

## Introduction to the ACRL Budget and the work of the Budget & Finance Committee

### Context of the ACRL Budget

ALA requires ACRL to produce a sustainable budget, to reimburse to ALA a percentage of the various costs of support, to maintain an operating reserve, to use ALA accounting and certain other services, and to adhere to generally conservative fiscal policies and practices. Changes in ALA policies or rates are sometimes unpredictable and can have a significant impact on the budgeting process. ACRL has used partial accrual accounting, which recognizes expenses in the accounting period in which they occur and revenues in the accounting period in which they are earned. Thus, in some project categories (e.g., membership dues and publications), a portion of the revenue received in one fiscal year will be deferred to the subsequent one when the product or service is actually delivered. In the membership category, the effect of this practice is amplified by the fact that the ALA dues year does not match ALA's fiscal year. ALA Finance would like ACRL to move to full accrual accounting, recognizing both revenues and expenses at the time the service is delivered.

At the 1999 Midwinter Financial Planning Seminar conducted by ALA's Budget Analysis and Review Committee's (BARC), divisions were encouraged to budget revenues against expenses a little more precisely, i.e., do not significantly over-estimate expenses and under-estimate revenues in order to produce a surprisingly healthy closing balance. Divisions were advised to pay particular attention to budget categories and projects, which could incur Unrelated Business Income Tax (UBIT) liabilities.

### Elements of the ACRL Budget

Chapter 6 of the *ACRL Guide to Policies and Procedures* (formerly the ACRL Fiscal Policy Manual, see B&F Basic Document 4 or the [ACRL website](#)) identifies three revenue streams for the division: membership dues (these contribute only about one quarter of the total budget and have slightly declined in recent years), publications, and educational activities. ACRL conducts a conference every two years. The division has become increasingly reliant on strong revenue balances from this biennial conference and from the publications program to offset the generally flat revenues from dues. Because ACRL's conference revenues and *Choice* revenues combine to color the underlying fiscal health of ACRL, the committee also looks at the total net of the division's budget minus conference and *Choice*. ACRL expense categories parallel those for revenue.

The Mandated Operating Reserve is a financial cushion that should be budgeted, per ALA reevaluation, at four or more months of reserves (net asset balances divided by average monthly expenses). ACRL changed its fiscal policy in 1998, reducing the mandated operating reserve from 40% to 25% of the average operating expense of the four most recently completed budget years. This change applies to both ACRL and CHOICE.

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Since 1997, ACRL has made deposits into its long-term investment (LTI) account (formerly, the Endowment). In 1999, BARC approved a new policy, “ALA Operating Procedures for Transfers and Withdrawals Between division Fund Balances and the Long Term Investment Fund.” The text is included in the Operating Agreement section of the ALA Handbook (also see B&F Basic Document 5d). This procedure must be followed when transferring money out of the ACRL operating budget into the ACRL LTI, or when withdrawing funds from the investment pool. The procedures require considerable advance planning and notification of intent. Transfers to the LTI were temporarily halted in order to preserve ALA’s liquidity and assist ALA in meeting the terms of the covenant with the Bank of America to maintain favorable interest rates for the commercial loan for the *Choice* office space. Transfers resumed in FY15.

## ACRL Budget Review Process

The review of the ACRL budget must be done in the context of ACRL’s Strategic Plan, the [Plan for Excellence](#), its priorities, and its fiscal policies. The budget picture is clearest at Midwinter when the committee can view the figures from the previous year’s closed budget, the current year’s first quarter report, and the preliminary budget for the following fiscal year.

## Committee Role & Functions

A synoptic definition of the ACRL Budget & Finance Committee’s role is to review, monitor, inform, interpret, suggest, recommend, analyze, report, and call to the attention of the ACRL Board and Executive Director issues and concerns with the fiscal health of the division. In brief, the function of the committee is fundamentally an advisory one.

New members will receive the ACRL Guide to Policies and Procedures, Chapter 6 (Basic Document 3.0), a copy of the [ALA Operating Agreement](#) (Basic Document 4.0), and a set of recent Budget & Finance Committee meeting minutes (posted on [ALA Connect](#)). They should read these documents closely before they attend their first meeting.

The Committee’s general responsibilities include:

- Review any fiscal matters referred to it by the ACRL Board;
- Review the division’s budget, which includes the *Choice* budget.

The ACRL Board makes all the final budget decisions based, in part, upon the Committee’s recommendations.

Originally Prepared by Cathy Henderson, 1999  
Revised by John Popko, January, 2000  
Revised by Erika Linke, January, 2001  
Minor updates by staff, September 2016

### BUDGET AND PLANNING PROCESS

The ALA divisions operate under four calendars:

- Fiscal year: September 1 – August 31
- Membership year: July 1 – June 30
- Conference year (3 divisions): ACRL's Conference is held in the Spring of every odd year, and
- Program year: Annual Conference Program proposals are due September 1 and the program is held the following June. An informational virtual meeting to prepare for the September proposal deadline is held annually in April.

The timeline, process (including reviews and approvals), and the responsible parties (for workload, review and approvals) for the ACRL budget follow. The general process and ALA deadlines are the same for all divisions, but the specific timetable will vary with each division, according to established patterns and each division's organization. The charts are therefore generalized.

#### ALA fiscal year: September 1 – August 31

In **September**, ALA fiscal services and division staff are working together to "close" the fiscal year that ended August 31<sup>st</sup>. There are multiple closing reports issued during September and October. Everyone works to correct errors, clean up any problems, and finalize the reports. A considerable effort on the part of all is necessary to ensure our mutual goal of total accuracy for all accounts. ALA final overhead charges and taxes as well as the ACRL time study adjustments to actual are posted as part of the third close. The final, official and audited budget report will not be available until January, at the Midwinter Meeting.

Meanwhile, the new fiscal year began on September 1<sup>st</sup>.

In **October**, division staff will begin preparations for the preliminary budget for the fiscal year starting the following September. In preparation for development of the preliminary budget, division staff review past budget performances, study inflation factors, study new program areas and conduct impact studies, etc.

Staff develops a budget assumptions document that provides an overview of anticipated projects and general revenues and expense assumptions. The document is submitted to the Budget and Finance Committee for comment and it is provided to the Executive Committee with comments from the Budget and Finance Committee for its fall meeting. The Executive Committee reviews and adjusts the document as needed, and approves the revised document at the fall meeting. The approved budget assumptions document is the guide staff use to develop the preliminary budget for the coming fiscal year. Between October and the Midwinter Meeting, division staffs develop draft budgets for their units, which are then submitted to their respective Budget and Finance committees and Boards for review and modification. These budgets usually differ somewhat from the budgets that are finally approved at Annual Conference.

Budget instructions and worksheets are issued to division staff by the ALA budget and planning staff in **December**. Included in the instructions are the assumptions that all units of ALA, both general fund units and divisions, are asked to include in preliminary budgets. These assumptions include inflationary estimates for supplies, postage, telephone, travel, and photocopying. Estimates are also provided for bad debt and returns as a percentage of gross sales, unrelated business income tax (which relates to a portion of advertising revenue for a division journal e.g., CHOICE), employee benefits as a percent of salaries, and estimated overhead rates. The official

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average percent increase in staff salaries are not usually known until late spring. Beginning in FY12, ALA provided an overhead rate in December that will hold for two years to facilitate budget preparation.

At **Midwinter**, division Budget and Finance committees and Boards provide various levels of input, advice, and review on the preliminary budget.

**Immediately following Midwinter**, division staff make the necessary changes to preliminary budgets, and submit them to the ALA planning and budget staff. This preliminary budget includes a complete set of notes, outlining virtually every single expenditure (and calculation thereof) in that budget.

In **January**, each division Executive Director submits a budget impact statement following instructions provided by the Planning and Budget staff, which usually includes:

- description of division activities/relationship to ALA's strategic action plan
- division's business objectives and strategies
- situation analysis: environmental impacts
- market analysis
- trend data and indicators
- current financial status and multiyear trends
- likely impact on ALA as a whole

This impact statement includes many of the elements of a business or financial plan, which is also submitted at that time.

ALA Planning and Budget staff assembles the preliminary budgets, together with spreadsheets comparing the preliminary budget with the actual budget for the prior year, and five-year projections. Based on actual performance for the last fiscal year and projected performance for the current fiscal year, a budgetary ceiling for the divisions is calculated. The budgetary ceiling is the sum of the fund balance at the end of the last fiscal year plus the anticipated revenues for the upcoming fiscal year.

During **March**, the divisions' Executive Directors review the preliminary budget in a meeting with the ALA Executive Director, the Associate Executive Director of Finance, and the Associate Executive Director for Member Programs and Services. Following these meetings, ALA management forwards the division budgets to the ALA Executive Board for its review.

At the **spring meeting** of BARC, that committee reviews all the budgets, makes substantive analysis and returns them as information to the ALA Executive Board and ALA administration.

At the **ALA Annual Conference**, the divisions' Budget and Finance committees review and analyze the budgets, suggest changes, and recommend the budgets to the boards for approval. The extent to which the approved budget differs from the preliminary budget will vary greatly, depending upon a number of factors, such as refinement of special project budgets, more recent membership dues projections, new projects since Midwinter, changes in overhead or tax rates, etc.

**Following Annual Conference**, division staff will work to finalize the budgets and enter monthly projections into the financial system for each expense and revenue line in its budget. These projections increase everyone's ability to monitor budget performance throughout the year, as

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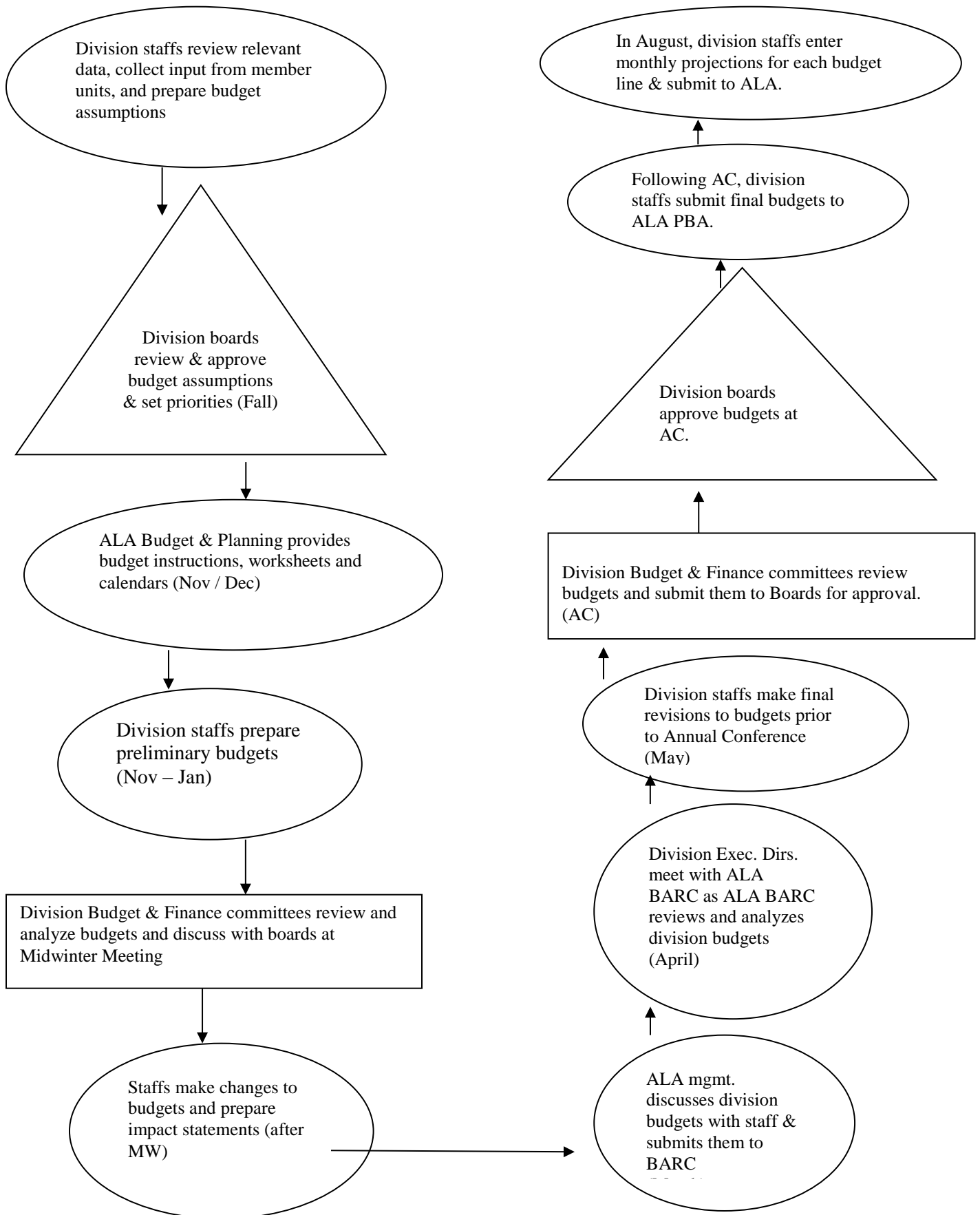
well as provide financial services with essential information for projecting cash flow for the whole of ALA.

**On September 1**, the fiscal year actually begins. Prior to the adoption of the ALA budget, divisions are able to operate fiscally, because the ALA Executive Board approved the budgetary ceiling at the Annual Conference, thereby providing the necessary authorization. At its fall meeting, the ALA Executive Board adopts the division budgets as part of the entire ALA budget for the fiscal year that started September 1<sup>st</sup>.

The Board has responsibility for managing ACRL's resources including its endowments and long-term investments although the investment strategy is managed by ALA. Endowment and investment policies are established and given oversight by the Board under the ALA policies and procedures.

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### ALA Budget and planning process workflow



# ACRL's Guide to Policies and Procedures

## Chapter 6: Budget and Finance

### 6.1 Overview of the Budget of ACRL

The ACRL budget is divided into programs (projects), each with a name and number. Each project includes line items for revenue and expenses. ACRL staff salaries and administrative costs are distributed throughout the projects. Salaries are estimated for each project based on historical data of actual staff time spent on projects (from the historical budget matrix) as well as on the Executive Director's knowledge of factors likely to affect particular projects during the budget year. The operating expenses are estimates and percentages are distributed among projects. Operating expenses include a fixed percent for the ALA indirect cost charge (overhead), the rate of which is determined each year by ALA based on an indirect cost study of the previous fiscal year. Overhead is charged on revenue generated for certain projects.

The ACRL annual budget process begins in the Executive Committee with the establishment of priorities. The Executive Director, beginning well in advance of the fiscal year, then constructs the preliminary ACRL annual budget. The budget is constructed with input from the officers, the Board, and the member units, and in accordance with ACRL policies and the ALA operating agreement, and is reviewed periodically by the Budget and Finance Committee. Revisions are made throughout the process to reflect changes made by ALA or the ACRL Board. (It should be noted that at any one time the Budget and Finance Committee may be working on annual budgets for three fiscal years.)

The preliminary budget emerges as a final budget at the Annual Conference immediately preceding the start of the fiscal year. It goes forward from the Budget and Finance Committee to the ACRL Board for approval in time for the beginning of the fiscal year on September 1.

The annual operating budget of ACRL, excluding *Choice*, should be balanced so that operating revenues cover operating expenses. A balanced budget is defined as follows: The ACRL annual budget, excluding *Choice*, is balanced if revenues plus the ACRL fund balance over the mandated operating reserve are greater than expenses. Source: ACRL Board, July 1982, revised June 1998

ACRL generates revenue in three categories: membership dues/other, publications and education. Categories for expenses parallel those for revenue: member activities, publications, education—and a fourth to cover special programs.

The budget year is divided into four quarters. Revenue and expense activities will occur throughout the year. However, a majority of expenses, those supporting members, and conference activities, and all revenue from national conferences and preconference registrations are realized in the third and fourth quarter after the activity is held. The majority of expenses from member activities will occur in the third and fourth quarters of the year when programs and

projects are completed and requests for payment of reimbursement have been processed. Expenses for educational activities are paid as they occur. With the exception of the bank service charge, which is recognized monthly, endowment and long-term investment expenses generally occur in the third and fourth quarters.

During the fiscal year, the Executive Director provides quarterly financial reports to the Board and the Budget and Finance Committee comparing actual revenues/expenses to those budgeted. In these quarterly reports all general administrative and staff salaries, as well as related costs, are recorded on a separate line. During the year, ACRL staff maintain records of their daily use of time. The resulting percentages are used to allocate salaries, benefits, and general expenses such as telephone, postage, reprographics, etc. At the end of the year, these costs are distributed to each individual project.

*Source: Budget and Finance Committee, general comments, Midwinter, 1997*

The budget is driven by a process that assures that the priorities of the association are met. Units must justify their requests for funds in relation to Board priorities. ACRL approves financial support to its committees, sections, and affiliated chapters.

*Source: ACRL Financial Plan, April 1989; ACRL Board, 1994.*

## **6.2 ALA Policies with Fiscal Impact on ACRL**

The document guiding the relationship of ALA and ACRL fiscal policies is *Policies of the American Library Association in Relation to Its Membership Divisions*, commonly known as the *Operating Agreement*, June, 1989. These policies are printed in the policy manual section of the *ALA Handbook of Organization* and are summarized in the *ACRL Guide to Policies and Procedures*. Any changes undertaken in this operating agreement shall be implemented consistent with the budget cycle of ALA and its divisions and shall be done in such a manner as to minimize negative impact on the program of ALA and of the divisions.

The fiscal year, used for all budgetary matters, runs from September 1 through August 31.

ALA and its divisions use accrual accounting, which recognizes revenues and associated expenses in the accounting period in which the revenues were earned. An example is that revenues for conferences are recognized in the accounting period in which they take place, even though expenses for activities such as exhibits or registration processing may have been paid in a previous period. "Deferred revenues" is the phrase used to refer to cash received for items such as membership dues, periodical subscriptions, and/or registration fees, a portion of which has been paid for the providing of all or part of those goods and services after the current financial reporting period. Some of these revenues have not yet been earned, so are deferred to another period when goods or services are provided. For example, revenues for subscriptions are deferred for all but the issues this far supplied. If a journal has 6 issues and two have been delivered only the revenue for two of the issues is recognized. (Should some mischance occur, a subscriber would receive compensation for the issues not distributed, which is why revenue is recognized only when the issue/service is provided.)



