



Treasurer's Report Membership Information Session and Virtual Membership Meeting

Saturday, June 25, 2022
ALA CD#13.2
2022 ALA Annual Conference
Maggie Farrell, ALA Treasurer

Topics for Discussion

- Membership Value
- Preliminary FY23 Budget
 - Timeline
 - Budget Assumptions
 - Progress to Date
 - FY23 Overview
- Annual Estimates of Income
- Operating Agreement Workgroup Update

WAYS YOU CAN USE YOUR MEMBERSHIP TO MEET YOUR PROFESSIONAL GOALS

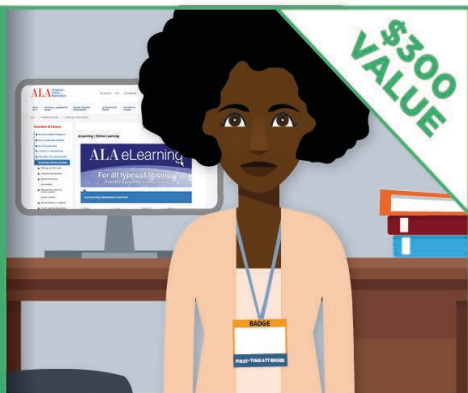
Connect with information about libraries, library work, association news, and other topics of interest to the profession through your ***American Libraries*** subscription.



Benchmark your salary to understand the value your expertise brings to the community through the **ALA-APA Salary Survey Database**.



Expand your skill set through **conferences, webinars, certifications, and courses** for any job in every type of library including two webinars bundled with your membership.



Crowdsource ideas and solutions from a community of 55,000 library workers—and collaborate as part of a volunteer group—across the globe through **ALA Connect**.



WAYS YOUR MEMBERSHIP DOLLARS SUPPORTED THE FUNDAMENTAL WORK OF LIBRARIES IN 2020



JUNEAU, AK

Students at the Johnson Youth Center, a detention facility, read books provided by ALA and engage in conversations about race, equity, identity, history, institutional change and social justice in collaboration with librarians from the Juneau Public Library as part of the Great Stories Club.

CHEYENNE, WY

Wyoming Libraries to Business at Laramie County Library System, a program funded by Libraries Build Business in collaboration with ALA and Google.org, launched to support women-owned small businesses and entrepreneurs from low-income and underrepresented groups and rural communities.

NEW YORK, NY

ALA representatives delivered over 160,000 signatures to the offices of Macmillan Publishers to demand it stop limiting libraries' access to digital content and make eBooks accessible to all.



WASHINGTON, DC

ALA's Public Policy and Advocacy Office helped secure \$50 million in funding for IMLS to support digital inclusion projects and more than \$30 billion in relief for schools and colleges, plus billions more for state and local governments and nonprofit organizations as part of the Coronavirus Aid, Relief, and Economic Security Act.

SANTA PAULA, CA

Blanchard Community Library expanded services for adult English language learners or adults in need of basic education and workforce development with help from ALA's American Dream Literacy Initiative.

NORTHERN NEW MEXICO

ALA supported six tribal libraries and two schools in north-central New Mexico to build two tribally-owned and -operated, 60-mile fiber-optic Networks—increasing internet speeds and decreasing costs.

NASHVILLE, TN

Advocates inundated lawmakers in Nashville with opposition to legislation proposing oversight review boards for every public library in Tennessee and defeated the bill that threatened library users' freedom to read.



FY23 Budget Timetable

- Annual Conference
 - 2nd Review of FY23 draft budget
 - Council approve FY23 AEI
- Summer
 - Continued refinement
 - Goal of balanced budget with contingency
- Fall
 - Final budget review/approval Fall
- January 2023
 - Review to date
 - Start FY2024



Budget Assumptions

ALA Management develops Assumptions to be used in budget preparation

- Staff salary increase = 2.0% (January 1, 2023)
- Furlough days = 0
- Overhead rate = 26.5%
- Continued freeze of Net Asset Balance transfers to the Endowment
- Approved 5% endowment payouts by Units and Divisions with endowments



Budget Improvements to Date

- PPP Loans/Grants
 - \$4million FY21 & \$2million FY22
- Contributed Revenue
 - \$5.9million FY21 & \$3.85million FY22
- Programmatic Grants
 - \$3.3million FY21 & \$16million FY22
- Pass through Grants
 - \$4.4million FY21 & \$5.3million FY22
- Working capital increased to \$4.8million
- Short term cash to \$14million
- Loan Balance \$4.7million
- Quarterly financial reporting
- In-house financial processing

But more focused work ahead of us....



