

2018 - 2019 ALA CD #33  
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

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## Discussion Topics



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

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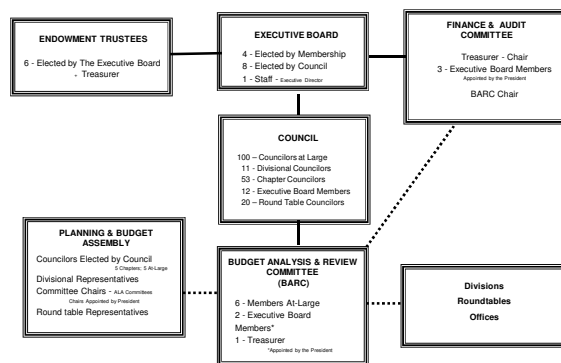
## BARC Overview

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

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## ALA Finance Decision Making Process



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## 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

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

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## 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>

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## 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

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## Budgetary Ceiling

*Now Known as the  
Annual Estimates of Income*

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## 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

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## Changes Since Annual Conference

### Annual Estimate of Income @ AC

ALA Net Assets (projected at end of FY 2018)	\$	<u>37,643,998</u>
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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	\$	<u>46,660,636</u>

FY 2019 Annual Estimates of Income	\$	<u>84,304,634</u>
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### Annual Estimate of Income @ Fall Meeting

ALA Net Assets (projected at end of FY 2018)	\$	<u>37,643,998</u>
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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	\$	<u>47,409,473</u>

FY 2019 Annual Estimates of Income	\$	<u>85,053,471</u>
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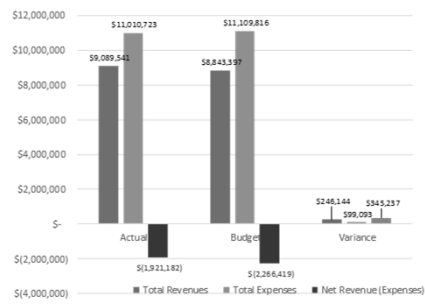
## Current Fiscal Year Results

Three Months Ending 11-30-18

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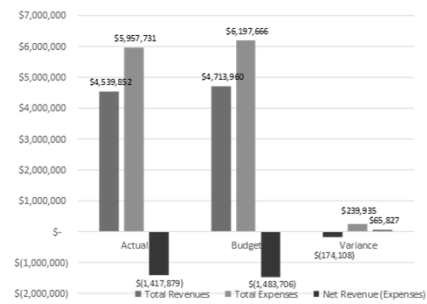
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### 1<sup>st</sup> Quarter Financial Results @ 11-30-18 Total ALA



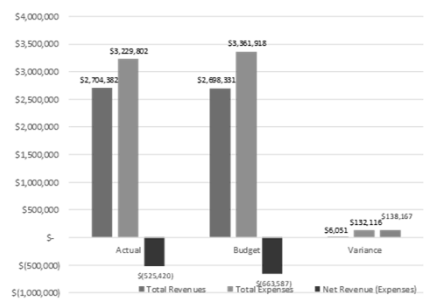
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### 1<sup>st</sup> Quarter Financial Results @ 11-30-18 General Fund



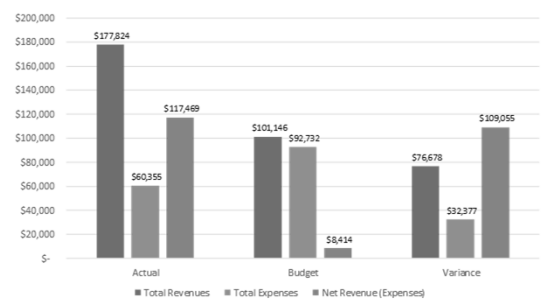
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### 1<sup>st</sup> Quarter Financial Results @ 11-30-18 Divisions



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



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## Investment Plan Update

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## 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

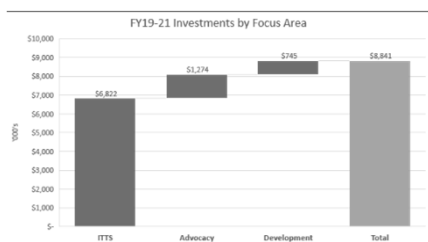
Re-allocation of Resources from Non-mission Critical Uses

- Occupancy
- Administrative and Support

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

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## 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*

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## 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

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