“Reserve Funds” are different from “deferred revenues,” which legally must be held in escrow to satisfy subscribers, or registrants if it is not possible to publish all the issues for which they have paid or to hold a program for which they have registered. Reserves are funds saved for general or specific purposes, such as a hedge against future deficits, or a source of supplemental funds.

### **6.2.1 Revenue responsibility**

ACRL is responsible for generating revenue to support ACRL staff, administrative office operations, and carry out ACRL programs.

### **6.2.2 Mandatory in-house Services**

ACRL must use exclusively the following services provided by the ALA: computer and information technology systems, personnel, membership services, telephone, insurance, purchasing, financial services, legal counsel, and archives. ALA Divisions must be housed in properties owned or leased by ALA.

### **6.2.3 Fiscal Policies and Procedures**

ACRL is governed by prevailing ALA fiscal policies and procedures, and participates in formulating and revising these policies and procedures.

### **6.2.4 Budget Plans**

ACRL must provide ALA with annual and multi-year financial and budget plans consistent with ALA’s existing financial policies reflecting the priorities of ACRL members and support for ALA’s strategic planning initiatives.

### **6.2.5 BARC Reviews**

ALA Council action that imposes specific assignments on ACRL is reviewed by the BARC (Budget Analysis and Review Committee) with ACRL Board to assess any financial implications.

### **6.2.6 Charges for Services**

Five categories of charges for services exist between ALA and ACRL. These range from ALA services provided at no charge to partial or full charge. Refer to the *Operating Agreement*, Section V. for the definitions of the categories.

### **6.2.7 Overhead Charges**

ALA imposes overhead charges on revenues generated from such activities as conference and continuing education registration fees, exhibit space sales, royalty payments and subscription sales. As of the 1999-00 BARC policy #15, overhead will be assessed at 50% of the ALA

composite rate on revenue from net sales of materials, subscriptions, advertising (except in those publications which are provided to division members as a prerequisite of membership, including those that are reformatted, and other miscellaneous fees. Revenues from registration fees are assessed at 100% of the ALA overhead composite rate. ACRL pricing of revenue producing activities must incorporate the cost of these charges.

### **6.2.8 Interest Exclusions**

ACRL does not receive interest on fund balances or deferred revenue.

### **6.2.9 Bad Debt and Unrelated Business Income Tax**

ACRL must assume responsibility for bad debts and for paying taxes resulting from unrelated business income. All ALA units generate unrelated business income from periodical advertising revenues. ACRL is responsible for paying taxes resulting from revenues generated from this advertising. The amount budgeted for these items is specified annually by ALA. Typically, ALA has said to budget 5 percent of gross sales for return of goods, 1 percent of gross sales for bad debt, and from one to eight percent of gross advertising revenue for unrelated business income tax depending on the periodical..

### **6.2.10 Royalties Assignment**

ALA pays royalties to ACRL for ACRL-generated publications that are published by ALA publishing services, and on the sale of tapes of ACRL programs held during the ALA Annual Conference.

### **6.2.11 Furniture and Equipment Acquisition**

ACRL may acquire furniture and equipment for its use through three methods: outright purchase of the cost is \$1,000 or less, on a depreciated basis if more that \$1,000, or if computer equipment is through the ALA lease plan. Furniture and equipment purchased with ACRL funds are under the control and use of ACRL, but remain assets of ALA.

### **6.2.12 Computer Equipment Depreciation**

Equipment such as computer printers and fax machines with a price over \$1,000 has a three-year depreciable life. One sixth (one-half of one third) of the item's purchase price is allocated to depreciation expense in the year purchased, one-third of the purchase price each of the second and third years, and one-sixth in the fourth year.

### **6.2.13 Furniture and Other Equipment Depreciation**

Office equipment and furniture with a price of over \$1,000 has a five-year depreciable life. One-tenth (one-half of one-fifth) of the purchase price is allocated in the year purchased, one-fifth in each of the second through fifth years, and one-tenth in the sixth year.

#### **6.2.14 Endowments and Long-term Investments**

ACRL may establish endowments and long-term investment accounts, but must follow guidelines outlined in ALA policy. Use of interest from ACRL endowments and long term investments is subject to ACRL Board approval and applicable ALA policy.

#### **6.2.15 Charging Additional Fees**

ACRL may charge additional fees in accordance with ALA Bylaws, Article I, Sec.2, and Article IV, Sec.6(c), when approval of such fees has been given by the membership by a mail vote.

#### **6.2.16 Programming Costs**

ACRL is responsible for all costs incurred in planning and carrying out preconferences, workshops, institutes, seminars, and ACRL national conferences.

#### **6.2.17 External Funding**

ACRL may seek external funding to pursue projects to enhance program priorities. The ACRL Board must approve all requests for which ACRL is the lead applicant, seeking for funding external projects other than sponsorships from the vendor community. All proposals and contracts for such funds are signed by the Executive Director of ALA. All costs for projects funded through grants or contracts from outside agencies or organizations should be covered by project funding. The ALA Development Office reviews requests to solicit funds from companies, foundations, and other funding sources, to coordinate the requests.

Grant requests for which ACRL is a partner or co-sponsoring organization in a secondary role may be approved by the ACRL Executive Director in consultation with the ACRL President, the ACRL Past President and the ACRL President Elect. This group may also approve through joint decision the issuance of letters of support for external organizations grant proposals.

*Source: ACRL Exec Committee, May 2013.*

### **6.3 Administrative Costs**

Administrative cost categories include expenses of the day-to-day operation of the ACRL office including staffing. Such expenses include salaries and benefits, staff professional development, staff membership dues in other organizations, ACRL communication and correspondence costs, supplies and other operating costs identified in the budget category for administration. The portion of time spent by ACRL staff on specific projects is tracked, and the proportionate costs are allocated to the projects. This is described further in the section on Budget of ACRL.

Salaries/benefits for ACRL staff must be no more than 45 percent, and total administrative costs no more than 60 percent of the total operating budget, not including *Choice*. (See also **Staff**, [6.26.4](#).)

*Source: ACRL Financial Plan, April 1989*

## **6.4 Awards**

ACRL awards are of three types: Research and Publications, Recognition, and Fellowships and Scholarships. In compliance with ALA policy, the minimum amount for an award is \$1,000.

### **6.4.1 Administrative fee**

Effective 1995, the administrative fee for all ALA Awards, including new awards, is 20 percent of the award amount, not to exceed \$1,000. The administrative fee would not apply to the Endowment Scholarships. For awards from an outside source, the standard overhead should be requested. For awards by a unit of ALA, administrative costs estimated by the unit shall be included in the proposal and in budget requests as needed. The purpose of the administrative fee shall be to pay for: a) costs of preparations, printing, and distribution of award criteria and nomination forms; b) publicity and promotion of the awards; c) costs for preparing citations and/or plaques; and d) expenses for the award presentation ceremonies.

### **6.4.2 New awards**

All proposals for new awards must need the ALA awards criteria and guidelines. Proposals for new awards must clearly indicate that the award will have financial support either from a vendor or from the establishment of an endowment. Recurring funding for an award must include an amount to cover the costs of the awards administration. This administrative funding will be used for such purposes as publicity and reimbursement of ACRL Staff time. The amount of administrative funding needed for an award shall be determined in consultation with ACRL staff prior to the establishment of the award. After establishment of the award, staff will annually adjust the administrative fee in consultation with the award vendor.

*Source: ACRL Board, January 1993*

New Awards should have a five-year commitment of funding. ALA awards represent four types: Grants, Recognition, Scholarships, and Conference Sponsorships. Effective 1995, the minimum amounts are as follows:

Grants: \$10,000

Recognition: \$5,000

Scholarships: \$3,000

Conference Sponsorships: \$1,000

*Source: ALA Awards manual*

## 6.5 Basic Services

Basic services are identified and described in the “Report of the ACRL Joint Subcommittee on the Definition of Membership Services” prepared for the ACRL Board of Directors January 27, 1992.

Basic services (*e.g.*, *C&RL*, *C&RL News*) are those made available to all division members at no additional charge beyond their division dues. Some basic membership services may be supported with non-dues revenue.

*Source: ACRL Board, January 1990*

Basic services provided as perquisites of membership are distinct from basic services funding which is allocated to committees and sections. See **COMMITTEES** and **SECTIONS** for explication of basic services funding.

## 6.6 Board of Directors

### 6.6.1 Approval of budget

The ACRL Board approves the total ACRL budget, even though it may not necessarily see the details of the budget in the specificity required for accounting purposes and the ALA budgetary process.

*Source: ACRL Executive Committee, December 1982; Budget and Finance Committee, January, 1982*

### 6.6.2 Unbudgeted expenditures

The Executive Committee has the authority to approve unbudgeted expenditures not to exceed 10 percent of the total budget in any given year, excluding the budgets of *Choice*, *C&RL* and *C&RL News*.

*Source: ACRL Executive Committee, December 1981; Budget and Finance Committee, January 1982*

The Executive Director is authorized to approve individual unbudgeted expenditures, up to and including \$10,000, not to exceed 1% of the total ACRL and CHOICE budgeted expenditures. The Executive Director will notify the ACRL President of such expenditures.

Source: ACRL Exec Committee, October 2004. Revised by the ACRL Board of Directors, February 2018

### 6.6.3 Recognition

In recognition of service on the ACRL Board of Directors, Board members, upon completion of their terms of office, are honored at the final Board meeting of the Annual Conference. Board members are presented with a token of the Association's appreciation. The funding level will be adjusted annually.

*Source: ACRL Board, July 1985*

## **6.7 Budget and Finance Committee**

The Budget and Finance Committees is a standing committee of the ACRL Board and is therefore responsible to the Board. It performs a service in the Board's behalf in the fiscal affairs of the association. The committee analyzes and reviews the budget in relation to the strategic plan and ACRL priorities and submits a budget recommendation to the Board that ensures balanced support for the division's activities and programs as they relate to the plan. The committee advises the ACRL Board of Directors on questions regarding the fiscal matters of the division. The committee does not establish policy. The committee is guided by current priorities and the strategic plan, both approved by the ACRL Board.

The Chair of the ACRL Budget and Finance Committee is a member of the ACRL Board and the ACRL Executive Committee.

### **6.7.1 Review of Fiscal Impact Prior to Board Action**

Before taking final Board action, the ACRL Board refers all items with fiscal impact to the Budget and Finance Committee for advice. The Budget and Finance Committee reviews budget projections and requests at the ALA Midwinter and Annual Conferences and recommends to the ACRL Board at its final meeting of the annual conference a budget for the following fiscal year.

*Source: ACRL Board, January 1979*

### **6.7.2 Joint Meeting with ACRL Board**

Annually, at the Midwinter Meeting the Board and Budget and Finance Committee meet jointly to discuss ACRL's fiscal status and planning. ACRL members are encouraged to attend this meeting.

### **6.7.3 Membership Dues Review**

Annually, the Budget and Finance Committee evaluates the need for a membership dues increase and makes a recommendation to the Board at the ALA Midwinter Conference. The Budget and Finance Committee has a standing subcommittee charged with monitoring trends in the ACRL budget in order to evaluate the potential need for a dues increase.

### **6.7.4 Review of Budget over Multiple Fiscal Years**

The Budget and Finance Committee must examine the current fiscal year budget in relation to the previous and next fiscal year budgets. Because of the fiscal impact of the ACRL National Conference, the Budget and Finance Committee also must view the budget in relation to the National Conference cycle.

*Source: ACRL Board, July 1982.*

## 6.8 Budget Calendar

ACRL must follow ALA's fiscal calendar and its fiscal year. The ALA divisions operate under three calendars: Program year, fiscal year, and membership year. This document outlines those activities and timelines that are important to the divisions' budget planning process.

All funds are handled by the ALA Planning and Budget Office. All budgets are reviewed by the ACRL budget & Finance Committee, which recommends a budget to the ACRL Board of Directors. Following the ACRL Board's review of the preliminary budget, BARC (Budget Analysis and Review Committee) reviews this draft budget, which is then reviewed by the ALA Executive Board. The ACRL Board approves the budget at the Annual Conference. The ALA Board then gives final approval to the entire ALA Budget, which includes division budgets at their fall meeting after the start of the fiscal year. The timetable for this process is described in the following narrative.

The general process and ALA deadlines are the same for all divisions, but the specific timetables will vary with each division, according to established patterns and each division's organization. The charts are therefore generalized.

### September

ALA fiscal services and division staff are working with the "closing" of the fiscal year, which ends August 31<sup>st</sup>. There are three closing reports issued during September and October. Everyone works to correct errors and clean up any problems. A considerable effort on the part of all is necessary to ensure our mutual goal of total accuracy for all accounts. ALA final overhead charges and taxes will be posted on the third close. The final, official and audited budget reports will not be available until January at Midwinter.

Meanwhile, the new fiscal year began on September 1<sup>st</sup>.

### October

Division staff will begin work on the preliminary budget for the fiscal year starting the following September. In preparation for development of the preliminary budget, division staff review past budget performances, prepare environmental scans, study inflation factors, study new program areas and conduct impact studies, etc. What is accomplished between October and Midwinter

Meeting is submitted to the various Budget and Finance Committees and Boards for review and modification, and usually differs somewhat from the budget that is finally approved at Annual Conference.

ACRL units anticipating special funding needs should work with the ACRL staff to ensure that their budget requests are included in the budget development. The ACRL units must also submit a separate action item to the ACRL Board for approval of the special funding request.

### **November/December**

Budget instructions and worksheets are issued to division staff by the ALA budget and planning staff in **November or early December**. Included in the instructions are the assumptions that all units of ALA, both general fund units and divisions, are asked to include in the preliminary budgets. These assumptions include inflationary estimates for supplies, postage, telephone, travel and photocopying. Estimates are also provided for bad debt and returns as a percentage of gross sales, unrelated business income tax (which relates to a portion of advertising revenue for a division journal) employee benefits as a percentage of salaries, and estimated overhead rates. The final overhead rate and the official average percent increase in staff salaries are not usually known until after the Annual Conference.

### **January/February Midwinter**

Division Budget and Finance Committees and Boards provide various levels of input, advice, and review on the preliminary budget, and approve it for submission to the ALA review process.

### **Immediately following Midwinter**

Division staff makes the necessary changes to preliminary budgets, and submit them to ALA Planning and Budget. This preliminary budget includes a complete set of notes, outlining virtually every single expenditure (and calculation thereof) in that budget.

Each division submits a budget impact statement following instructions provided by the Planning and budget staff, which usually includes:

- description of division activities/relationship to ALA's strategic action plan
- division's business objectives and strategies
- situation analysis; environmental impacts
- market analysis
- trend data and indicators
- current financial status and multiyear trends
- likely impact on ALA as a whole

This impact statement includes many of the elements of a business or financial plan which, is also submitted at that time.



ALA Planning and Budget staff assembles the preliminary budgets, together with spreadsheets comparing the preliminary budget with the actual budget for the prior year, and five-year projections. Based on actual performance for the last fiscal year and projected performance for the current fiscal year, a budgetary ceiling for the divisions is calculated. The budgetary ceiling is the sum of the fund balance at the end of the last fiscal year plus the anticipated revenues for the upcoming fiscal year.

### **February/March**

The divisions' Executive Directors review the preliminary budget in a meeting with the ALA Executive Director, the Associate Executive Director of Finance, and the Associate Executive Director for Member Programs and Services. Following these meetings, ALA management forwards the division budgets to the ALA Executive Board for its review.

### **May**

At the **spring meeting** of BARC, that committee reviews all the budgets, makes substantive analysis and returns them as information to the ALA Executive Board and ALA administration.

### **June/July**

At the **ALA Annual Conference**, the divisions' Budget and Finance committees review and analyze the budgets, suggest changes, and recommend the budgets to the boards for approval. The extent to which the approved budget differs from the preliminary budget will vary greatly, depending upon a number of factors, such as refinement of special project budgets, more recent membership dues projections, new projects since Midwinter, changes in overhead or tax rates, etc. The budgets approved by the division boards do not include the official projected figures for salary increases. These rates will be approved by the ALA Executive Board at Annual, and therefore need to be included following the conference.

### **August**

**Following Annual Conference**, usually in August, division staff will work to finalize the budgets, incorporating the official salary projections and overhead rates. The overhead rate will be based on the indirect cost study for the previous fiscal year, which would have been reviewed by BARC.

The division staff will enter monthly projections for each expense and revenue line in its budget. These projections will increase everyone's ability to monitor budget for performance throughout the year, as well as provide financial services with essential information for projecting cash flow for the whole of ALA.

### **September**

**On September 1**, the fiscal year actually begins. Prior adoption of the ALA budget, divisions are able to operate fiscally, because the ALA Executive Board approved the budgetary ceiling at

Annual Conference, thereby providing the necessary authorization. At its fall meeting, the ALA Executive Board adopts the division budgets as part of the entire ALA budget for the fiscal year, which started September 1<sup>st</sup>.

## **6.9 Chapters**

### **6.9.1 Per Member Allocation**

Chapters are allocated \$1 per ACRL member within the geographic region served by the chapter; a \$100 minimum allocation has been established. A chapter chair may be reimbursed for expenses incurred while conducting business or carrying out an activity during the year. (See Expense Reimbursement.) The amount requested for reimbursement cannot exceed the state/region allocation.

*Source: ACRL Board, 1993; ACRL Chapters Relations Task Force Report, April 1998; ACRL Board, June, 1998*

Beginning in the 1999-2000 fiscal year, ACRL grants to each chapter \$10 for each new ACRL members living in the chapter's geographic region who joined ACRL during the previous fiscal year, if the chapter conducted ACRL membership recruitment activities during the previous year and summarized them in its annual report.

*Source: ACRL Chapters Relations Task Force Report, April 1998; ACRL Board, June 1998*

### **6.9.2 Chapters Speakers Program**

In order to foster the relationship between ACRL and its members, funds are available to give chapters the opportunity to invite members of the ACRL Board and the Executive Director to the region as participants in chapter activities. The purpose of the visit is to speak about the activities and initiatives of ACRL and to learn of members' interests at chapter level.

