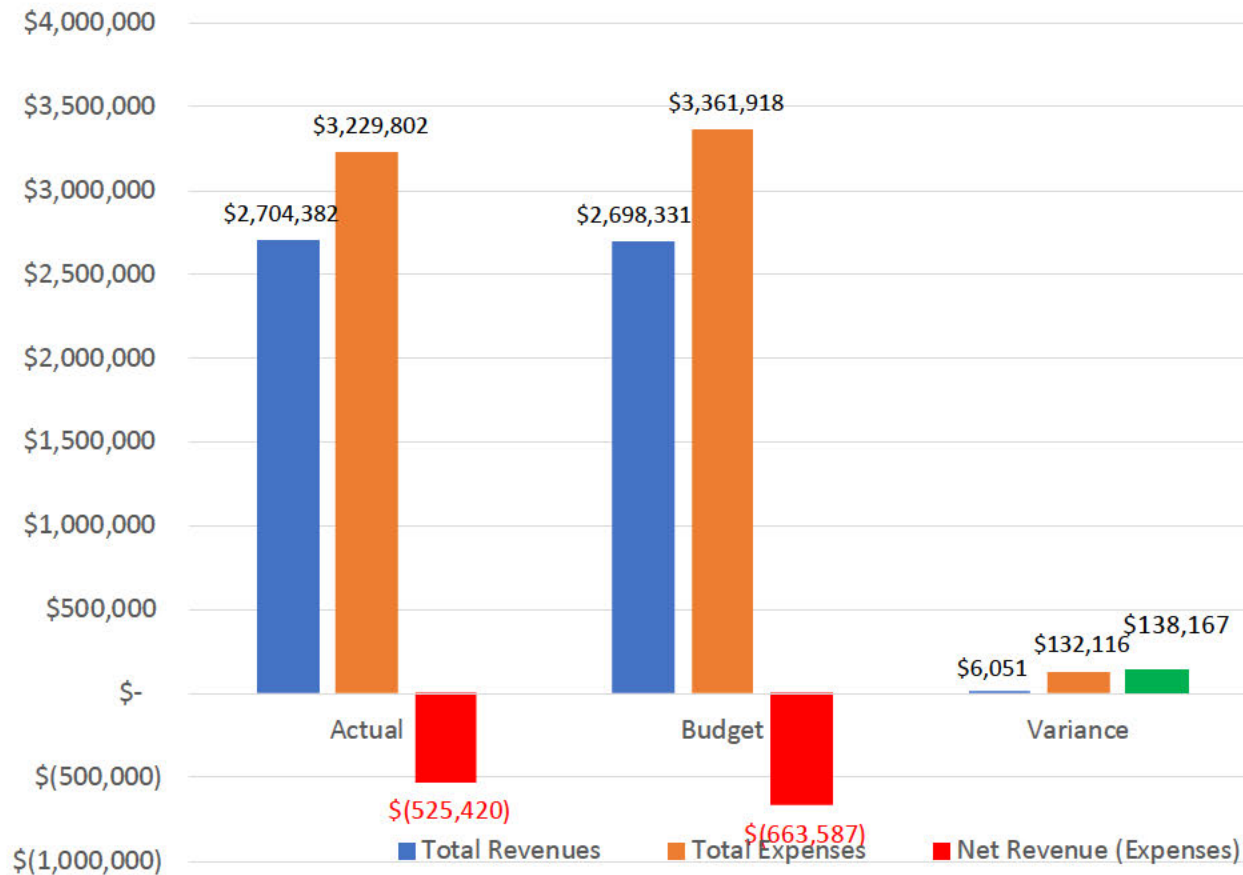
# 1<sup>st</sup> Quarter Financial Results @ 11-30-18

