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
• 1st 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

ENDOWMENT TRUSTEES
5 - Elected by the Executive Board
  - Treasurer

EXECUTIVE BOARD
6 - Elected by Membership
5 - Staff
2 - Treasurer

COUNCIL
100 - Councilors at Large
11 - Divisional Councilors
53 - Chapter Councilors
12 - Executive Board Members
20 - Round Table Councilors

FINANCE & AUDIT COMMITTEE
Treasurer - Chair
3 - Executive Board Members
1 - Treasurer

BUDGET ANALYSIS & REVIEW COMMITTEE (BARC)
6 - Members At-Large
2 - Executive Board Members
1 - Treasurer

Divisions
Roundtables
Offices
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 – 1st Quarter Results
- Midwinter Meeting will discuss/review budget assumptions for Fiscal Year 2020
- Spring Meeting will discuss/review Fiscal Year 2019 – 2nd Quarter Results
- Spring Meeting will discuss/review/delop in detail Fiscal Year 2020 budget
- Annual Conference will discuss/review Fiscal Year 2018 8/9 month results
- Annual Conference will discuss/review Fiscal Year 2019 Year End Projections

*The Association’s Five-Year Plan is updated as needed and reviewed throughout the year.

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

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#v/o/4234E31B4C2F3EE9

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
  • 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

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALA Net Assets (projected at end of FY 2018)</td>
<td>$37,643,998</td>
</tr>
<tr>
<td>FY 2019 Budgeted Revenues</td>
<td>$</td>
</tr>
<tr>
<td>General Fund</td>
<td>$20,333,333</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$10,926,665</td>
</tr>
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<td>Grants &amp; Awards</td>
<td>$195,919</td>
</tr>
<tr>
<td>Endowment</td>
<td>$1,200,305</td>
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<tr>
<td>Total</td>
<td>$32,660,398</td>
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<tr>
<td>FY 2018 Annual Estimates of Income</td>
<td>$</td>
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<tr>
<td>Total</td>
<td>$84,304,634</td>
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Annual Estimate of Income @ Fall Meeting

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<tr>
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<td>$32,651,436</td>
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<tr>
<td>Total</td>
<td>$85,053,471</td>
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Current Fiscal Year Results

Three Months Ending 11-30-18

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1st Quarter Financial Results @ 11-30-18
Total ALA

1st Quarter Financial Results @ 11-30-18
General Fund

1st Quarter Financial Results @ 11-30-18
Divisions

1st Quarter Financial Results @ 11-30-18
Roundtables
Investment Plan Update

The Strategy

Improve Mission Capabilities by Investing in 3 Key Areas

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

Information Technology
Advocacy
Development

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

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