*Source: ACRL Board, 2004*

### **6.9.3 General Chapter financial policies**

If any chapter does not use its full budgeted allotment during the ACRL fiscal year, the money reverts to the ACRL general fund. Expenditures are only for activities in the current fiscal year.

*Source: ACRL Board, January 1979; Budget and Finance Committee, January 1991*

ACRL Chapters may spend budgeted resources on any items or activities that support the charitable and educational purposes of ACRL's strategic goals as identified in the strategic plan with two exceptions. 1) The allotted funds may not be used for payment of honoraria or travel to support librarians' presentations at ALA, ACRL, or ACRL chapter conferences and 2) The

allotted funds may not be used to purchase goods or services prohibited by ALA and ACRL policy.

Accountability for the expenditure of these funds lies with the Association of College and Research Libraries, not the state library associations. Reimbursement of expenses is handled in accordance with ACRL policies and procedures. Submit two copies of the Reimbursement Request form and original receipts to ACRL before August 15 of the current fiscal year. Source: ACRL Board, January 1987; revised June 1987, January 1993, and January 2006.

With the exception of the requirement to submit annual reports, restrictions on ACRL funding allocated to chapters are limited to those required by ALA policy.

*Source: ACRL Board, January 1987, and revisions June 1987, January 1993, June 1998*

## **6.10 CHOICE**

The ACRL administrative service charge to *Choice* is based upon ACRL time study.

*Source: ACRL Board, July 1985*

### **6.10.1 CHOICE Principles of Fiscal management**

*Principles Concerning the Fiscal Management and Status of CHOICE* were approved by the ACRL Board on June 21, 1977, and reaffirmed in January 1986. The Principles not made obsolete by time (e.g., budget figures from 1976) are listed below.

### **6.10.2 CHOICE reserve fund**

*CHOICE* has a separate reserve fund, rather than participating in a general ACRL or ALA Publishing Reserve Fund. As is true for all ALA current funds, the *Choice* Reserve Fund does not bear interest. *CHOICE* will maintain a mandated Reserve Fund equal to 25 percent of the average annual operating expenses over the four most recently completed years, excluding ALA overhead. This objective does not preclude consideration of needs to develop and improve the *Choice* program through current budget funding. The ACRL operating budget contains an expense line for the mandated reserve for *CHOICE*, and it is appropriately budgeted as part of the annual budget preparation process.

*Source: ACRL Board, January 1989, January 1992, revised June 1997*

- a. Should *Choice* experience major financial problems in the future, the first attempt to resolve them will be from the *Choice* Reserve Fund. As a second level of support, ACRL will examine its overall program requirements and financial status to determine if assistance can be given to *Choice*. The final responsibility for resolution of such problems will rest with the ALA General Fund.
- b. It is recognized that, as with the ACRL budget, BARC and the ALA Executive Board still have purview over the *Choice* budget in a general sense, but the detail budgeting

procedure and decisions follow the current process involving Choice staff, the ACRL Executive Director, the ACRL Budget and Finance Committee, and the ACRL Board.

*Source: ACRL Board, June 1977*

- c. Choice's net asset balance may be used to support ACRL's initiatives, programs, and services. The specific amount to be contributed to ACRL by CHOICE shall be determined on an annual basis via the regular ALA/ACRL budgeting process. Some preliminary assumptions that will guide this process include:
  - 1. That CHOICE shall at all times maintain an Operating Fund balance no less than 75 percent of total expenses for the previous fiscal year.
  - 2. That the financial needs of previously planned and approved major CHOICE capital expenditures, e.g., the purchase of CHOICE office space, shall take precedence over monies to be made available to ACRL.
  - 3. That CHOICE shall at all times retain sufficient monies to fund necessary product development expenses.
  - 4. That the amount to be contributed to ACRL by CHOICE in FY 2009 shall be initially set at \$100,000 with the final amount to be determined during the course of the FY 2009 budget process. We anticipate the amount of this contribution will increase in successive years, reaching \$200,000 by FY 2011.

*Source: ACRL Board of Directors, January 2007*

### **6.10.3 CHOICE Long-term Investment Fund**

The primary purpose of the *Choice* Long-term Investment Fund is to generate income to support the operation of and enhancement to the publication and its related projects. Funds in excess of the required *Choice* Reserve Fund are available for investment in a *Choice* Long-term Investment Fund. The *Choice* Long-term Investment is that portion of the *Choice* net surplus that has been invested together with similar funds of the ALA for the purpose of providing permanent income to the publication. In general, the principal of the *Choice* Long-term Investment Fund is not available for current operations and activities.

The *Choice* Long-term Investment Fund initially will be used to support the publication of the next edition of *Books for College Libraries*.

### **6.10.4 CHOICE long-term investment operating guidelines**

#### **Operating Guidelines:**

- 1. The *Choice* Long-term Investment Fund will be invested with the ALA Long-term Investment Fund and will be subject to any policies governing the Long-term Investment Fund in general. An initial sum of \$20,000 shall be invested, fulfilling the minimum level of funding for a separately designated Long-term Investment within the ALA Long-term Investment .
- 2. It shall be the intention of ACRL to retain the principal of the *Choice* Long-term Investment Fund of the ALA Long-term Investment Fund by using only a portion of the

new earnings of the fund (defined as cash dividend and interest income) to support activities of *Choice* to be determined from time to time by the ACRL Board under the advice of the *Choice* Editorial Board and the ACRL Budget and Finance Committee.

3. Withdrawals from the *Choice* Long-term Investment will be made only under limited circumstances, as defined and approved by the ACRL Board. Withdrawals will be authorized only in order to carry out strategic priorities or in order to respond to emergency situations.

*Source: ACRL Board, July 1997. (Specific policies pending ALA BARC/Divisions Endowment Policy Task Force Work)*

4. Separate restricted endowments may be established, provided they meet the minimum level of funding for a separately designated endowment within the ALA Endowment. Each separate restricted endowment will require its own separate policy statement.
5. All funds in the *Choice* Long-term Investment Fund, regardless of their sources, are considered to be funds of *Choice*.
6. The ACRL Board annually will make a determination of the disposition of any unused paid out net earnings consistent with ACRL policy for use of Long-term Investment funds. Paid out earnings will be used for CHOICE projects. In the absence of specific Board action, any unused paid out net earnings revert to the Long-term Investment principal.
7. The ACRL Board will authorize additions to the *Choice* Long-term Investment fund as part of the budget approval process and in accordance with existing policies and the approved financial plan of the division.

*Source: ACRL Board, January 1991*

A portion of the *Choice* fund balance, not to exceed 20 percent, may be made available for special projects. The major criterion for deciding whether a project is appropriate for this type of funding is the value of the project in fulfilling the *Choice* publishing statement and furthering its goals:

- to provide selections services for libraries and librarians;
- to develop an electronic publishing program;
- to increase the number of subscriptions to *Choice*.

**Procedure:**

1. Proposed projects to be funded from the *Choice* fund balance must be included in the *Choice* budget.
2. The Budget and Finance Committee reviews such projects when considering the *Choice* budget, and recommends them to the ACRL Board separately from the remainder of the ACRL budget.

*Source: ACRL Board, June 1989*

**6.10.5 Deferral of subscription revenue**

**Deferral of subscription revenue.**

It is standard accounting practice to recognize subscription revenue as the subscription is fulfilled, and to consider the amounts paid for issues not yet supplied to the subscriber as liabilities on the books of the publisher. This implies that, should some mischance occur, a subscriber would receive compensation for the issues not distributed. For this purpose, revenues for all but the issues thus far supplied to a subscriber are “deferred,” and are recognized as they are, essentially, used up.

ALA began to defer subscription (and dues) revenues in the 1981-82 fiscal year, and full deferral accounting is now in place for all dues and subscription revenues.

**Difference between Reserve Fund and Deferral.**

In accounting terms, the difference between these concepts is clear. Reserve Funds are a part of the “Owner’s Equity,” while Deferrals are a “Liability” in the equation: Assets = Liabilities + Owner’s Equity. In practice, Deferred Revenues must legally be held in escrow to satisfy subscribers if it is not possible to publish all the issues for which they paid. Reserves are funds saved for general or specific purposes, such as a hedge against future deficits, or a source of development funds.

*Source: ACRL Board, January 1986*

## **6.11 ACRL Conference Colleagues Committee (See also External Funding)**

Since its establishment, ACRL's Colleagues program has supported ACRL programs and activities directly or indirectly by providing such things as scholarships, honoraria for speakers, Internet access, receptions and refreshment breaks, virtual conference, and more. The ACRL Colleagues Program has six levels of giving:

Summa cum laude (\$30,000+)

Magna cum laude (\$22,500-29,999)

Cum laude (\$15,000-22,499)

Honor Roll (\$10,000-14,999)

Dean’s List (\$5,000-9,999)

Mortar Board (up to \$4,999)

The ACRL Colleagues Program is an ongoing mechanism for seeking additional revenue for ACRL in support of its mission. The ACRL Colleagues are composed of vendors, publishers, libraries, and others. Colleagues opportunities are not directed to individuals. The Executive Director must review all applications for outside funding in order to prevent various groups

within ACRL from competing for the same funds, but requests for funding from vendors do not need Board approval. See [6.16 External Funding](#).

*Source: ACRL Board, January 1992*

The ACRL Conference Colleagues Committee is charged with the responsibility for ACRL Conference fundraising according to the following procedures:

The ACRL Conference Colleagues Committee will work with ACRL staff to develop a list of sponsorship opportunities and benefits; and donor prospect list; and maintain a history of previous ACRL Conference fundraising activities.

The Colleagues Committee typically meets at Midwinter and Annual Conference with the ACRL Conference Coordinating Committee to report on progress and to be briefed on the Committee's program progress.

The ACRL Executive Director sends thank you letters to participating vendors.

## 6.12 Committees

Funds are available to committees under two categories:

- a. **Basic Services** Each committee chair may be reimbursed up to \$150 for expenses incurred in carrying out the work of the committee. Funding covers such items as telephone calls, fax, postage, and photocopying.
- b. **Committees** may apply directly to the ACRL Board for additional funding to support or underwrite special initiatives. This funding should be requested as initiatives are being proposed.
- c. See also **REIMBURSEMENT**

## 6.13 Conferences (see also Reimbursement)

### 6.13.1 Budget Procedures

- a. As soon as a unit determines that it wants to hold a conference or preconference, a request to proceed is submitted to the ACRL Board or Executive Committee. The ACRL Board of Executive Committee approves the activity and any request to seek funding.
- b. ACRL staff is responsible for contractual agreements with the conference hotel for room rates, arrangements for room reservation cards, food functions, function space allocation, complimentary room assignments and, in consultation with the program committee, meeting room requirements. ACRL staff coordinate the preparation of all letters of agreement, contracts, purchase orders, and other obligations and make sure that the proper signatures are secured.

- c. For any expenditure over \$100, ALA Financial Services requires that purchase order be prepared in advance of the expenditure. Members planning activities for which expenditures are anticipated must provide this information to ACRL staff so that staff can prepare the appropriate paperwork in advance of the expenditure. Purchase orders and letters of agreement must be prepared for speaker expenses. ACRL staff will assist in the preparation of these letters.
- d. Any solicitation of gifts shall be undertaken with care, coordinated with ACRL staff, and commitments shall be obtained in writing, with copies in the ACRL Office.
- e. Conference registration brochures shall include the following statement(s):  
*“Conferences and preconferences are offered on a cost recovery basis and may be canceled if there is insufficient registration. If an activity is canceled, ACRL cannot be responsible for cancellation/change charges assessed by airlines and travel agencies.”*

and, if a conference registration fee includes a meal function or other entertainment, also include the following statement: *“\$ \_\_\_ of the registration fee is for meal and entertainment expenses. You should consult your tax advisor regarding the deductibility for federal income tax purposes of various components of the registration fee.”*

The brochures also should include fees and what is offered for the fees, price differential for members and non-ACRL members, price of extra events if appropriate, deadline for registration, registrations accepted after deadline is space available and subject to prescribed late fee, and fee for cancellation.

- f. All institutes, workshops, etc. sponsored by ALA and/or its units shall be self-supporting, and shall include provision for covering all direct and indirect costs and ALA administrative costs. The ALA indirect cost charge is determined annually. It is calculated on revenues exclusive of donations and money for separately ticketed events.
- g. All conference costs are borne by participants and not by membership funds, for only a relatively small number of members may benefit. Consequently, registration fees for each conference or preconference must be set at a level to meet all costs of each conference, including direct staff costs.
- h. To keep registration costs at a reasonable level, a guiding principle is to rely on local committees for conference planning arrangements, thereby avoiding travel and personal expenses for non-local members. The same principle applies to staff time. Consideration should be given to appointing a conference or preconference chair that resides in or near the site chosen so that planning costs and hence registration fees can be kept at a minimum, and to facilitate planning. The chairs and members of the local arrangements committee should reside near the location of the preconference to facilitate planning and to keep costs at a minimum.
- i. Because ACRL is held responsible for conference costs, the ACRL Executive Director and the ACRL Board, upon the recommendation of the ACRL Budget and Finance Committee, must give final approval to a budget and registration fee. The registration fee can be set only after the budget is prepared. It is the responsibility of the program committee to inform ACRL staff of the exact sleeping room and function space needs prior to the drafting of the budget.



- j. To afford ACRL financial protection, only 80 percent of the total registration revenue may be included in the budget. All costs being reimbursed must be budgeted to include total revenues (including donations), and total expenses.
- k. The budget shall include staff salary and benefit amounts based upon ACRL staff time studies for the most recent fiscal year.
- l. For any ACRL program registration, the difference in the registration fee between non-ACRL members and ACRL members must be at least the amount of the costs of ACRL membership dues.
- m. Expenses normally are not reimbursed for:
  - a. Planning and local arrangements committee members' personal registrations and travel expenses; in the case of preconference, registration fees for up to three preconference planning or local arrangement chairs will be waived; in the case of the National Conference, the chair of the National Conference Executive committee receives complimentary registration.
  - b. Section chair and section executive committee members' personal conference registration and travel expenses;
  - c. Section chair travel expenses to attend preconference planning committee meetings, unless also the chair of the committee;
  - d. Registration and travel expenses for ALA members who attend preconference and also serve as discussion leaders, panel moderators, or facilitators.
- n. After the budget for a conference or preconference has been approved, no additional funds or expenses shall be recognized unless approved by the ACRL Executive Director, in concert with the Chair of the Budget and Finance Committee.
- o. The budget is presented for preliminary approval at the Midwinter meeting 18 months before the conference or preconference. Staff work with members planning a preconference prior to the time the budget is due. At times, the Budget and Finance Committee may request that groups planning preconferences meet with them to clarify budgetary requests (typically 18 months prior to the preconference). Budget requests must be submitted by December 1 (when Midwinter is in early January, budget requests are due November 15), preceding the Midwinter meeting when the budget is presented. Decisions as to whether to hold or cancel a preconference are typically made immediately after the deadline for advance registration.
- p. Written cancellations and changes will be accepted until four weeks (20 working days) before the first day of the event and are subject to a handling fee. Cancellations will be processed after the conference or preconference.

### **6.13.2 Cost Considerations**

- a. To reduce costs, planning meetings shall be held in conjunction with ALA conferences, if possible. Costs, including expenses for one ACRL staff member to attend each planning meeting and the conference, must be budgeted.
- b. Printing

If there is to be a printed brochure, the layout and design of the preconference brochure must be submitted to the ACRL Office no less than six months prior to the preconference date. Lead time is needed for staff to guarantee that the finished product will include all necessary registration

and program information, and conform to ALA guidelines, such as those regarding fiscal policy and sexist terminology.

Other printed materials may include registration materials, such as handouts and lists of registrants; meal tickets and invitations; registration folders; printed stock for personalized name badges.

c. Postage costs include mailing the brochure, registration confirmation, miscellaneous correspondence with committee and speakers, etc.

d. Policies for speaker costs for Annual Conference Programs, excluding the President's Program, are as follows:

Speakers who are not eligible to receive honoraria and reimbursement for expenses (except for duplication of handouts to be distributed to the program attendees) include librarians who are not ACRL members and work in an academic or research library, librarians who are not ACRL members and who do not work in an academic library, and librarians who are ACRL members and work in an academic library. A librarian is anyone who holds an MLS or equivalent degree, or who works in the field of library and information science, including faculty in schools of library and information science. Librarian speakers can be reimbursed for copying expenses in connection with program handouts.

Speakers who are eligible to receive reimbursement for expenses and duplication costs of handouts to be distributed to attendees and one-way waiver of the registration fee for the day he or she is speaking include librarian speakers who are not members of ACRL but are members of other library associations, excluding ALA, and higher education officers (i.e. college and university presidents, vice presidents, deans and federal employees.)

Speakers who are eligible to receive honoraria, waiver of conference registration fee, and reimbursement for expenses and duplications costs of handouts to be distributed to attendees include non-librarian speakers who are authors, private consultants, independent contractors, non-librarian teaching faculty, technologists, or specialists in specific disciplines.

Speaker honoraria for presentations at an ACRL unit's Annual Conference Program are established at a maximum of \$1,000 and must be agreed upon in advance by an appropriate ACRL staff member before discussing it with speakers.

Speaker expenses include:

1. Hotel-a single room in a conference hotel for a maximum of 2 nights, with no incidentals
2. Per diem-the ALA rate
3. Airfare-coach or lowest discounted rate
4. Travel by car-mileage reimbursement at the ALA rate. Total mileage is not to exceed the lowest airfare from the same destination.
5. Vicinity travel-transportation to and from airports including parking fees.

Reimbursable expenses include air fare, car mileage, ground transportation (taxi, trains, etc.), tips, meals, hotel, and other related expenses.

Preconferences are planned to be self-supporting, and costs of honoraria must be included within the conference budget. See also fiscal policies concerning Expense Reimbursement.

e. Expenses of free registrants (non-librarian keynote and general session speakers) may include food function expenses, registration packets, name badges, etc.

f. Staff costs will include: time charged as per the ACRL time study, and may also include housing, meals, and travel.

g. Facility costs include meeting rooms, special function space, equipment rental and labor.

h. ACRL Office expenses include copying, postage, telephone, fax, supplies costs, ALA overhead and indirect costs on all expenditures.

i. Other expenses may include hotel staff gratuities, special event transportation/space/etc.