## General Fund



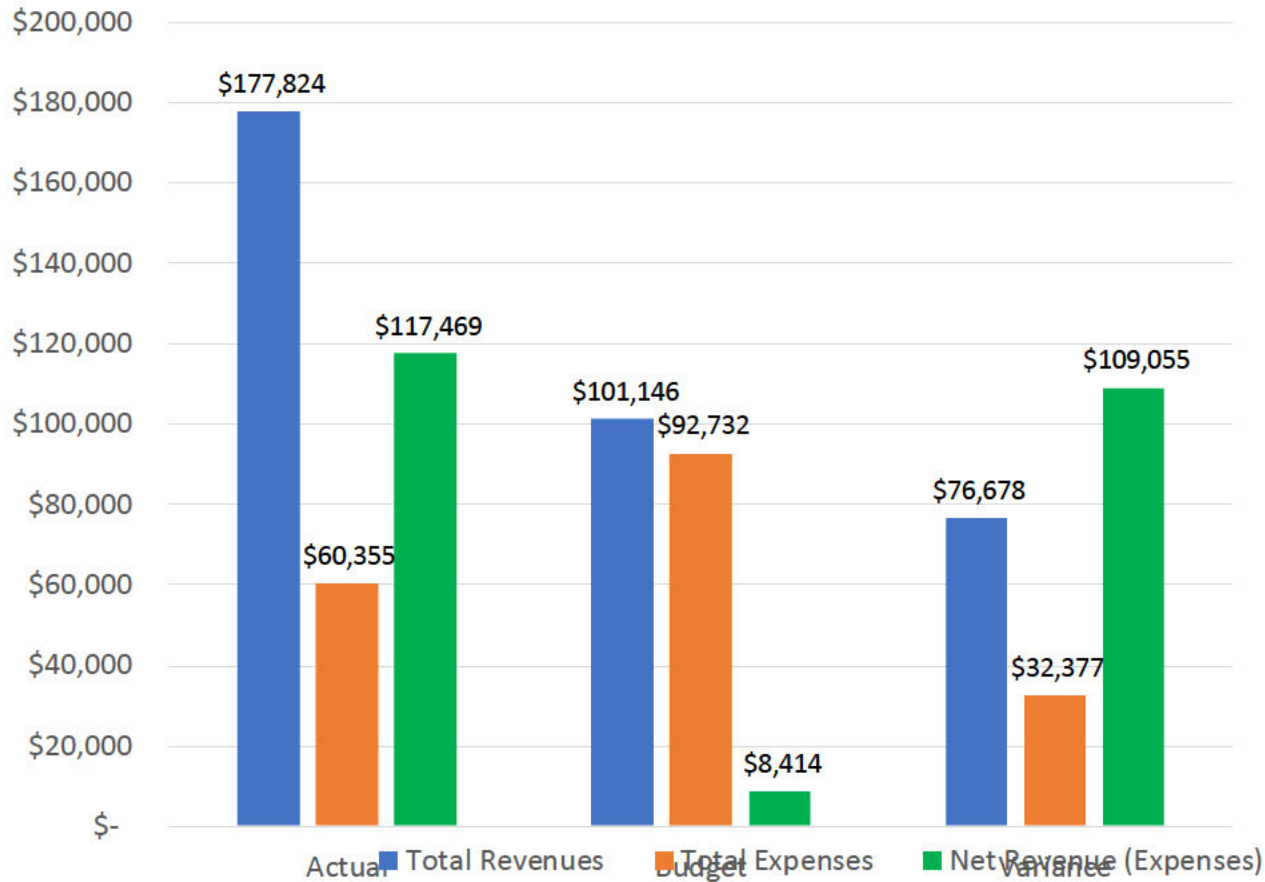
# 1<sup>st</sup> Quarter Financial Results @ 11-30-18