Preliminary FY23 Budget Overview

<i>in thousands (\$)</i>				
	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Revenues				
General Fund	18,598	27,216	27,239	27,800
Divisions	15,004	10,774	13,559	12,019
Round Tables	494	626	502	556
Grants and Awards	8,888	3,340	4,310	8,521
Total Revenues	42,984	41,955	45,610	48,897
Expenses				
General Fund	28,278	25,685	28,177	28,040
Divisions	14,306	8,952	13,398	11,810
Round Tables	238	265	462	475
Grants and Awards	5,604	6,608	4,310	8,521
Total Expenses	48,425	41,510	46,347	48,847
Net Rev/(Exp) From Operations				
General Fund	(9,679)	1,531	(938)	(240)
Divisions	698	1,821	161	209
Round Tables	256	360	41	81
Grants and Awards	3,284	(3,268)	(0)	(0)
Total Net Rev/(Exp) From Operations	(5,441)	445	(737)	50
Paycheck Protection Program funding			1,000	
Net			263	50



Annual Estimates of Income

Per Article IX, Finances, Section 1 of ALA's Bylaws: Annual estimates of income shall be based upon the unexpended balance remaining from the previous year plus anticipated revenues for the next budget year. BARC is charged with reviewing and approving the Annual Estimates of Income.

	TOTAL ALA
ALA Net Assets (projected at end of FY 2022)	\$65,186,000
FY 2023 Budgeted Revenues	
General Fund	27,800,368
Divisions	12,019,391
Roundtables	556,363
Grants & Awards	8,520,557
Endowment	456,981
TOTAL	\$49,353,660
FY 2023 Annual Estimates of Income	\$114,539,660



Operating Agreement Work Group Update

EBD#10.12/CD#40.1

ORIGINAL CHARGE:

To evaluate, assess, and make recommendations to the ALA Operating Agreement that defines the relationship between ALA and Divisions. Specifically, the WG will examine how the existing Operating Agreement is fulfilling the mission and values of the association as well as the financial structure that supports the joint and individual goals of the Association and Divisions. In addition, the WG will examine the relationship between ALA and the Roundtables and will provide recommendations that guide that relationship as well. The Operating Agreement values unity, diversity, authority, autonomy, and collaboration. These values will guide the WG in its assessment and communication.

OWWG Recommendations

- **Re-write Policy A.4.3.4.1** to support “One ALA;” simplify financial reporting; align relationship between ALA and Divisions with a focus on shared costs and shared member value and mission-based expenses; align with the Pivot Strategy; preserve the autonomy necessary for Divisions and to meet the unique programmatic needs of their members; encourage innovation in all ALA units.
- Revise the **Operational Practices** to outline how various aspects of the Policy are to be implemented.
 - New budget process: clear, consistent, collaborative communicative
 - Eliminate internal transfer of overhead, and consider applying that same change to Round Tables and ALA Offices
 - Develop Accountability measures that review and ensure quality of shared services.
 - Address historical Net Asset Balances of Divisions
- Authorize an Implementation Task Force to **develop a new budget process** that consists of ALA management including Division Executive Directors and ALA division budget leaders to outline a new budget process.

OAWG Next Steps

- Review of new Policy and internal process changes by the Committee on Organization with continued Division, Staff, and Council feedback; will be referred back to Executive Board and then brought before Council in January 2023.
- If approved, form an implementation task force to develop new budget process to be implemented by FY25.
- Encourage ALA Executive Director to form an internal working group to revise and update operational practices.



Handy List of References

[Draft FY23 Budget – EBD#3.30](#)

[Draft Five Year Financial Plan – EBD#3.26](#)

[Pivot Plan – EBD#12.34 \(ED Report\)](#)

[Operating Agreement Work Group website](#)

[ALA Treasurer's Page](#) inc. Financial Learning Series