### 6.13.3 ACRL Conference

- All conferences must be budgeted to be self-supporting; only 90% of the budgeted revenue may be recognized. *Source: ACRL Board, January 2008.*
- All fiscal responsibility is held by the division under ALA accounting practices.
- Revenues are not recognized until after the conference is held and the department budget is closed.
- All contracts for products and services must be reviewed by the ACRL executive director and processed according to ALA fiscal policies.
- The conference budget must be approved by the division Board.
- Representatives of ACRL may not solicit donations of money and/or services/and or books/equipment without review by the division staff and the national conference executive committee. See also [6.11 Conference Colleagues Committee](#).
- The conference budget will include expenses for all regular division staff salaries and benefits reflecting time spent on conference activities.

### 6.13.4 ACRL Policies on Conference Participant Expenses

- a. All attendees must register.
- b. Volunteers, including committee members and speakers who are librarians must pay the regular registration fee to attend.
- c. Speakers who are non-librarians may receive a one-day registration waiver.
- d. In accordance with ALA practice, division members and/or librarians will not receive honoraria nor have expenses reimbursed for presenting conference programs.
- e. Honoraria and expenses for non-member and non-librarian speakers will be negotiated by ACRL staff in consultation with the conference committee. Reimbursable expenses include: a pre-established per diem, travel expenses (coach or lowest available airfare),

and hotel costs (single room at conference hotel). Expenses of free registrants may include food function expenses, registration packets, name badges, etc. See fiscal policies concerning Expense Reimbursement.

- f. Requests for equipment to be used by speakers must be submitted to ACRL staff for review within a time frame established by the staff in consultation with the conference committee (for ALA Annual Conference programs, all AV requests must be submitted by May 1).
- g. Speakers may be reimbursed for the duplication costs of hand-outs to be distributed to attendees, provided such costs were included in the budget.
- h. Program planners and unit leaders of preconferences, institutes, etc. may waive the personal preconference registration fee for preconference planning and local arrangements committee chairs. This waiver is limited to no more than three responsible persons per preconference.

*Source: ACRL Board, February, 1995*

### 6.13.5 ALA Conferences

Programs are presented at the ALA Annual Conference, but not at the Midwinter meeting.

#### **Funding**

Each ALA division receives an annual basic allocation of \$1,500 from ALA to support Annual Conference programs. The ACRL Board of Directors provides additional funds from its budget to support Annual Conference programs (excluding cost of audiovisual equipment, which is provided by ALA). The ACRL vice-president, in consultation with the Conference Program Planning Committee, determines how these funds are allocated among the program proposals. How well your program proposal meets the criteria outlined above will be one of the determining factors in whether it is funded or not.

#### **Outside funding**

Sometimes there may be a need to seek funding beyond that which is allocated through ACRL to support programs. The [ACRL Colleagues Program](#), created by the Board in 1992, generates nondues revenue to allow ACRL to expand programs and services to members and potential donors, and to do more in the area of promoting the profession. The Board believes that it is important to coordinate all requests to potential donors and other outside funders through a centralized program. ACRL members may not make any formal requests on behalf of the division to potential donors for contributions without first clearing the request with the ACRL executive director. (For detailed procedures on soliciting funds to support your program, read [ACRL Fundraising Tip Sheet](#).)

### 6.13.6 Cosponsorship

ACRL encourages its units to cosponsor programs with other ACRL or ALA units and outside organizations. ACRL recognizes two types of cosponsorships: (1) cosponsorship in name only (a written request should be sent to the ACRL executive director as early as possible, but at least one year prior to the Annual Conference at which the program is being presented); and (2)

cosponsorship with shared planning and financial responsibilities (should be treated as a regular conference program with written proposal responding to criteria and guidelines).

"In name only" is defined as meaning that no ACRL resources, including staff time or space in ACRL publications, would be requested. It simply means that the ACRL name will be used in conjunction with the hosting unit's promotions. *Source: ACRL Board, February 1994.*

All cosponsorships that commit ACRL resources require Board approval. These activities must be reviewed and approved by the ACRL Board of Directors or the Executive Committee. Proposals for cosponsorship must be in writing following procedures in the *ACRL Guide*, and include the required extent of ACRL participation such as staff, money, and other resources. Fiscal responsibilities must be clearly defined in the proposal and in ACRL's best interest. The Board will seek ACRL Budget and Finance Committee recommendation for all expenditures.

*Source: ACRL Board, January 1981*

Cosponsorships with shared planning and financial support should be submitted before the ACRL Board with a detailed accounting of the program budget including vendor donations as well as a summary/outline of assignments and the person or persons that will be sharing the planning duties.

### **6.14 Discussion Groups**

Discussion groups are not in a position to request directly or through their sections any kind of budget allocation. They may request space at conferences. ACRL only keeps records concerned with their chairpersons. This policy was established so that they do not grow to the proportion of a section with many committees and a board. *Source: ACRL Board, June 1978; ACRL Executive Committee, April 1985; ACRL Executive Committee, March 2010*

ACRL staff will check each year to see if each discussion group has scheduled a meeting at ALA Midwinter or Annual. If not, staff will ask the chairperson to request dissolution of the discussion group. *Source: ACRL Board, June 1987*

### **6.15 Division Officers - Orientation**

The Board supports the Division Leadership Enhancement Program for orientation of the division vice-president and will fund the vice-president's travel expenses to the Fall program.

*Source: ACRL Board, January 1986*

### **6.16 External Funding (see also Awards, Colleagues)**

All gifts and donations to the ACRL Long-term Investment will be acknowledged in writing by the ACRL Executive Director. All gifts and donations to the *Choice* Long-term Investment Fund

will be acknowledged in writing by the *Choice* editor and publisher and by the ACRL Executive Director.

*Source: ACRL Board, January 1991*

### **6.16.1 Fundraising**

The Association of College and Research Libraries (ACRL) Board of Directors encourages donor support of ACRL's programs and activities and believes that it is important to coordinate all requests through a centralized program. In 1992, the ACRL Board of Directors created the ACRL Colleagues Program. The purpose of the program is to generate non-dues revenue to allow ACRL to expand programs and services to members and donors, and to do more in the area of promoting the profession.

Units may seek funds from outside sources to support a variety of programs and activities, such as providing speakers, establishing an award, conducting a survey, covering audiovisual equipment costs for conference programs, etc.

#### **Step 1: Fundraising Plan Development**

If your unit has a program or activity it would like to have supported by a donor, you should let the ACRL office know by submitting a plan that provides the following information:

- Name of sponsoring unit
- Name or title of program or event
- Date and place of program or event
- Brief statement of purpose
- Budget for the program or event
- List of potential donors you wish to solicit
- Day you wish to begin your solicitation

#### **Step 2: Fundraising Plan Approval**

Under ALA and ACRL guidelines, you may not directly approach a potential donor without first clearing it with the ACRL executive director. Units receive written notification to proceed after their plans, which list the names of potential donors they intend to approach, have been reviewed. In some cases, e.g., the Rare Books and Manuscripts and Western European Specialists sections, where the donor contacts are highly specialized or repeat contributors, a request need not be submitted each year. However, names of new potential donors that are added to those lists must be submitted. The executive director will review requests first to ensure that donors do not receive competing requests from ACRL units and to ensure that units are not approaching donors who are on the ALA list.

#### **Step 3: Approaching Potential Donors**

Once clearance from the executive director to approach potential donors has been received the following steps should be followed:

1. Develop a clear statement describing how funds being solicited will be used and who will benefit.
2. Be prepared to tell potential donors about the benefits their organization will receive as a sponsor or cosponsor.
3. Contact potential donors first in person or by telephone and then by follow-up by letter.
4. If a potential donor is not responding, contact another on your list. Do not discuss or identify potential donors to other prospective donors.
5. Once you have received a commitment from a donor, ask that written confirmation be sent to the ACRL executive director. An acknowledgment, with instructions on how to write the check, will be sent to donors.
6. If several donors are being asked to support one project, let all of them know that others are being invited to share in the opportunity.
7. Tell potential donors that their contributions will be acknowledged by the ACRL and ALA executive directors.

### 6.16.2 Grants

If your unit has a program or project that it thinks has potential for securing substantial funding (\$25,000 or more) from a foundation or governmental agency, you should arrange to discuss your idea with the ACRL executive director in person, or send an e-mail describing the idea to [mdavis@ala.org](mailto:mdavis@ala.org). ACRL staff will assist you in preparing a proposal for approaching potential funders. All grant proposals must be reviewed by the ALA Development Office staff.

Any grant request going forward with ACRL's approval must be for a project that will benefit either academic/research libraries or their clientele. It is mandatory for ACRL staff to do a technical/procedural review of all funding proposals. Every grant request going forward with ACRL approval must have been reviewed for content and competence, and the Board must approve and, where appropriate, forward it to the ALA Administration or ALA Executive Board for approval, before being submitted to the granting agency.

*Source: ACRL Board, July 1986, January 1992*

Proposals requesting grant funding of up to \$99,000 must be approved by the ACRL Board of Directors and the ALA executive director before a potential funder can be approached.

Proposals of \$100,000 or more require approval from the ACRL Board, the ALA executive director, and the ALA executive board.

Planners of all requests will receive a written message from the ACRL executive director updating the status and instructing on the next steps to follow.

## 6.17 Friends of ACRL

The Friends of ACRL was created to provide a means for ACRL to take bold steps above and beyond its traditional member programs and services. Rapidly changing demographic, economic, and technological trends are presenting academic libraries and librarians with new challenges

and competition that demand immediate solutions. The Friends of ACRL is a response to these "new challenges" and renders a means for academic librarians to give additional support that will enhance and ensure the relevance of our profession.

Donations made to the Friends of ACRL can be designated to any of the three giving categories below. These funds were created to supplement initiatives of special importance to academic librarians. Undesignated funds are allocated to a general fund.

### **1. ACRL Advancement Fund**

The ACRL Advancement fund broadly supports the activities of ACRL with a focus on initiatives and programs that advance the priorities and goals of the division. This includes programs and initiatives that strengthen ACRL's influence in higher education and research.

### **2. ACRL Conference Scholarship Fund**

The ACRL Conference Scholarship Fund supports attendance at the biennial ACRL conference for promising students, early and mid-career librarians. It seeks to increase diversity and enhance access to knowledge and expertise for the next generation of academic and research librarians.

### **3. ACRL RBMS Scholarships Fund**

This fund supports attendance at the annual Conference of the Rare Book and Manuscripts Section by new professionals, and qualified students and support staff, with some scholarships designated for applicants of underrepresented ethnic and racial groups.

Recognition levels for Friends donors are:

- Patrons (\$1,000 and over)
- Sponsors (\$500-\$999)
- Contributors (\$250-\$499)
- Associates (\$100-\$249)
- Friends (Less than \$100)

*Source: ACRL Spring Board Meeting, April 2016.*

## **6.17.1 Friends Fund Expenditures**

The ACRL Board is authorized to approve Friends Fund expenditures and will do so in accordance with donor intent. Funds allocated to the ACRL Conference Scholarship Fund are administered and disbursed by the ACRL Budget and Finance Committee.

*Source: ACRL Board, May 2008, revised ACRL Board January 2013, revised ACRL Board April 2016.*

## **6.18 Long-term Investment Funds**

“Divisions may establish Long-term Investments or add to existing Division Long-term Investments from any source, including existing fund balances, once the Division has reached a



minimum fund balance as determined by the Division and approved in accordance with the budget review process and approved financial plan. The establishment of Division Long-term Investments will follow the guidelines outlined in ALA policy. The use of interest from these Division Long-term Investments will be subject to Division Board approval and applicable ALA policy.”

*Source: ALA Council, June 1989 (Policy 6.4.1.II.E)*

The purpose of the ACRL Long-term Investment is to provide a reliable source of income for an annual Initiative Fund that supports ACRL activities accomplishing the strategic directions and priorities of ACRL.

*Source: ACRL Board, July 1996*

Funds in excess of the required Reserve Fund are available for investment in a Long-term Investment fund. The Long-term Investment Fund is that portion of the ACRL net surplus that has been invested together with similar funds of the ALA for the purpose of providing permanent income to the division. The principal of the Long-term Investment Fund is not available for current operations and activities.

The ACRL Executive Committee approved the use of the net interest that will be earned in FY2005 from the long-term investment fund to fund initiatives in the strategic plan. *Source: ACRL Exec. Comm. 2004*

The Executive Committee confirms that the interest from the long-term investment fund be used to support initiatives in the strategic plan. *Source: ACRL Exec. Comm. Fall 2005*

### **6.18.1 Operating Guidelines (See also *Choice*)**

The ACRL Long-term Investment Fund will be invested with the Long-term Investment Fund of the ALA and will be subject to any policies governing the Long-term Investment Fund in general. An initial sum of \$10,000 shall be invested, fulfilling the minimum level of funding for a separately designated Long-term Investment within the ALA Long-term Investment.

*Source: ALA Endowment Trustees, 1990*

It shall be the intention of ACRL to retain the principal of the ACRL Long-term Investment Fund of the ALA Long-term Investment fund by using only a portion of the net earnings of the fund (defined as cash dividend and interest income) to support activities of the ACRL to be determined from time to time by the ACRL Board under the advice of the ACRL Budget and Finance Committee.

The ACRL Board will annually determine the use of any paid out annual net earnings in support of specific ACRL program enhancements and special initiatives, in ways consistent with ACRL policies for use of Long-term Investment funds. In the absence of any specific Board action, unused paid out net earnings will revert to the Long-term Investment principal.

The ACRL Board has established the portion of up to 50 percent of the net earnings to be paid from the Long-term Investment Fund to the ACRL portion of the division fund balance.

Withdrawals from the ACRL Long-term Investment will be made only under limited circumstances, as defined and approved by the ACRL Board. Withdrawals will be authorized only in order to carry out strategic priorities or in order to respond to emergency situations.

*Source: ACRL Board, July 1997. (Specific policies pending ALA BARC/Divisions Long-term Investment Policy Task Force Work)*

Separate restricted Long-term Investments may be established, provided they meet the minimum level of funding for a separately designated Long-term Investment within the ALA Long-term Investment.

All funds in the ACRL Long-term Investment Fund, regardless of their source, are considered to the funds of ACRL.

The ACRL Board will authorize additions to the Long-term Investment

Fund as part of the budget approval process and in accordance with existing policies and the approved financial plan of the division.

All gifts and donations to the ACRL Long-term Investment will be acknowledged in writing by the ACRL Executive Director and gifts of \$500 and more by the ALA Executive Director.

### **Revised Policy 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) interest and dividend income generated annually in the ALA Future Fund or b) up to but not to exceed 50% of the five year moving average of the appreciation realized in the ALA Future Fund less any interest and dividend income transferred to the operating fund. Additionally, the Executive Directors of the Divisions and the liaisons for the Round Tables are authorized to include in the preparation of their annual budgets a) interest and dividend income generated annually or b) up to but not to exceed 50% of the five year moving average of the appreciation realized in their respective unrestricted funds. The 50% five-year moving average shall be calculated by averaging the interest, dividends and market gains (realized/unrealized) less bank fees, other investment related expenses and any interest and dividends that have been transferred to the operating budget. This calculation excludes any contributions or withdrawals made over the trailing five-year period. Withdrawals using the net 50% five-year moving average do not require repayment.

### **Use of Fund**

Listed below are the primary instances whereby withdrawals 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.

Withdrawal of the investment funds for uses stated above may be supported by interest and dividends or the 50% moving average. Amounts requested to be withdrawn in excess of the greater of interest and dividends or the 50% moving average 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 interest and dividends of a 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 an existing unrestricted fund 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 50% five year moving average must be approved by the Executive Board.

Withdrawals from the Long-Term Investment Fund 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.

*Source: ALA Council, January 2003*

## **6.19 Meal/Coffee Expenses**

1. Expenses for coffee service for the ACRL Board meetings at Midwinter and Annual are paid by the ACRL budget. Expenses for coffee service for other units are not paid by ACRL. Units may approach vendors/publishers for funds to cover coffee expenses or may charge attendees for coffee.

*Source: ACRL Board, July 1985*

2. Most ACRL meal functions are handled on a "no-host" basis, (i.e., each participant pays for his/her own meal.)

*Source: ACRL Executive Committee, October 1985*

## **6.20 Membership Dues**

All members of ACRL must be members of ALA. The membership year is 12 months, and is effective the first day of the month following receipt of dues payment.

ACRL has the right to establish ACRL personal and organizational dues structures and to set membership perquisites.

*Source: ALA Bylaws, Article I, Section 2; Article VI, Section 6*

The amount of personal member dues shall be determined by the ACRL Board of Directors. Annually, the Board of Directors will review and may authorize a dues adjustment not to exceed the percentage change in the most current Higher Education Price Index (HEPI) rounded to the nearest dollar. Adjustments in excess of the percentage change in the most current HEPI are subject to the approval of the membership in a mail or electronic vote. Organizational and corporate member dues shall be determined by the ACRL Board of Directors.

*Source: ACRL Bylaws, Article IV: Membership and Dues*

Discount and special promotion dues authorized by the ALA Executive Board apply only to that portion of dues applying to ALA membership. ACRL receives proportionate reimbursements for "free" Division choices of continuing and life members.

*Source: Policies of the American Library Association in Relation to its Membership Divisions*

*(Operating Agreement), June, 1989*

ACRL Basic Services are those services made available to all ACRL members at no additional charge beyond their division dues. Basic Services may be supported by dues or other options as determined by the ACRL Board. (See Sections for a discussion of Basic Services funding for sections.)

ACRL may charge additional fees in accordance with ALA Bylaws, Article I, Sec.2, and Article IV, Sec.6(c), when approval of such fees has been given by the membership by a mail vote.

Any projects related to membership promotion activities must be worked out and cleared through the ACRL Office in advance of a budget request being submitted. This policy is to avoid unwarranted duplication in efforts by the Membership Committee, the ACRL Chapters, and ongoing staff activities.