## Divisions



# 1<sup>st</sup> Quarter Financial Results @ 11-30-18

## Roundtables





# Investment Plan Update

# The Strategy

**Improve Mission Capabilities by Investing in 3 Key Areas**

**Information Technology**

**Advocacy**

**Development**

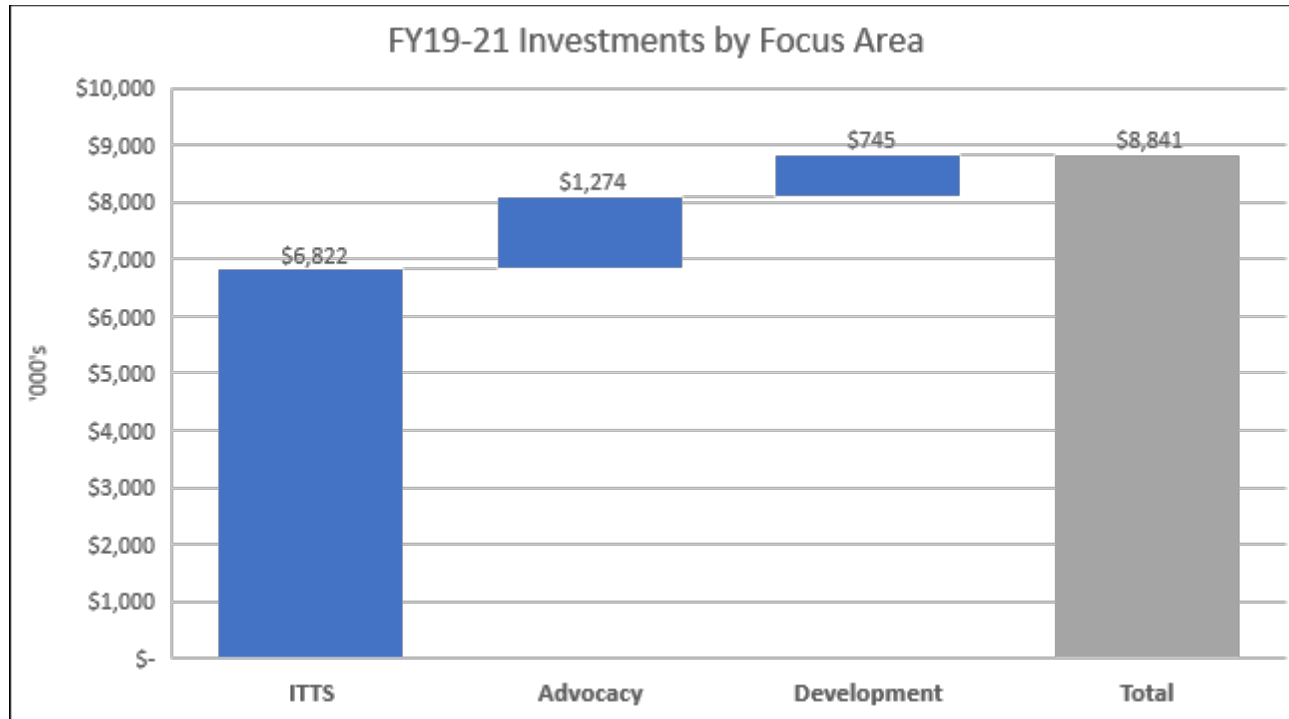
**While Streamlining Organizational Structure to Focus Existing Resources on Mission and Growth**

Re-allocation of Resources from Non-mission Critical Uses

- Occupancy
- Administrative and Support

*Simultaneously, the Association is embarking on several studies to answer key questions re. governance, membership model, and org structure*

# Investment Plan



NOTE: \$6.8M in proposed IT Investments includes initiatives to enhance Advocacy and Development. See page 18 for list of IT investments FY19-23

*Invest \$8.8MM in initiatives and infrastructure to improve mission capabilities and financial sustainability of Association*

# FY19 Investment Status

- Development

FY19 Investment - \$238,000

Investment Status – On track with hiring 2.5 new staff positions by 3/19 and some marketing/fundraising efforts

- Advocacy

FY19 Investment - \$410,000

Investment Status – Q1 was slow due to the ramp up for the new legislative session. Most expenditures expected in Q2 and Q3

- ITTS

FY19 Investment - \$1.4M, subject to revision based on the expected recommendations from IT consultants Delcor.

Investment Status - Membership Dues/Donations and the Store e-learning e-commerce systems feature functional by 2/19