

Report to ALA Council
Policy Monitoring Committee
January 2012

In accordance with Policy 5.6 of the *ALA Policy Manual*, the Policy Monitoring Committee (PMC) has reviewed all actions taken by the ALA Council during the 2011 Annual Conference for possible incorporation into, addition to, or revisions to the *ALA Policy Manual*. Based on Council actions at the 2011 ALA Annual Conference in New Orleans, LA, the following revisions are recommended.

ACTION ITEMS

ACTION ITEM 1. Based on 2010-2011 CD#16.1, Endowment Trustees Report, Exhibit 13 (ALA Annual Conference 2011), submitted by the ALA Treasurer and the Endowment Trustees, approved by the ALA Council, the **PMC moves** that Policy 8.5.1 be revised to read:

8.5.1. Long Term Investment Funds: Association's Use/Withdrawal and Repayment

In the preparation of the ALA annual budget, the ALA Executive Director is authorized to include a **payout rate of 3% - 5% of the five-year trailing calendar quarterly (20) rolling average of the net asset balance of the ATA Future Fund. Additionally, the Executive Directors of the Divisions and the liaisons for the Round Tables and others responsible for endowment funds are authorized to include in the preparation of their annual budgets, the anticipated payout value as provided by the Finance department. The payouts will be subject to any donor restrictions related to a particular fund and will be made from allowable temporarily restricted and unrestricted net assets. Additionally, the annual payout rate (3% - 5%) will be reviewed, determined and recommended by the ALA Endowment Trustees and the Finance and Audit committee of the ALA Executive Board, with final approval by the ALA Executive Board.**

Use of Fund

Listed below are the primary instances **whereby additional funds may be withdrawn from the Long-Term Investment Fund** can be made.

A. Program Support

The General Fund, Divisions and Round Tables can request funds from their respective long-term investment funds to support one-time programs.

B. Emergencies

Emergencies will include financial disaster due to a major revenue shortfall, act of God, building catastrophe, major lawsuit, etc.

C. New Initiatives

New Initiatives will include projects or programs that are multi-year in nature and deemed important to the future of the Association, Divisions, Round Tables or units.

Amounts requested to be withdrawn in excess of **the determined payout rate** will require repayment with interest.

D. Scholarships & Awards

Allowable withdrawals from temporarily restricted and unrestricted Long-Term Investment funds designated for named scholarships and awards will be made to the extent necessary to support the award or scholarship according to its stipulations and requirements. If the **funds available from the annually determined payout rate of 3%-5% of a named** scholarship or award is not adequate, the amount in the temporary restricted and unrestricted investments designated for named scholarships may be used up to the limits of any permanent or donor restrictions.

E. Life Membership Funds

Allowable withdrawals from temporarily restricted and unrestricted Long-Term Investment funds designated for Life Membership will be made from the Life Membership Fund to the extent necessary to support the annual membership fee for the participants.

F. Transfer of Existing Funds

It is allowable to make a transfer from existing unrestricted funds for the establishment of a new and or in support of an existing scholarship fund, program or initiative fund within the Long-Term Investment Fund.

Withdrawal-Transfer-Repayment

Each withdrawal for any of the purposes referenced in A, B, C and the **annually determined payout rate of 3%-5% of the five-year trailing calendar quarterly (20) rolling average net asset balance must be approved by the Executive Board.**

Withdrawals from the Long-Term Investment Fund **above and beyond the annually determined payout rate of 3% - 5% of the five-year trailing calendar quarterly (20) rolling average net asset balance, for any of the following events:**

- a. Program Support
- b. Emergencies
- c. New Initiatives

will require repayment at the prevailing ALA borrowing rate with the term to be recommended by management and approved by the Executive Board.

The annual withdrawal of interest and or dividends from the Long-Term Investment Fund will not require repayment.

ACTION ITEM 2. Based on CD#45, Recommendation 3.2, (ALA Annual Conference 2011), submitted by the Presidential Task Force for Improving the Effectiveness of ALA's Council, approved by the ALA Council, **PMC moves** that Policy 5.3 (Council Resolutions: Guidelines for Preparation of Resolutions to Council), provision # 6 of the "Content" section and provision #1 of the "Process" section be revised to read:

Content:

6. Resolutions should clearly support **ALA's Strategic Plan as well as its mission/or its core values.**

Process:

1. All resolutions submitted by Council members must be sent to the ALA Resolutions Committee for review and must be accompanied by a completed ALA Resolution Form. **A supplemental explanation consisting of one or more expository paragraphs should accompany every resolution clearly stating how the resolution supports ALA's Strategic Plan as well as its mission and/or its core values. This supplementary explanation is not a part of the resolution proper.**

(Revised: 1995 MW; 1999 AC; 2000 AC; 2003 AC; 2008 AC; 2011 AC)

ACTION ITEM 3

Based on CD#45, Recommendation 5.1, (ALA Annual Conference 2011), submitted by the Presidential Task Force for Improving the Effectiveness of ALA's Council, approved by the ALA Council, **PMC moves** that Policy 5.5.2 (Council/Executive Board/Membership Information Session) and Policy 7.4.10 (Membership Meetings) be revised as follows:

Policy 5.5.2 Council/Executive Board/Membership Information Session

At each Midwinter Meeting, there shall be at least one session of Council with the Executive Board for information only, to be held prior to other meetings of Council. Any member of the Association may participate in the information session.

Policy 7.4.10 Membership Meetings

A membership meeting shall be held during the Annual Conference, excluding days when pre-conferences are held, **prior to the meetings of Council.**

The membership meeting shall consist of:

- **A session during which the Executive Board, Council, and members may provide information to one another. Any member of the Association may participate in this information session.**
- **A session during which the voting members of the Association may exercise their authority to act as set out in Article VI, Sections 9(a) and 4(c) of the Constitution.**
- **Memorials, tributes, and testimonials may be mentioned by the presiding officer.**

Membership meetings may also be held at such times as may be set by the Executive Board, Council, or by membership petition, as provided for in Article II, Section 4 of the Bylaws.

Policy Monitoring Committee

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