*Source: Budget and Finance Committee, January 1982*

Members of ACRL chapters are not required to be members of the national association, but officers are expected to be members of ACRL.

*Source: ACRL Bylaws, Article XIV, Section 2*

## 6.21 Publications

### 6.21.1 Publications Support Requests

- a. Publication support requests from ACRL sections or other groups are referred to the ACRL Publications Committee by the Budget and Finance Committee, for a recommendation.
- b. Financial support for such publications is viewed as a special project expense.
- c. ACRL shall be offered the first right of refusal to publish any items produced with the assistance of ACRL funds.
- d. If ACRL chooses not to publish as outlined in c. above, the ACRL Executive Director or designee shall be involved in the negotiations with an outside publisher to attempt to recoup investment expenses, or to get agreement regarding the type of acknowledgment that will be made of ACRL support.
- e. When publication support requests are received at ACRL headquarters, staff automatically refer the requests to the Publications Committee as well as to the Budget and Finance Committee.  
*Source: ACRL Board, January 1985*
- f. The ACRL Board will not act on any proposals for new ACRL publications or substantial revisions in the current status of ACRL publications without consulting the ACRL Publications Committee.

*Source: ACRL Board, June 1984*

### 6.21.2 Royalties

The Board delegates to the Executive Director the responsibility for all negotiations with ALA Publishing in regard to publication royalties.

*Source: ACRL Board, June 1981*

## 6.22 Reimbursement

ACRL units are restricted in their use of funding. See specific guidelines in the respective chapters on sections, committees, and chapters in the ACRL Guide to Policies and Procedures (Web ( [www.acrl.org](http://www.acrl.org), select About ACRL, select Guide)

The ACRL Board must approve all applications for outside funding in order to prevent various groups within ACRL from competing for the same award. Any solicitation of gifts should be undertaken with care and commitments should be obtained in writing.

Only expenditures that have been previously authorized by the Board may be reimbursed to committees, sections and chapters.

*Source: Budget and Finance Committee, March 1979*

The Executive Director has the responsibility to approve reimbursements within the following limits:

- a. The Executive Director is authorized to approve individual unbudgeted expenditures, up to and including \$5,000, not to exceed 1% of the total ACRL and CHOICE budget. The Executive Director will notify the ACRL President of such expenditures.
- b. Receipts or bills must be included in accordance with ALA Accounting Guidelines.
- c. Activities supported must be in accordance with the guidelines stated in the ACRL fiscal policies.

*Source: Executive Committee, December 1981; Budget and Finance Committee, January 1982, June 1986; ACRL Board, January 1987, ACRL Executive Committee, October 23, 2004*

### 6.22.1 Claims Eligible for Payment

- a. Expenses are approved only if previously authorized by the ACRL Board, and for activities in the current fiscal year. *Source: Reiterated, ACRL Executive Committee, April 1992*
- b. Funds may be used only for the purposes for which they have been approved.
- c. Requests made for payment must have the approval of the chair of the chapter, committee, or section to which the claim is to be charged.
- d. Original receipts, not copies, must be included with the request. Any requests for reimbursement of phone calls must be itemized. Reimbursement takes three to five weeks and is sent from ALA Accounting. *Source: ACRL Executive Committee, April 1981*

- e. The Executive Director is authorized to approve individual unbudgeted expenditures, up to and including \$5,000, not to exceed 1% of the total ACRL and CHOICE budget. The Executive Director will notify the ACRL President of such expenditures. Source: ACRL Executive Committee, October 23, 2004

### **6.22.2 Travel Expenses**

ACRL does not pay any costs associated with an ALA member's attending the ALA Annual or Midwinter Conferences. Travel funds for committee meetings at other times must be included in the budget request. Such meetings are not encouraged and requests for funding must include adequate justification.

*Source: ACRL Board, July 1988*

Reimbursement request forms are available from the ACRL Office or on the Web ([www.acrl.org](http://www.acrl.org), select About ACRL, forms). An itemized account of travel expenses may be submitted without using the form. It is required that all original receipts, not copies, be submitted with the expense statement.

Travel is paid at the rate of a coach fare for air travel or at the prevailing ALA reimbursement level for car travel, but not to exceed the cost of a coach air fare. If special saver air fares are used, reimbursement is for the actual cost incurred. The per diem for hotel and meals is at the prevailing ALA rate for staff travel.

## **6.23 Representatives to other Organizations**

The ACRL Board, committees, or sections may initiate recommendations of ACRL members as nominees for appointment by the ALA Executive Board to committees of the International Federation of Library Associations and Institutions (IFLA). Funding is solely the prerogative of the ACRL Board. Ability to attend meetings of the other organizations without cost to ALA, ACRL, or IFLA will be a criterion used to select the ACRL candidate.

A major thrust of ACRL's Strategic Plan is to collaborate with other professional organizations and associations of higher education in order to promote mutual interests. The ACRL Board identified nine target organizations (National Forum on Information Literacy; American Association of Higher Education; American Council on Education; Association of American Colleges; American Association of Community Colleges; Independent Colleges; National University Continuing Education Association; American Association of University Professors) and established the Council of Liaisons to work with them. An ACRL member, staff member, or the Executive Director, is appointed as representative to each organization. Representatives are appointed by the vice-president to a five-year nonrenewable term.

Priority for funding should be given to general higher education and related organizations rather than those which are subject specific. Other subject specific liaisons should be added as funding permits, and where existing liaisons are "on the books" to such organizations they should be allowed to continue without ACRL funding. Other organizations with which ACRL liaison is

desirable but which focus on library, technology, and/or information (e.g., ARL, CNI, EDUCAUSE) should not be considered part of the Council of Liaisons. It is recommended [1994-95] that \$1,000 be budgeted annually for each liaison organization approved by the Board, and upon presentation of receipts in keeping with ACRL procedures, liaisons be required to prepare a report to the membership to be published in *C&R L News* highlighting the activities of the organizations to which they have been designated. It is expected that liaisons will personally or through their institutions provide the balance of the funds needed and to cover their membership dues. In cases where the Executive Director is the official representative, the \$1,000 should be put into the travel budget.

*Source: ACRL Board, June 1995*

ACRL has a rich history of working with its membership to establish and cultivate relationships beyond ALA. The Council of Liaisons, established in 1995, allowed ACRL to systematically identify, develop, and maintain productive channels for formal and informal dialogue as well as partnerships for research, exchange of ideas, discussion of common standards and practices, joint publication and pursuing common goals.

Liaisons are not to promote libraries per se, nor are they there to get organizations to focus on library issues. Rather liaisons are to help people understand the value-added asset libraries can be to whatever it is the organization wants to accomplish. Liaisons are also to model effective partnerships between them as librarians and other professionals within the liaison organization.

This document outlines the structure, functions and responsibilities of the CoL and asks the ACRL Board to approve these changes which will then be reflected in a revised charge and a set of documents by which the work of the CoL will be guided.

### Liaison Organizations: Principles and Practice

1. Priority will be given to establishing liaison relationships with those organizations where a commonality of concerns with ACRL exists and where there is a potential to develop a productive impact.
2. Because funding is limited, the ACRL Board will first focus on liaison organizations that have a potential to impact a large segment of academic and research libraries.
3. However, a longer-range goal is to foster liaison activities with subject-discipline organizations through the ACRL Sections. CoL will work with Sections Council to develop criteria that would allow for an equitable development of ACRL support for subject-focused liaisons. This criteria will be presented to the ACRL Board by Midwinter '04.
4. The CoL, as part of the strategic planning process, will review existing liaison organizations and recommend a list of liaison organizations based on:
  - a. The elements of the strategic plan
  - b. Input from the Sections Council
  - c. Recommendations from the ACRL Board
5. The ACRL Board and the CoL should monitor developments in higher education and remain alert and responsive to the need to add or remove liaison organizations.



6. Liaison relationships with organizations may also be established beyond those that are funded by ACRL or beyond those that are organized through the CoL, e.g., the National Forum on Information Literacy, so that work can continue in numerous venues.

**CoL Structure, Responsibilities and Funding:**

1. Funding for the ACRL CoL program may be increased to up to \$15,000 per year. The maximum that is available for reimbursing any one liaison is \$1,500 per year, to be used for membership, meeting registration, travel, or incidental participation costs for programs, publications, etc.
2. The ACRL Board appoints the chair of the CoL for a three year term based on the recommendation of the Executive Director and the current CoL Chair. A Chair may be reappointed for one consecutive three year term.
3. Liaison Appointments:
  - a. An individual may serve as a liaison to no more than one organization at a time.
  - b. The list of responsibilities will be shared with prospective new CoL liaisons. Agreement to fulfill these responsibilities should be secured before nominations are sent to the ACRL Board.
  - c. Liaisons are appointed by the ACRL Board for a three year term with the option for reappointment for a second three year term. Normally, the maximum period an individual may serve as a CoL liaison is six years, but exceptions may occur where extraordinary progress is being made.
  - d. Liaisons will be formally reviewed near the end of their second year of each three year term by the CoL Chair and the Executive Director using established performance criteria for liaisons. If needed, appropriate mentoring or other action, in consultation with the ACRL Board, will ensue.
  - e. The ACRL Board will make reappointments upon written recommendation from the CoL Chair and Executive Director. Their recommendation will be based on upon a review of the liaison's effectiveness using the performance criteria.
  - f. Reimbursement for liaison expenses will conform to ALA/ACRL expense and reimbursement guidelines as appropriate and will be tied to liaison submission of reports suitable for distribution to the ACRL Board and for possible publication.

*Source: ACRL Board, January 2003*

## **6.24 Reserve Fund**

ACRL will maintain a mandated Reserve Fund equal to at least 25 percent of the average annual expenditures excluding CHOICE over the four most recently completed years. The operating budget contains an expense line for the mandated reserve, and it is appropriately budgeted as part of the annual budget preparation. The Reserve Fund does not accrue interest to ACRL.

*Source: ACRL Board, July 1986, January 1991, revised June 1997*

## **6.25 Sections (see also Budget calendar)**

### **6.25.1 Basic Services**

Each section receives a base allocation of \$1,000.00 with an additional \$0.75 per section member over 400 (as of August 31). Budget memos confirming the basic service allocation are delivered in October.

*Source: ACRL Board, January 2013.*

Section membership levels attained at the close of FY14, i.e., August 2014, will be used to budget and allocate section funding for FY15-FY17.

*Source: ACRL Board, January 2014.*

Sections may spend Basic Services funds on any items or activities that support the advancement of ACRL's core purpose, to lead academic and research librarians and libraries in advancing learning and scholarship, with the following two exceptions: 1) Basic services funds may not be used for payment of honoraria or travel to support librarians' presentations at ALA, ACRL, or ACRL chapter conferences and 2) Basic services funds may not be used to purchase goods or services prohibited by ALA and ACRL policy. Sections may use Basic Services funds to support their program(s) at the Annual Conference.

*Source: ACRL Board, June 2004, October 2004, Executive Committee, May 2011*

### **6.25.2 Section business cards**

ACRL staff produce business cards for each section that can be distributed onsite at conferences, including events such as ACRL 101. These business cards contain the section logo, Web site, and contact information including any applicable social media presence. Sections are encouraged to maintain a "Welcome" page on their Web site for interested potential members. Sections may use basic services funding allocations to support production and distribution of additional section business cards. All business card edit requests must be sent to ACRL staff.

### **6.25.3 Liaisons to other groups**

Sections may appoint liaisons to other groups of related interest. It is understood that such appointment is for informational purposes and does not constitute official representation of ALA, ACRL, or the section, and that no financial support is implied in such an appointment.

### **6.25.4 Special Events Funding**

To support the networking aspects of section membership, the ACRL Board of Directors has made funding provisions through temporary loans to sections that allows them to enter into agreements for facilities, food and entertainment. ACRL will advance a \$1,500 loan to a section annually. The loan is to be repaid in full to the ACRL office one month prior to the date of the event. Requests for special events loans are due five months prior to the date of the event and must be submitted with a plan for the event. (See [Special Events Request Form](#))

In planning for special events, member leaders are authorized to negotiate terms for facilities, meals and entertainment, and collect contract information for ACRL's review and ALA approval or ask the venue to send information directly to the ACRL Program Coordinator.

Members are not authorized to sign contracts or letters of agreement for use of facilities, meals or entertainment. All contracts and letters of agreement must be sent to the attention of ACRL Program Coordinator for review by the ACRL Executive Director and signature of approval by the ALA Associate Executive Director for Member Programs and Services.

Source: ACRL Board June 1999.

### **6.25.5 Preconference Net Revenue Sharing**

Sections sponsoring Preconferences to the ALA Annual Conference may participate in the ACRL net revenue sharing project. ACRL will provide 50% of the net revenues from such preconferences. Sections may use these proceeds in a manner that supports its goals and activities, supports the ACRL strategic plan, and complies with ACRL and ALA fiscal policies and procedures.

## **6.26 STAFF**

### **6.26.1 Preconference attendance**

No ALA staff may attend any ACRL preconference without paying the established registration fee.

*Source: ACRL Executive Committee, April 1982*

### **6.26.2 Staff time studies**

In the initial fiscal year budget, all general administrative and staff salaries, as well as related costs, are recorded on a separate line. During the year, ACRL staff maintain records of their daily use of time. The resulting percentages are used to allocate salaries, benefits, and general expenses such as telephone, postage, reprographics, etc. At the end of the year, these costs are distributed to each individual project.

*Source: Budget and Finance Committee, general comments, Midwinter 1997*

### **6.26.3 Staff consulting fees**

Fees for consulting by staff members are returned to ACRL.

*Source: ACRL Financial Plan*

### **6.26.4 Staff/administrative costs**

Salaries/benefits must be no more than 45 percent, and total administrative costs no more than 60 percent of the total operating budget, not including *Choice*.

*Source: ACRL Financial Plan, April 1989*

When undertaking projects and activities, consideration must be given to the respective roles of members and staff in carrying out those projects. There are financial implications in using staff.

#### **6.26.5 Opposition to staff reduction to meet fiscal crises**

The ACRL Board of Directors opposes any proposal to meet ALA fiscal crises through staff salary or benefit reduction. Appropriate staff salary increases are to be budgeted annually.

*Source: ACRL Board, July 1982*

### **6.27 Standards**

All final versions of approved standards and guidelines are printed in *C&RL News* and are available free-of-charge from our [Web site](#). *Source: ACRL Board, June 1994*

### **6.28 Unused Funds (see also Sections, preconference revenue sharing)**

When an ACRL unit (with the exception of *Choice*) undertakes activities, such as fundraising and preconference registrations, any revenue in excess of expenses will revert to the ACRL net asset balance. Only those multi-year projects approved in advance by the ACRL Board, e.g., the ACRL National Conference, may fundraise for or save unused funds toward an event that takes place in a different fiscal year.

*Source: ACRL Board, June 1989; revised, Executive Committee, 1992; revised Executive Committee, 2009*

## **ALA Financial Terms Glossary**

### **SECTION I – ALA ORGANIZATIONAL TERMS**

**Endowment Fund** – An established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization. The use of the assets of the fund may be permanently restricted, temporarily restricted, or unrestricted. Endowment funds generally are established to provide a permanent endowment, which is to provide a permanent source of income. The principal of a permanent endowment must be maintained permanently i.e., not used up, expended, or otherwise exhausted – and is classified as permanently restricted net assets.

An endowment may also be in the form of a term endowment, which is to provide income for a specified period. The principal of a term endowment must be maintained for a specified term and is classified as temporarily restricted net assets.

An organization's governing board may earmark a portion of its unrestricted net assets as a board-designated endowment (sometimes called funds functioning as endowment or quasi-endowment funds) to be invested to provide income for a long but unspecified period. The principal of a board-designated endowment, which results from an internal designation, is not donor restricted and is classified as unrestricted net assets.

**Long Term Investments** – Assets (investments) held for an extended period of time – usually 5 years and longer – in order to meet the needs of an established or anticipated long developing goal.

**Not-For-Profit (Tax Exempt) Organization (501 C (3))** – An entity that possesses the following characteristics that distinguish it from a business enterprise: (A) contributions of significant amounts of resources from resource providers who do not expect commensurate of proportionate pecuniary return (B) operating purposes other than to provide goods or services at a profit, and (C) absence of ownership interests like those of business enterprises. Not-for-profit organizations have those characteristics in varying degrees.

## SECTION II – FINANCIAL MEASURES

**Capital Gain** - Refers to any profit realized upon the sale of an asset such as a security, mutual fund, portfolio, etc.

**Principal** – A base amount of funds used to invest for the purpose of generating income in the form of interest, dividends, value, etc.

**Realized Gain/Loss** – Refers to the gain/loss in the value of a security, fund portfolio, etc., after the sale/liquidation of all or a portion of the same.

**Spending/Operating Account** – An account set up to capture and settle the operating expenses generated by individual Scholarships, Awards and Divisions within the Endowment Fund.

**Total Return** – Refers to the combination of all interest, dividends, capital gains and losses of a fund over the fund's beginning price or value.

**Unrealized Gain/Loss** – Refers to the gain/loss in the value of a security, fund, portfolio, etc., prior to the sale/liquidation of all or a portion of the same.

**Yield** – Refers to the interest generated for a given period of time of a fund over the current price or value of a fund.

## SECTION III – ACCOUNTING TERMINOLOGY

**Contribution** – An unconditional transfer of cash or other assets to an entity or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

**Permanent Restriction** – A donor-imposed restriction that stipulates that resources be maintained permanently but permits the organization to use up or expend part or all of the income (or other economic benefits) derived from the donated assets.

**Permanently Restricted Net Assets** – The part of the net assets of a not-for profit organization resulting (A) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization, (B) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (C) from reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

**Promise to Give** – A written or oral agreement to contribute cash or other assets to another entity. A promise to give may be either conditional or unconditional.

**Restricted Support** – Donor-restricted revenues or gains from contributions that increase either temporarily restricted net assets or permanently restricted net assets.

**Temporarily Restricted** – A donor-imposed restriction that permits the donee organization to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the organization.

**Temporarily Restricted Net Assets** – The part of the net assets of a not-for-profit organization resulting (A) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, (B) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (C) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the organization pursuant to those stipulations.

