

**YALSA Board of Directors Meeting
ALA Midwinter Meeting, Atlanta
January 20 – 24, 2017**

Topic: Executive Committee and Financial Oversight

Background: At the Board's 2016 Annual Conference meeting, the group tasked the Executive Committee with fleshing out the new fiscal oversight responsibilities of the Committee. Sara Hill has provided the information below for the Board's consideration.

Action Required: Discussion

Fiscal Oversight Role

AUTHORITY

To alleviate some of the workload of the full Board and to help increase Board efficiency, the Board can choose to delegate certain fiscal oversight tasks to a smaller group of the Board. The Executive Committee reports to the Board of Directors.

PURPOSE/GOALS

- Act as the Board's eyes and ears in financial operations, relieving the whole Board of having to manage the complexities of the organization's finances
- Monitor and communicate to the Board about the organization's overall financial health
- Support the Board in fulfilling its fiduciary responsibility
- Help prevent and protect the organization from legal challenges and liability
- Guard the organization against illegal, unethical, or incompetent activities by fiscal managers
- Act as an advisory panel to the financial operation

FOCUS/SCOPE OF WORK

Budget Planning

- Develop guidelines and assumptions to be used with budget development
- Review the Organizational Plan to identify budget priorities
- Act as a resource to the Executive Director
- Ensure budget alignment with the Organizational Plan and Implementation Plan

Budget Monitoring

- Regularly review reports to ensure adherence to the budget and achievement of the adopted goals
- Identify and report any illegal, unethical, or incompetent financial dealings engaged in by the Executive Director, staff, Board members, or others
- Act as a resource to identify and help correct fiscal problems and/or discuss fiscal issues

- Ensure that the financial elements of the organization are in accord with its vision, mission, and Organizational Plan
- Evaluate both the financial operation and the people in charge of it from a position of knowledge

Fiscal Policies: development and oversight

- Regularly review and discuss fiscal policies and make recommendations to the Board when updates, changes or new policies are warranted
- Determine whether policies are adequate in light of YALSA's size, complexity, and life-cycle stage, and recommend to the Board when changes are warranted
- Ensure compliance with fiscal policies
- Protect the organization from actual or apparent conflict of interest

Long range planning

- Analyze trends
- Set goals
- Planned giving

ALA relations

- Build and maintain relationships with financial officers and committees at the ALA level
- Attend and participate in relevant ALA fiscal meetings
- Monitor financial guidelines and policies developed by ALA

Board support

- Highlight important observations and trends for the Board to consider
- Set expectations regarding the desired quantity and subjects of reports, and present financial reports to the full Board

Other

- Help in the hiring of any fiscal staff or a new Executive Director

DEFINING FISCAL ROLES WITHIN YALSA

- Executive Committee
 - Learn the particulars of YALSA's finances, restrictions, and requirements
 - Ensure the Board receives accurate, timely and user-friendly fiscal information
- Fiscal Officer
 - Communicate financial information to the membership
 - Communicate regularly with the FAC Chair and Fund & Partner Development Standing Board Committee chair
 - Liaise with financial officers and committees at the ALA level
- Executive Director
 - Work with ALA Finance to prepare reports for the Executive Committee and Board
 - Help the Executive Committee build knowledge and skills related to association finances

- Supply fiscal information as needed and report any fiscal issues or discrepancies immediately
- Financial Advancement Committee
 - Develop and implement an annual fundraising plan for FOY
 - Communicate regularly with the Fiscal Officer and Fund & Partner Development Standing Board Committee chair
- Fund & Partner Development Board Standing Committee
 - Monitor all activities related to their Organizational Plan goal
 - Communicate regularly with the Fiscal Officer and FAC Chair
- Board of Directors
 - Effectively manage funds to fulfill the organization’s mission
 - Act on fiscal recommendations or proposals brought forward by the Executive Committee
 - Seek fiscal information from the Executive Committee as needed to support informed decision making
 - Periodically evaluate the fiscal role of the Executive Committee to ensure optimization

Recruitment

- The Governance Nominating Committee needs to know and understand the new fiscal role of the Executive Committee to identify qualified candidates

Resources consulted

- Make Good use of the Treasurer and the Finance Committee
https://nonprofitsassistancefund.org/sites/naf-prod/files/publications/make_good_use_of_the_treasurer.pdf
- The Finance Committee: What it is and What It Does
<http://www.nonprofitlawblog.com/the-finance-committee-what-is-it-and-what-does-it-do>
- Creating a Financial and Audit Committee <http://ctb.ku.edu/en/table-of-contents/finances/managing-finances/finance-committee/main>

Financial Implications

- Primarily member leader and staff time
- Trainings for Executive Committee members

Measuring Impact

Increased time spent on fiscal matters, creation and monitoring of fiscal reports, and advisory activities conducted with the Board, lead to stronger oversight of financial operations, deeper understanding of fiscal matters, and informed Board decision making. After one full year of implementing the strategies in this proposal, the Executive Committee will evaluate impact, share its findings with the Board, and use the information to inform future efforts.

Additional Resources

- 2016 Fall Executive Committee Meeting document #4, “Refocusing Executive Committee Proposal”
www.ala.org/yalsa/sites/ala.org.yalsa/files/content/ExecCmte_NewRoles.pdf