**Unrestricted Net Assets** – The part of net assets of a not-for-profit organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

**Unrestricted Support** – Revenues or gains from contributions that are not restricted by donors. Also refer to **Restricted Support**.

**POLICIES OF THE  
AMERICAN LIBRARY ASSOCIATION  
IN RELATION TO  
ITS MEMBERSHIP DIVISIONS**

**APPROVED BY ALA COUNCIL**

**JUNE 28, 1989**

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## **Policies of the American Library Association in Relation to its Membership Divisions**

### **I. PREAMBLE**

The American Library Association (ALA) is unique among American associations in the manner in which it is structured. It is one association, with indivisible assets and a single set of uniform administrative, financial, and personnel policies and procedures. It is governed by one Council, from which its Executive Board is elected, and is managed by an Executive Director who serves at the pleasure of that Board.

It is also the home for eleven Divisions, each of which has:

- \* a statement of responsibility developed by its members and approved by ALA Council;
- \* a set of goals and objectives established by its members, which drive its activities;
- \* an Executive Director and other personnel as necessary to carry out its programs;
- \* responsibility for generating revenue to support staff and carry out its programs; and,
- \* a separate Board of Directors, elected by its members, and responsible to ALA Council.

Divisions and all other units of ALA are inextricably interrelated in structure, personnel, resources, overall mission, and operations. All members of Divisions are first members of ALA. Their voluntary selection of Division membership is an indication of their special interests, in addition to their general concern for libraries and librarianship, and it demands the commitment of the Divisions to serve those special interests.

By this commitment, expressed in publications, conference programming, advisory services, and other educational activities germane to their mission statements, the Divisions serve the American Library Association as a whole. By supporting Division operations through the provision of space and services, ALA gives tangible evidence of its recognition of the importance of Divisions in meeting the needs of its members.

The nature of the relationships among the various ALA units is a dynamic one. Divisions and ALA are committed to maintaining a collaborative style of interaction and to remaining flexible enough to address the ever-changing issues facing libraries and librarians.

This collaborative model implies mutuality in all relationships, the ability of any aggregation of units to work together for the common good, and the co-existence of Division autonomy and ALA unity.

This policy document implies the need for a mutual understanding of the differences between Divisions and other ALA units, differences which are balanced by a similarity of interest and activity. It underscores the Divisions' willingness to support and contribute to ALA as a whole and their recognition of the interdependence of all ALA units.

These policies must be based on an appreciation by the total membership and by other ALA units of the Divisions' contributions to ALA as a whole. An activity carried out by a Division is an ALA activity. Division staff members are ALA staff members and represent ALA as well as their own Divisions in work with members and the general public. Division officers and members must recognize the value to the Division of the services provided by ALA, and ALA members and units must recognize the value to ALA as a whole of the services provided by Divisions.

Divisions are integrally involved in the decision-making process of the Association. They exercise their decision-making prerogatives through the following means:

- Full authority within those areas of responsibility designated by ALA Council (*ALA Bylaws, Article VI, Section 2b*)
- \* Representation on ALA Council to raise issues and to set policy (*ALA Bylaws, Article IV, Section 2c; ALA Policy 5.4*)
- \* Representation on the Planning and Budget Assembly (*ALA Bylaws Article VIII, Section 2*)
- \* Negotiation of performance objectives of Division Executive Directors with the ALA Deputy Executive Director
- \* Day-to-day involvement of Division staff in the operations and deliberations of the Association
- \* Representation on Association-wide bodies including the Legislative Assembly, the Library Education Assembly, and the Membership Promotion Task Force
- \* Participation in the planning process.

In sum, this document is designed to continue a cooperative framework in which the inevitable questions of organizational relationships can be addressed and resolved.

## II. CURRENT ORGANIZATIONAL VALUES OF ALA

This statement reflects the current organizational values of the American Library Association and was developed through reference to existing ALA documents.

### A. Unity

ALA is one association. It has a single set of administrative, financial, and personnel policies and procedures, as well as indivisible assets. All

members of Divisions are members of ALA. Divisions and all other ALA units are inextricably interrelated in structure, personnel, resources, overall mission and operations.

**B. Diversity**

ALA has a stake in the work of each of its Divisions. Division activities and services are of value and importance to the Association. They provide for a rich and diverse program that gives opportunities to all segments of the profession for involvement, leadership and participation in activities that carry out the mission, goals and priorities of the Association.

**C. Authority**

Recognizing the significant contribution, resources, and expertise of its Divisions, ALA delegates to each division the authority and responsibility to represent the Association in designated areas. Each Division provides unique programs and services to its members, to all members of the Association, to the profession of librarianship, to the broader educational community, and to the public at large.

**D. Autonomy**

ALA provides leadership for the development, promotion and improvement of library service. ALA values the strength and effectiveness of its Divisions. Divisions are best able to carry out their missions when their members have the autonomy, independence and freedom to pursue goals and objectives of particular concern to them, as well as to participate democratically in the Division's direction, governance and financial decisions.

**E. Collaboration/Cooperation**

ALA and its Divisions have opportunities through the Association's unique governance and administrative structure to stimulate and build on one another's strengths and resources to advance shared, as well as diverse, goals.

### **III. PURPOSE, SCOPE, IMPLEMENTATION, REVIEW PROCESS, & DEFINITIONS**

**A. Purpose and Scope**

Divisions have a substantial degree of autonomy and responsibility; however, the corporate and legal entity is the American Library Association. Any responsibilities not specifically delegated to Divisions remain within the authority of the Executive Board and ALA Council. The principal intent of this document is to define the policies governing the relationship between ALA and its membership Divisions.

In addition to the ALA Constitution and Bylaws and other ALA Policies, this document provides a framework of guiding principles for that relationship. As a policy document, its adoption and approval of revisions are the responsibility of the ALA Council. ALA has other policies and procedures that govern the relationships with other organizational units.

**B. Implementation**

Implementation of these policies will be carried out under the direction of the ALA Executive Director, working with the Department Heads and Division Executive Directors. Major operational decisions made in that implementation will be codified in documents referred to as "Operational Practices."

**C. Review Process**

To make this agreement responsive to the needs of the Association, it shall be reviewed on an annual basis by those responsible for the governance of ALA and its membership Divisions. Changes may be recommended by Division leadership, ALA staff and management, or other interested parties at any time; however, COPES shall initiate the review process annually according to the following schedule:

**Fall COPES Meeting** - At this meeting, COPES develops agenda of major emerging issues and requests input from Divisions. The annual indirect cost study shall be available.

**Midwinter** - Divisions discuss any operating agreement issues identified by COPES and raise other operating agreement issues to be discussed by COPES at its Spring meeting. The Planning and Budget Assembly (PBA) may be used as a forum for PBA participants to identify operating agreement issues of concern.

**Spring COPES Meeting** - Mandated discussion of operating agreement issues raised by Divisions, ALA staff and management, and/or other interested parties. COPES recommends mechanism and time table for cooperative actions with Divisions to address proposed changes.

**Annual** - Operating agreement is a mandated item on PBA agenda. Division Boards review any COPES recommendations and respond to COPES. COPES forwards any necessary recommendations to Executive Board for action by Council.

Any changes undertaken in this operating agreement shall be implemented consistent with the budget cycle of ALA and its Divisions and shall be done in such a manner as to minimize negative impact on the program of ALA and of the Divisions.

**Roles of Key Parties to operating agreement**

**Division Boards:** identify problem areas and issues; initiate actions necessary for revisions; work with Division staff and other Divisions as appropriate to explore problems and solutions; make recommendations to COPES to initiate revisions.

**COPES:** identify problem areas and issues; communicate information concerning the operating agreement through PBA to Council and to ALA at large; work with Division leaders and ALA management to recommend solutions and consequent revisions to operating agreement.

**ALA Management:** identify problem areas and issues and work with the Division Executive Directors to explore problems and solutions. Review

policies and make recommendations as appropriate to COPES and Executive Board.

**Division Executive Directors:** identify problem areas and issues and review as appropriate with management and Division Boards.

#### D. Definitions

The following definitions are guidelines for members and staff in the development, review, and implementation of these policies:

- **Policies:**  
Guiding principles that provide the framework for the relationship between ALA and its membership Divisions. Policies reflect the views and thinking of membership, and provide a guide to action to achieve the goals of the American Library Association. Policies are adopted by the Council of the American Library Association.
- **Operational Practices:**  
Definitions of the manner or method of implementing policies. Operational Practices (1) deal with terms under which services will be provided free of charge or at a cost; (2) define roles and responsibilities in policy implementation; and (3) reflect other issues contained in the "Policies" document that may require negotiation between departments and membership Divisions.

Operational Practices are developed by the ALA Executive Director with the ALA Department Heads in consultation with the Division Executive Directors and appropriate personnel in the department responsible for the activity described. Department personnel will provide draft copies of those procedures for review and comment to appropriate ALA staff members whose work will be affected by those procedures. Copies of Operational Practices are supplied to appropriate membership units responsible for the governance of ALA and its membership Divisions.

Detailed information about implementation of the policies outlined throughout this document are found in the Operational Practices for the Implementation of Policies of the American Library Association in Relation to Its Membership Divisions.

- **ALA Basic Services:**  
Those services made available to all ALA Members at no additional charge beyond their ALA dues. Dues provide the primary support for basic services. Basic services may be supported by dues or other options as approved by the Executive Board. Basic ALA services include: *American Libraries*, information/advisory services, support for governance/member groups, public/professional relations, administration of awards and scholarships, membership promotion/retention, executive/administrative/financial services; offices: research, outreach services, government relations, intellectual freedom, accreditation; Headquarters Library.
- **Division Basic Services:**  
Those services made available to all Division members at no additional charge beyond their Division dues. Dues provide the primary support for basic services. Basic services may be supported by dues or other

options as determined by Division Boards. Basic Division services include: periodical publications designated as perquisites of membership, information/advisory services, support for governance/member groups, public/professional relations, administration of awards and scholarships, membership promotion/retention, executive/administrative/financial services.

- **Overhead:**
  - a) Internal (definition to be supplied)
  - b) External (definition to be supplied)
- **Fund Balance:** Accumulated net revenue.

#### **IV. USE OF ALA SERVICES**

All ALA Divisions must use exclusively the following services provided by the ALA Administrative Services Department: Personnel, Membership Services, telephone, insurance, purchasing, Fiscal Services Department, Legal Counsel, and Archives. ALA Divisions must be housed in properties owned or leased by the Association.

#### **V. FINANCIAL**

Divisions are governed by prevailing ALA fiscal policies and procedures. Divisions shall participate in formulating and revising these policies and procedures.

##### **A. Dues**

Divisions have the right to establish their own personal and organizational dues structures and set membership perquisites. (ALA Bylaws, Article I, Section 2; Article VI, Section 6)

Discount and special promotion dues authorized by the ALA Executive Board apply only to that portion of dues applying to ALA membership. Divisions receive proportionate reimbursements for "free" Division choices of continuing and life members. (ALA Bylaws, Article I, Section 2 A.7)

##### **B. Council Actions with Fiscal Implications**

Council resolutions that would impose specific assignments on a division shall be reviewed by COPES with the Division Board of Directors to assess any financial implications of that assignment. COPES shall report back to Council with recommendations as to any budgetary adjustments necessary to implement such assignments prior to final Council action on that item. (ALA Policy 5.3)

##### **C. Services and Charges**

The fiscal arrangements between ALA and its membership Divisions in regard to charges for services can be categorized in five ways. The five categories are defined below. Specific examples of the services in each category are given.

1. ALA provides to Divisions at no direct charge the following services of ALA Departments and Offices:

**a. Administrative Services Department**

- Office space and related services
- Telephone services: switchboard, 800 number, and internal service, as defined in an Operational Practice
- Distribution services
- Basic furniture and equipment (as defined in an Operational Practice) for each regular Division staff member
- Equipment maintenance on equipment supplied by ALA
- Membership services
- Personnel services
- Purchasing
- Data processing (as defined in an Operational Practice)
- Storage and warehouse space

**b. Communications Department**

- Conference Arrangements, including:
  - Staff travel costs and per diem for Midwinter Meetings and Annual Conferences;
  - Equipment (e.g., AV and computers including the cost of labor), supplies, services, and space for programs, meetings and offices at the Midwinter Meeting and Annual Conference (as defined in an Operational Practice)
  - Exhibit space at Annual Conference.
- Public information services, including the preparation and distribution of news releases

**c. Fiscal Services Department**

- Accounting
- Financial systems
- Planning and budgeting
- Business expense (insurance, legal, audit)
- Credit and collections

**d. Publishing Department**

- Copyright service
- Rights and permissions

**e. Executive Office**

**f. Washington Office**

**g. Office for Intellectual Freedom**

**h. Office for Library Outreach Services**

**i. Office for Library Personnel Resources**

**j. Office for Research**

**k. Headquarters Library**

2. ALA charges Divisions for the actual costs of the following services of ALA departments:

a. Administrative Services

- Specialized data processing, as defined in an Operational Practice
- Equipment maintenance for equipment purchased by the Division over which the Division exercises sole use and control
- Printing and duplication, as defined in an Operational Practice
- Telephone services not specified in V.C.1.a., as defined in an Operational Practice
- Postage for special mailings, as defined in an Operational Practice

b. Fiscal Services

- Overhead on non-dues revenue-generating activities. The rate will be set annually according to an ALA Operational Practice and will be assessed as explained below on non-dues revenue at a composite rate.
- Overhead will be assessed at 100% of the ALA composite rate (at the end of a 4-year phase-in period, beginning in 1991 and ending in 1994) in revenue from:
  - registration fees
  - exhibit space rental
  - meal functions, except for separately-ticketed events(The schedule for phase-in of the ALA composite overhead rate on revenues is:
  - 50% of the ALA composite rate in 1991 and 1992
  - 75% of the ALA composite rate in 1993
  - 100% of the ALA composite rate in 1994)
- Overhead will be assessed at 50% of the ALA composite rate (at the end of a 5-year phase-in period, beginning in 1991 and ending in 1995, in equal annual increments) on revenue from:
  - net sales of materials
  - subscriptions
  - advertising except in those publications which are provided to Division members as a perquisite of membership
  - other miscellaneous fees
- Overhead will not be assessed on revenue from:
  - dues
  - donations
  - interest income
  - ALA royalties to Divisions
  - travel expense reimbursements from outside organizations
  - separately-ticketed events at conferences, (e.g., tours and meal functions)
  - advertising in those publications which are provided to Division members as a perquisite of membership.

c. Publishing

- Subscription and order billing services
- ALANET
- Central Production Unit Services
- Marketing Services



3. ALA and the Divisions share the costs of the following:
  - Division Leadership Enhancement Program
  - Awards promotion
4. Divisions assume total responsibility for the following costs:
  - Division personnel compensation
  - Projects and activities of the Divisions except as specified in this agreement.
  - Membership group support (governance--boards, committees, etc.)
  - Furnishings and equipment purchased by Divisions and over which they have sole control and useSee also Section IX, Annual Conference and Midwinter Meeting
5. Divisions may:
  - Purchase services or products from other ALA units and outside agencies, consistent with ALA policy

**D. Fund Balances**

1. ALA Divisions build and maintain fund balances appropriate to their needs. A fund balance is defined as accumulated net revenue.
2. Divisions will not receive interest on fund balances or deferred revenue.

**E. Endowments**

Divisions may establish endowments or add to existing Division endowments from any source including existing fund balances once the Division has reached a minimum fund balance as determined by the Division and approved in accordance with the budget review process and approved financial plan. The establishment of Division endowments will follow the guidelines outlined in ALA policy. The use of the interest from these Division endowments will be subject to Division Board approval and applicable ALA policy.

**F. Furniture and Equipment**

ALA will provide basic furniture and equipment to each regular Division staff member.

Divisions will retain sole control and use of all furniture and equipment purchased with Division funds.

Divisions may acquire additional furniture and equipment in two ways:

1. Above the capitalization limit:
  - a. Divisions have authority to purchase capital equipment outright by paying the full price to ALA, with ALA taking the depreciation.
  - b. Divisions can purchase furniture and equipment through ALA budget request process by paying the scheduled depreciation, subject to ALA priorities and approvals.
2. Below the capitalization level, Divisions have the authority to purchase equipment outright.

**G. Division Budget Review**

Division Boards have responsibility for developing and approving budgets and multi-year program and financial plans, which are then reviewed by

ALA management and COPEs. Annual budgets are approved by the ALA Executive Board. Divisions also have the responsibility to alert the Association of any planned activities that could have a potential negative impact upon the fiscal stability of the Association.

#### **H. Divisions with Small Revenue Bases/Number of Members**

ALA Council has assigned specific responsibilities to Divisions. To carry out these responsibilities, each Division requires a base of operating revenue. ALA recognizes that each Division must have staff and must provide basic services to its members as defined in Section III. When a Division's current revenue from dues and other sources excluded from overhead is not sufficient, ALA recognizes its obligation to provide supplemental financial support up to a maximum of 50% of the funding required. This support would be provided only as a result of a well-planned process that is an integral part of the annual budget process that includes review by COPEs and approval by the Executive Board. This type of support would not be available to a Division, which, at the end of a fiscal year happened to find itself in a deficit position.

Annually COPEs and the Executive Board will determine and approve the specific amount of funding required to provide a minimum level of staff and basic services, compare this amount to the Division's estimated revenue, and allocate an appropriate General Fund supplement.

Divisions must generate from dues and other revenue excluded from overhead at least 50% of the funding required to provide basic services. If a Division is unable to meet this 50% level for two consecutive years, its status as a Division must be referred to Council by the Executive Board, with an appropriate recommendation. Money from the General Fund will not be used to offset expenses for non-dues revenue-generating products and services. Divisions may retain the net revenue from these activities to initiate and support other similar activities in the future.

#### **I. Association Finances**

The Divisions will be kept informed about the Association's financial health and will be involved in meaningful consultation when there is potential impact on Divisions, collectively or individually.

#### **J. Other**

##### **1. Credit and Collections**

Management will provide effective credit and collection policies and services to the Divisions. Divisions will be charged for their bad debts in accordance with ALA policy.

##### **2. Unrelated Business Income Taxes (UBIT)**

To the extent that Divisions incur unrelated business income, they will assume responsibility for paying the resulting taxes.

## **VI. PUBLISHING ACTIVITIES**

The ALA Publishing Committee has the responsibility for control of the ALA imprint.

A Division may publish materials in three ways: through ALA Publishing Services, on its own, or through an outside publisher. Materials prepared by a Division for other than its own publication must be offered to ALA Publishing Services for first consideration. A Division has the right to accept or reject ALA's offer and pursue other publishing opportunities.

Divisions exercise editorial and managerial control over their periodicals.

The ALA Publishing Committee shall be informed of plans for any new Division periodicals prior to publication.

A Division may purchase production and distribution services from the Central Production Unit. A Division may also purchase marketing services from the Publishing Services Department.

ALA Publishing Services pays royalties to Divisions for Division-generated materials. Divisions may negotiate with ALA Publishing Services on royalties and other variables of publishing. An "Intra-mural Agreement of Publishing Responsibility" is signed by the Division Executive Director and the Director of Publishing Services for each publishing project.

ALA has the sole right to record and market tapes of programs at ALA conferences with the advance consent of the units and speakers. Divisions receive royalties from the sale of tapes of a Division's conference programs. Divisions have the right to record and market tapes of Division preconferences, programs at ALA Annual Conferences which ALA chooses not to record, Division national conferences and regional institutes.

## VII. PERSONNEL

All ALA personnel are responsible to the ALA Executive Director, and through the Executive Director to the entire membership. Unlike other ALA personnel, Division Executive Directors are also responsible to Division Boards and through those boards to the memberships of their respective Divisions.

All ALA employees are subject to ALA's personnel policies. Each Division shall be responsible for generating the income required for the salaries, wages, and benefits of Division employees.

Each Division Executive Director serves as an ALA Program Director, a senior professional position, and is responsible for advising on ALA plans and preparing recommendations on priorities and alternatives, especially as they relate to the Division's priorities, goals and objectives. The Division Executive Director meets regularly with other ALA staff members and communicates, cooperates, and coordinates Division activities with those of other ALA units.

The assignment of the appropriate grade for Division staff is made according to ALA personnel policies. The determination of the appropriate staffing pattern (number and position descriptions) shall be made by the Division Executive Director and the Division Board in consultation with the ALA Executive Director.

The recruitment, appointment, and termination of Division Executive Directors shall be a process involving consultation by the ALA Executive Director with the Division Board of Directors or its designates.

Each Division's Board of Directors shall annually review the performance of the Division's Executive Director based upon a single set of goals and objectives as agreed upon by the Division Board, Deputy Executive Director, and Division Executive Director. The Division Board shall convey its recommendation to the Deputy Executive Director, to whom the ALA Executive Director has delegated the responsibility for evaluating the performance of Division Executive Directors. The Deputy Executive Director shall discuss the confidential report of the performance review with the Division's President upon request.

Division Executive Directors shall have the authority to select, evaluate, and recommend termination of all Division employees consistent with ALA personnel policies and procedures.

Assignments of Division staff to ALA internal committees are arrived at in the context of Division priorities and are kept at a reasonable level.

#### **VIII. DIVISION NATIONAL CONFERENCES, PRECONFERENCES, AND RELATED ACTIVITIES**

Divisions may conduct preconferences, workshops, institutes, seminars, and Division national conferences, in accordance with ALA Policy, at intervals determined by Division program priorities and supported by sound financial management. A Division is responsible for all costs incurred in planning and carrying out such activities. (ALA Policies 7.4.7)

Division National Conferences shall be defined as "non-business conferences removed in time and place from the American Library Association's Annual Conference" and Midwinter Meeting in order "to view and explore areas of divisional concerns in depth." Proposals for Division National Conferences should be made to the ALA Executive Board at least two years in advance of the anticipated meeting date following a prescribed proposal outline. ALA state and regional chapters in the geographical area of a proposed conference shall be notified in writing of a desired conference at least four months prior to submitting the request to the Executive Board. Such notice shall seek the cooperation of the chapters with respect to scheduling and programming to the extent feasible. In the event of a conflict with the ALA state or regional chapters and the proposed Divisional conference, the ALA Executive Board shall make the decision.

#### **IX. ANNUAL CONFERENCE AND MIDWINTER MEETING**

ALA provides the support necessary for Divisions to conduct business and plan and present Conference programs. Some Conference program costs may be borne by the Division except financial support for staffing and equipment as described in Section V. C. 1. b. Recognizing that conference programming benefits all attendees, financial support in the form of General and Special

Allocations from ALA to Divisions and other units for Annual Conference programming shall be provided; this support will be arrived at as the result of an explicit and equitable process in which the Divisions participate. Meal functions and special events must be self-supporting.

## **X. SPECIAL PROJECTS OF DIVISIONS**

Divisions may seek external (non-ALA) funding to pursue projects to enhance Division program priorities. Division Boards of Directors have the responsibility for assessing programmatic impact and must approve all requests for funding external projects. Additionally, all proposals and contracts for such funds are signed by the Executive Director of ALA in the name of the Association. All special projects are reviewed, approved, and conducted in accordance with established ALA policies and procedures and the conditions of the grant or contract.

All costs for projects funded through grants or contracts from outside agencies or organizations should be covered by project funding.

## **XI. PLANNING**

Each Division has autonomy in its own planning processes within its area of responsibility as designated by ALA Council, subject to present and future ALA policies. They have the responsibility to develop and implement a planning process to guide their program and allocate their resources within the areas of responsibility assigned to them by the ALA Council. Since Divisions contribute to the formulation of ALA goals, it may be expected that many of the priorities and activities reflected in the plans will also be a part of Division priorities and activities. Further, each Division has responsibility for providing ALA with a multi-year financial plan consistent with ALA's existing financial policies and resting on multi-year program plans reflecting the priorities of the Division's members.

Divisions have a responsibility to assist and inform the Planning Committee of their strategic plans on a regular basis, and to inform the Planning Committee of their work through timely and comprehensive reporting to the annual Action Inventory.

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double-sided printing.

Operational Practice:

## NON-ALA ROYALTIES

Policy: Section V.C.2b of ALA Policy 6.4.1:

*Overhead will be assessed at 50% of the ALA composite rate (at the end of a 5-year phase-in period, beginning in 1991 and ending in 1995, in equal annual increments) on revenue from:*

*-net sales of materials*

*-subscriptions*

*-advertising except in those publications which are provided to division members as a prerequisite of membership*

*-other miscellaneous fees*

### Practice and Responsible Parties:

Other miscellaneous fees is determined to include non-ALA royalties and subject to 50% of the annual overhead rate paid by divisions for revenue-generating activities. Royalties on any product from publications that are a prerequisite of membership that are reformatted are exempt from this practice. To accommodate the collection of the correct overhead rate, the Finance department will establish a revenue line for ALA exempt overhead and a line for ALA non-exempt overhead.

### Background:

Divisions bear the burden and risk of creating new entrepreneurial activities and may receive revenue from new business ventures. New product opportunities exist, as do new business methods, such as e-commerce, which post dates the creation of the ALA Joint Operating Agreement. In the spirit of good corporate citizenship and in effort to promote financial stability of the ALA, it is now a reasonable expectation that overhead be recovered from non-ALA royalty payments at a reduced overhead rate. It is recognized that new revenue streams are mutually beneficial to the ALA and the divisions and entrepreneurial activities should be encouraged, thus a reduced overhead rate is appropriate and fair to both parties.

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double-sided printing.



**Operational Practice:**

***DIVISION ENDOWMENTS***

Policy: Section V.E of ALA Policy 6.4.1:

*“Divisions may establish endowments or add to existing Division endowments from any source including existing fund balances once the Division has reached a minimum fund balance as determined by the Division and approved in accordance with the budget review process and approved financial plan. The establishment of Division endowments will follow the guidelines outlined in ALA policy. The use of the interest from these Division endowments will be subject to Division Board approval and applicable ALA policy.”*

See also ALA Constitution, Article IX and see ALA Policy #8.5.

Practice and Responsible Parties:

Divisions may establish endowments or add to existing endowments.

1. Establishing and adding to endowments.  
If a division wishes to establish an endowment, or add to an existing endowment, it must follow general rules as set by the ALA Endowment Trustees, (see Constitution Article IX and ALA Policy 8.5) because all endowment funds are ALA Endowment funds, just as all division operating funds and reserves are ALA funds.
  - The minimum amount for establishing an endowment will be set by the Endowment Trustees. Current policy requires a minimum of \$10,000.
  - Existing unrestricted endowments smaller than the minimum required endowment level may be combined to create one or more larger division endowments to meet current policy, facilitate monitoring and reduce bank charges.
  - All endowments are subject to the conditions imposed by the donor(s).
  - Funds in endowments are not considered to be reserves.
  - The principal shall not be expended unless expressly permitted by the terms of the gift, and upon recommendation of the division board and authorization of the Endowment Trustees and the ALA Executive Board. See Section 5.

- A division may establish an endowment from its existing reserve. To do so, it must have reached a minimum reserve as determined by the division board and approved in accordance with the division's budget review process and approved financial plan. See Section 6.

The establishment of a new endowment is subject to review by the Endowment Trustees, BARC, and must be approved by the ALA Executive Board, who require evidence of a sound financial plan and a planned level of reserves.

- A division may add to an existing endowment from its reserve or may combine reserve funds with a gift in order to bring the total endowment amount up to the minimum required endowment level. To do so, it must have reached a minimum reserve as determined by the division board and approved in accordance with the division's budget review process and approved financial plan. **It is desirable that divisions maintain four or more months of operating reserve.** Transfers of division funds to an already existing division endowment must be submitted as part of the annual division budget request and will be approved by the ALA Executive Board when it approves the division budget. See Section 4.

2. Divisions receiving allocations from ALA.

- These divisions may solicit and receive donations to establish or add to endowments, consistent with item 3 below.
- These divisions may not use their reserves to establish or add to endowments.
- Interest income from unrestricted endowments must be used to cover costs of basic services, thereby reducing the General Fund allocation.

3. Endowment fundraising campaigns.

- Divisions may carry out campaigns to raise funds to establish or add to endowments.
- Such efforts must be approved by the division board and reported to the ALA Executive Board prior to carrying out the campaign.

- All relevant ALA policies must be observed.
4. Use of interest and dividends.
- Expenditures are subject to any conditions imposed by the donor(s).
  - Divisions may use interest from endowments subject to division board approval and applicable ALA policy.
  - Divisions may use interest from endowments to build endowment principal.

Financial Services is responsible for processing financial transactions and for submitting monthly performance reports for division endowment projects (principal and interest projects for each endowment).

**Section 4. Transfers into Endowments**

- **Transfer procedures for adding to endowments: Planning for transfers into endowments will be included in each division's annual budget and more importantly in the Three Year Financial Plan.**
- **Any transfer over \$50,000 must be included in Year 2 of a Three Year Financial Plan in order to be approved for the following year. A division may indicate the intention to transfer funds in Years 2 or 3 and there is no obligation to complete the transfer if fund balances change unexpectedly.**
- **Generally, transfers will be avoided during the "low cash" position of the Association which is typically September through January and April through June.**

**Section 5. Use of funds other than interest and dividends.**

- **Emergencies. The Executive Board shall authorize withdrawals from the division(s) endowment funds when the purposes and programs of the division would otherwise be seriously impaired. Any withdrawal will carry with it a specific repayment schedule, with the interest rate set at the time of the withdrawal. The rate shall be based off the prevailing ALA borrowing rate, which is Prime, plus 1% (Prime + 1%).**

- ° Scholarships/Awards. The Executive Board shall authorize withdrawals from temporarily restricted and unrestricted division endowment funds designated from named scholarships and awards to the extent necessary to support the award or scholarship according to its stipulations and requirements. If the amount in the temporary restricted and unrestricted are not adequate, the (principal) of the fund may be used, up to the limits of any permanent or donor restrictions.
- ° Strategic Initiatives. The Executive Board shall authorize withdrawals from the Division(s) endowment funds when the divisions have identified and or developed a strategic initiative that is determined to be vital to the continuing and or future success of said division. Any withdrawal will carry with it a specific repayment schedule with the interest rate set at the time of withdrawal.
- ° Withdrawal Threshold. Any withdrawal from the endowment, other than emergencies must be part of the divisions annual budgetary process. Divisions requesting withdrawals in excess of \$50,000 will be required to notify BARC two (2) years in advance of their intent to withdraw via the three year financial plan.

**Section 6. Reserves.**

- ° Given the current sophisticated state of finances and budgeting divisions are encouraged to maintain four months or more reserve level. The unrestricted net assets (current fund balance) should be maintained at the four or more months level. Unrestricted net assets combined with long-term investment balances together should be maintained at the six or more month reserve level.

**Section 7. Approval and Review Process.**

- ° Any requested transfers of principal from the endowment fund must be recommended by *BARC after consultation with* the Endowment Trustees and approved by the ALA Executive Board before any transfers can be made.

Background:

Divisions may establish and use endowments to generate regular income to support the development, maintenance, and enhancement of projects and activities that fall outside normal operating expenses of the division. Examples are scholarships, awards, research, or other projects. There is a clear rationale for placing division reserves in endowments rather than allowing them to remain as unspecified assets of ALA. While ALA is responsible for the management of all endowment funds, division have the responsibility to administer division endowment projects. If a division amasses a sizable reserve this enlarges ALA general assets, thus strengthening ALA's short-term financial condition. However, if a division wishes to use any of this reserve, it must spend down the balance itself, thus diminishing the general asset. However, when funds reside in an endowment, the division has the option of spending all or part of the interest and leaving the principal intact. This provides ALA with a longer-term financial advantage.

Division endowments are a way for divisions to earn interest revenues, which are exempt from overhead charges and they contribute to financial stability over the long term. However, the principal is not available for current operations and activities.

Prepared by: Susan Roman, ALSC  
Karen Muller, ALCTS/LAMA  
JoAn Segal, AED, Programs  
Roger Parent, Deputy Executive Director

Reviewed by: Division Executive Directors

January 7, 1992

Revised by: Gregory Calloway, AED, Finance  
Susan Roman, ALSC/ALTA  
Althea Jenkins, ACRL

June 16, 1998

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double-sided printing.

ACRL Endowment Policy

Attachment 2A

Purpose:

The primary purpose of the Endowment Fund of the Association of College and Research Libraries (ACRL), a division of the American Library Association, is to generate income to support the development and enhancement of the Association programs and activities.

Historical Background:

The "Policies of the American Library Association in Relation to its Membership Divisions," approved by the ALA Council June 28, 1989, authorized the establishment of an endowment. Specifically, Policy 6.4.1 II.E. states:

Division may establish endowments or add to existing Division endowments from any source including existing fund balances once the Division has reached a minimum fund balance as determined by the Division and approved in accordance with the budget review process and approved financial plan. The establishment of Division endowments will follow the guidelines outlined in ALA policy. The use of interest from these Division endowments will be subject to Division Board approval and applicable ALA policy.

Definition:

For the purposes of this policy "endowment" is defined as that portion of the net surplus of the Association of College and Research Libraries that has been invested together with similar funds of the American Library Association for the purpose of providing permanent income to the division. In general, the principal of the ACRL endowment will include only monies without restrictions. Separate restricted endowments will each require separate policy statements.

The ACRL Financial Plan calls for a minimum reserve requirement of 40% of the moving average of the prior three years' operating expenses. Revenues in excess of the required level may be available for investment in an endowment fund.

Operating Guidelines:

1. The ACRL Endowment Fund will be invest with the Endowment Fund of the American Library Association and subject to any policies governing the Endowment Fund in general. An initial sum of \$10,000 shall be invested, fulfilling the minimum level of funding for a separately designated Endowment within the ALA Endowment.

# ACRL B&F Basic Document 5V

## CHOICE Endowment Policy

### **Purpose:**

The primary purpose of the Endowment Fund for CHOICE, a publication of the Association of College and Research Libraries (ACRL), a division of the American Library Association, is to generate income to support the operation of and enhancement to the publication and its related projects. The CHOICE Endowment Fund will initially be used to support the publication of the next edition of Books for College Libraries.

### **Historical Background:**

The "Policies of the American Library Association in Relation to its Membership Divisions," approved by the ALA Council June 28, 1989, authorized the establishment of an endowment. Specifically, Policy 6.4.1 II.E. States:

Divisions may establish endowments or add to existing Division endowments from any source including existing fund balances once the Division has reached a minimum fund balance as determined by the Division and approved in accordance with the budget review process and approved financial plan. The establishment of Division endowments will follow the guidelines outlined in ALA policy. The use of interest from these Division endowments will be subject to Division Board approval and applicable ALA policy.

### **Definition:**

For the purposes of this policy "endowment" is defined as that portion of the net surplus of CHOICE, in excess of mandated reserve requirements by ACRL, that has been invested together with similar funds of the American Library Association for the purpose of providing permanent income to the magazine. In general, the principal of the CHOICE Endowment is not available for current operations and activities. The CHOICE Endowment will include only monies without restrictions. Separate restricted endowments will each require separate policy statements.

ALA and ACRL have mandated separate reserve funds for ACRL and CHOICE. Further, the ACRL Financial Plan calls for a minimum CHOICE reserve requirement of 50% of the moving average of the prior three years' operating expenses. Revenue in excess of the required level may be available for investment in an endowment fund.

### **Operating Guidelines:**

1. The CHOICE Endowment Fund will be invested with the Endowment Fund of the American Library Association and subject to any policies governing the Endowment Fund in general. An initial sum of \$20,000 shall be invested, fulfilling the minimum level of funding for a separately designated endowment within the ALA Endowment.



## **ACRL B&F Basic Document 5c**

### **Recent ACRL Board of Directors and Executive Committee Actions Regarding the ACRL Long-Term Investment Fund**

*Excerpt from the 2005 Annual Conference ACRL Board of Directors Meeting Minutes  
June 28, 2005*

#### **26.2 Long-Term Investment Task Force Final Report (Document 17.1)**

*Action:* The Board approved the recommendations of the Long-Term Investment Fund Task Force, including:

- Designate a specific sum for addition to the long-term investment fund, to be communicated to ALA and consider actual transfer of that sum or a portion of that amount within the reality of both the current fiscal and future budgets and the near and long term strategic initiatives of the association. The task force recommends \$100,000 as the minimal amount. Actual transfer of this sum or a lesser amount would be linked to the current financial situation.
- Since ALA policy requires a two-year advance notification of sums to be transferred to the LTI, it is recommended that the maximum amount possible always be shown in the budget; the amount to transfer can always be reduced by a Board action at the Annual Conference as ALA makes the transfers at the end of the fiscal year (i.e., August).
- A growth plan linked to an historical milestone of the organization provides a framework for articulating a specific LTI target amount. Consideration of the 75th anniversary as that historical marker should be reviewed. A targeted amount of \$2M is suggested
- Continue spending interest earned from the general LTI fund on strategic initiatives as identify by the ACRL Board. Returning funds to the operating budget to support current initiatives gives credence to its importance to members and the association.
- Once the desired principal level (\$2M) is achieved, also spend 50% of the five year moving average of the appreciation of the LTI fund on strategic initiatives.

*Excerpt from the 2005 ACRL Fall Executive Committee Meeting Minutes  
October 29, 2005*

#### **10.1 Spending of FY06 LTI Fund Interest (Document 7.3)**

*Discussion:* Based on recommendations of the Long-Term Investment Fund Task Force, the Board has instructed staff to spend the interest earned from ACRL's long-term investment fund on strategic initiatives, but it hasn't been clear whether that was in perpetuity or if staff should seek specific guidance from the Board each year. The Executive Committee agreed that it should be ongoing until they choose to rescind it.

*Action:* The Executive Committee confirms that the interest from the long-term investment fund be used to support initiatives in the strategic plan.

Exhibit #13  
ET #6.9  
2010 -11 CD #16.1  
2010 -11 EBD #13.1

# Revised Policy

## American Library Association Endowment<sup>1</sup> Policy 8.5.1 (*Payout/Distribution/Withdrawal*)

<sup>1</sup> AKA Long-Term Investment Fund

# **Endowment – Long Term Investment - Fund Payout/Withdrawal Policy**

## **Use in Budget Preparation**

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 ALA 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 an 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.

**TO:** Administrators of Small Endowments

**FROM:** Jim Neal – ALA Treasurer  
Dan Bradbury – Senior Trustee ALA Endowment Fund

**RE:** Recent Policy Changes – New Minimums for Current Accounts

**DATE:** June 15, 2012

At the 2012 Midwinter Meeting in Dallas, the ALA Executive Board approved a recommendation by the Endowment Trustees to increase the minimum funding level required to establish and maintain an endowment. The action was:

**F&A concurs with the Endowment Trustees and recommends to the Executive Board increasing the minimum amount to start a new endowment to \$50,000. Additionally, to allow those endowments currently under \$50,000 up to five years to determine the path that will best allow them to reach the new minimum and up to ten years to achieve it.**

There are three basic objectives for this change in policy on minimum funding levels for ALA endowments:

1. Endowments below \$50,000 generally do not generate sufficient funds to support the goals of the endowment, such as scholarships, awards or other purposes. The current approved payout rate of 4 percent, for example, would generate only \$2,000 per year on a \$50,000 endowment.

2. It is important that we communicate to donors the actual costs of funding programs and activities through endowments. If we are not able to fulfill the expectations of the donor because of the limited proceeds from an endowment, that is a serious problem for future fundraising. This is particularly timely as ALA seeks to advance a major planned giving campaign.

3. The administrative costs of managing effectively endowments are significant. A large number of small endowment accounts with low levels of funds

generated, with the accounting and budgeting activities involved, is not effective use of staff resources.

There are 18 accounts among the 73 individual endowments in the ALA endowment fund that are currently below the \$50,000 threshold. The staff responsible for the 18 accounts in question, are being asked to consider the following actions as they develop plans to achieve the minimum endowment requirements:

- New fundraising
- Combination/integration of similar endowments as long as no legal or donor restrictions
- Transfer of funds from supporting unit net asset balances
- Spending down endowment balances over number of years
- Reduced use of endowment payout funds over number of years
- Budget support from the hosting unit

Discussions with staff responsible for the endowment accounts indicate that as plans are developed (five years) and strategies are advanced (ten years), it may not be possible to achieve the \$50,000 endowment minimum level. It is recognized that special circumstances may dictate that selected endowments may need to be “grandfathered” at a lower level. However, plans should be developed and pursued in all cases. If “grandfathering” is determined to be the best and most viable option, then a formal request needs to be made to the Trustees.

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Fund: LT Endowment Funds/34&35&36: LT Endowment Funds  
Unit\_Project: ASSOC/COLL & RES LIB-OBERLY: 403-3651

May 2021			
Actual	Budget	Prior Year Actual	
42,605	0	36,830	(3000) BEGINNING NET ASSETS
45	87	44	(4420) INT/DIV
45	87	44	(440) Subtotal Misc.
45	87	44	Total Revenues
27	18	20	(5122) BANK S/C
27	18	20	(510) Outside Services
27	18	20	Total Direct Expenses
0	0	0	(5904) TRANSFER TO/FROM ENDOWMENT
0	0	0	(52) Total Indirect Expenses
27	18	20	Total Expenses Before OH and Taxes
19	69	24	Contribution Margin
27	18	20	TOTAL EXPENSES

American Library Association  
Performance Report  
For the 09 Months Ending May 2021

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
0	42,605	0	42,605	100%	36,830	-42,605
1,043	1,043	782	260	33%	919	0
1,043	1,043	782	260	33%	919	0
1,043	1,043	782	260	33%	919	0
221	221	166	-56	-34%	183	-0
221	221	166	-56	-34%	183	-0
221	221	166	-56	-34%	183	-0
1,559	0	0	0	0%	0	1,559
1,559	0	0	0	0%	0	1,559
1,780	221	166	-56	-34%	183	1,559
-737	821	617	205	33%	735	-1,558
1,780	221	166	-56	-34%	183	1,559



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Fund: LT Endowment Funds/34&35&36: LT Endowment Funds  
Unit\_Project: ASSOC/COLL & RES LIB- OBERLY: 403-3651

May 2021			
Actual	Budget	Prior Year Actual	
19	69	24	Net Rev / (Expense) From Operations
81	0	62	(4422) ENDOWMENT GAIN/LOSS-REALIZED
744	0	1,402	(4423) ENDWMNT GAIN/LOSS-UNREALIZED
843	69	1,487	Net Rev / (Expense)
43,448	69	38,317	Ending Net Asset Balance

American Library Association  
Performance Report  
For the 09 Months Ending May 2021

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
-737	821	617	205	33%	735	-1,558
0	3,179	0	3,179	100%	196	-3,179
0	3,077	0	3,077	100%	-3	-3,077
-737	7,077	617	6,460	1048%	929	-7,814
-737	49,682	617	49,065	7959%	37,759	-50,419

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**Fund: LT Endowment Funds/34&35&36: LT Endowment Funds****Unit\_Project: ASSOC/COLL & RES LIB-LEAB/RBMS ENDWMNT: 403-3653**

May 2021		
Actual	Budget	Prior Year Actual
<b>67,109</b>	<b>0</b>	<b>59,552</b>
<b>(3000) BEGINNING NET ASSETS</b>		

64	124	62	(4420) INT/DIV
<b>64</b>	<b>124</b>	<b>62</b>	<b>(440) Subtotal Misc.</b>
<b>64</b>	<b>124</b>	<b>62</b>	<b>Total Revenues</b>

38	26	28	(5122) BANK S/C
<b>38</b>	<b>26</b>	<b>28</b>	<b>(510) Outside Services</b>

0	0	0	(5523) POSTAGE/E-MAIL
<b>0</b>	<b>0</b>	<b>0</b>	<b>(550) Operating Expenses</b>
<b>38</b>	<b>26</b>	<b>28</b>	<b>Total Direct Expenses</b>

0	0	0	(5904) TRANSFER TO/FROM ENDOWMENT
<b>0</b>	<b>0</b>	<b>0</b>	<b>(52) Total Indirect Expenses</b>

<b>38</b>	<b>26</b>	<b>28</b>	<b>Total Expenses Before OH and Taxes</b>
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<b>26</b>	<b>97</b>	<b>34</b>	<b>Contribution Margin</b>
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**American Library Association**  
**Performance Report**  
**For the 09 Months Ending May 2021**

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
<b>0</b>	<b>67,109</b>	<b>0</b>	<b>67,109</b>	<b>100%</b>	<b>59,552</b>	<b>-67,109</b>

1,482	1,481	1,112	370	33%	1,305	1
<b>1,482</b>	<b>1,481</b>	<b>1,112</b>	<b>370</b>	<b>33%</b>	<b>1,305</b>	<b>1</b>
<b>1,482</b>	<b>1,481</b>	<b>1,112</b>	<b>370</b>	<b>33%</b>	<b>1,305</b>	<b>1</b>

314	315	236	-79	-34%	260	-1
<b>314</b>	<b>315</b>	<b>236</b>	<b>-79</b>	<b>-34%</b>	<b>260</b>	<b>-1</b>

0	15	0	-15	-100%	648	-15
<b>0</b>	<b>15</b>	<b>0</b>	<b>-15</b>	<b>-100%</b>	<b>648</b>	<b>-15</b>
<b>314</b>	<b>330</b>	<b>236</b>	<b>-94</b>	<b>-40%</b>	<b>908</b>	<b>-16</b>

2,433	0	0	0	0%	0	2,433
<b>2,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>2,433</b>

<b>2,747</b>	<b>330</b>	<b>236</b>	<b>-94</b>	<b>-40%</b>	<b>908</b>	<b>2,417</b>
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<b>-1,265</b>	<b>1,152</b>	<b>876</b>	<b>276</b>	<b>31%</b>	<b>397</b>	<b>-2,417</b>
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Fund: LT Endowment Funds/34&35&36: LT Endowment Funds  
Unit\_Project: ASSOC/COLL & RES LIB-LEAB/RBMS ENDWMNT: 403-3653

May 2021			
Actual	Budget	Prior Year Actual	
38	26	28	TOTAL EXPENSES
26	97	34	Net Rev / (Expense) From Operations
115	0	88	(4422) ENDOWMENT GAIN/LOSS-REALIZED
1,056	0	1,991	(4423) ENDWMNT GAIN/LOSS-UNREALIZED
1,197	97	2,113	Net Rev / (Expense)
68,307	97	61,665	Ending Net Asset Balance

American Library Association  
Performance Report  
For the 09 Months Ending May 2021

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
2,747	330	236	-94	-40%	908	2,417
-1,265	1,152	876	276	31%	397	-2,417
0	4,516	0	4,516	100%	279	-4,516
0	4,372	0	4,372	100%	-4	-4,372
-1,265	10,040	876	9,164	1046%	671	-11,305
-1,265	77,149	876	76,273	8707%	60,224	-78,414

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Fund: LT Endowment Funds/34&35&36: LT Endowment Funds  
Unit\_Project: ASSOC/COLL & RES LIB-H. ATKINSON ENDWMNT: 403-3655

May 2021			
Actual	Budget	Prior Year Actual	
204,259	0	179,723	(3000) BEGINNING NET ASSETS
219	421	212	(4420) INT/DIV
219	421	212	(440) Subtotal Misc.
219	421	212	Total Revenues
129	89	96	(5122) BANK S/C
129	89	96	(510) Outside Services
0	0	0	(5306) AWARDS
0	0	0	(530) Meetings and Conferences
129	89	96	Total Direct Expenses
0	0	0	(5904) TRANSFER TO/FROM ENDOWMENT
0	0	0	(52) Total Indirect Expenses
129	89	96	Total Expenses Before OH and Taxes
90	332	116	Contribution Margin

American Library Association  
Performance Report  
For the 09 Months Ending May 2021

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
0	204,259	0	204,259	100%	179,723	-204,259
5,052	5,049	3,789	1,260	33%	4,449	3
5,052	5,049	3,789	1,260	33%	4,449	3
5,052	5,049	3,789	1,260	33%	4,449	3
1,072	1,073	804	-269	-33%	887	-1
1,072	1,073	804	-269	-33%	887	-1
0	417	0	-417	-100%	3,000	-417
0	417	0	-417	-100%	3,000	-417
1,072	1,490	804	-686	-85%	3,887	-418
8,193	0	0	0	0%	0	8,193
8,193	0	0	0	0%	0	8,193
9,265	1,490	804	-686	-85%	3,887	7,775
-4,213	3,559	2,985	574	19%	562	-7,772

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**Fund: LT Endowment Funds/34&35&36: LT Endowment Funds****Unit\_Project: ASSOC/COLL & RES LIB-H. ATKINSON ENDWMNT: 403-3655**

May 2021			
Actual	Budget	Prior Year Actual	
<b>129</b>	<b>89</b>	<b>96</b>	<b>TOTAL EXPENSES</b>
<b>90</b>	<b>332</b>	<b>116</b>	<b>Net Rev / (Expense) From Operations</b>
391	0	299	(4422) ENDOWMENT GAIN/LOSS-REALIZED
3,601	0	6,788	(4423) ENDWMNT GAIN/LOSS-UNREALIZED
<b>4,082</b>	<b>332</b>	<b>7,202</b>	<b>Net Rev / (Expense)</b>
<b>208,341</b>	<b>332</b>	<b>186,925</b>	<b>Ending Net Asset Balance</b>

**American Library Association****Performance Report****For the 09 Months Ending May 2021**

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
<b>9,265</b>	<b>1,490</b>	<b>804</b>	<b>-686</b>	<b>-85%</b>	<b>3,887</b>	<b>7,775</b>
<b>-4,213</b>	<b>3,559</b>	<b>2,985</b>	<b>574</b>	<b>19%</b>	<b>562</b>	<b>-7,772</b>
0	15,395	0	15,395	100%	950	-15,395
0	14,902	0	14,902	100%	-13	-14,902
<b>-4,213</b>	<b>33,856</b>	<b>2,985</b>	<b>30,871</b>	<b>1034%</b>	<b>1,498</b>	<b>-38,069</b>
<b>-4,213</b>	<b>238,115</b>	<b>2,985</b>	<b>235,130</b>	<b>7877%</b>	<b>181,221</b>	<b>-242,328</b>

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Fund: LT Endowment Funds/34&35&36: LT Endowment Funds  
Unit\_Project: ASSOC/COLL & RES LIB-ACRL ENDOWMENT: 403-3657

May 2021			
Actual	Budget	Prior Year Actual	
5,209,693	0	4,677,910	(3000) BEGINNING NET ASSETS
5,383	10,369	5,223	(4420) INT/DIV
5,383	10,369	5,223	(440) Subtotal Misc.
5,383	10,369	5,223	Total Revenues
3,177	2,200	2,372	(5122) BANK S/C
3,177	2,200	2,372	(510) Outside Services
3,177	2,200	2,372	Total Direct Expenses
0	0	0	(5904) TRANSFER TO/FROM ENDOWMENT
0	0	0	(52) Total Indirect Expenses
3,177	2,200	2,372	Total Expenses Before OH and Taxes
2,206	8,169	2,850	Contribution Margin
3,177	2,200	2,372	TOTAL EXPENSES

American Library Association  
Performance Report  
For the 09 Months Ending May 2021

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
0	5,209,693	0	5,209,693	100%	4,677,910	-5,209,693
124,432	124,363	93,324	31,039	33%	109,573	69
124,432	124,363	93,324	31,039	33%	109,573	69
124,432	124,363	93,324	31,039	33%	109,573	69
26,401	26,417	19,801	-6,617	-33%	21,852	-16
26,401	26,417	19,801	-6,617	-33%	21,852	-16
26,401	26,417	19,801	-6,617	-33%	21,852	-16
173,190	0	0	0	0%	0	173,190
173,190	0	0	0	0%	0	173,190
199,591	26,417	19,801	-6,617	-33%	21,852	173,174
-75,159	97,946	73,523	24,423	33%	87,721	-173,105
199,591	26,417	19,801	-6,617	-33%	21,852	173,174

Perf NCv1.1  
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Fund: LT Endowment Funds/34&35&36: LT Endowment Funds  
Unit\_Project: ASSOC/COLL & RES LIB-ACRL ENDOWMENT: 403-3657

May 2021			
Actual	Budget	Prior Year Actual	
2,206	8,169	2,850	Net Rev / (Expense) From Operations
9,629	0	7,357	(4422) ENDOWMENT GAIN/LOSS-REALIZED
88,694	0	167,183	(4423) ENDWMNT GAIN/LOSS-UNREALIZED
100,529	8,169	177,390	Net Rev / (Expense)
5,310,223	8,169	4,855,301	Ending Net Asset Balance

American Library Association  
Performance Report  
For the 09 Months Ending May 2021

Year-To-Date						
Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
-75,159	97,946	73,523	24,423	33%	87,721	-173,105
0	379,171	0	379,171	100%	23,389	-379,171
0	367,045	0	367,045	100%	-328	-367,045
-75,159	844,162	73,523	770,639	1048%	110,782	-919,321
-75,159	6,053,856	73,523	5,980,332	8134%	4,788,692	-6,129,015

REPORT OF THE ACRL JOINT SUBCOMMITTEE ON THE  
DEFINITION OF MEMBERSHIP SERVICES

Prepared for the ACRL Board of Directors

January 27, 1992

Submitted by the Joint Subcommittee, which had members from  
the ACRL Budget and Finance Committee and the ACRL Membership Committee

Vivian Chou  
Andrea C. Hoffman  
Neil J. McElroy  
Charles Martell  
Keith W. Russell, Chair

Endorsed by the Parent Committees, January 25 and 27, 1992



## INTRODUCTION

In October 1990 the ACRL Special Committee on Implementing a Revised Operating Agreement (chaired by Elizabeth Salzer) issued its final report. That report reviewed the revised ALA Operating Agreement (actual title: Policies of the American Library Association in relation to its membership divisions) and its potential financial impact on ACRL, and recommended several actions related to the transition to a new operating environment.

Upon review of the Special Committee's final report, the ACRL Board of Directors asked a joint subcommittee of the ACRL Budget and Finance Committee and the ACRL Membership Committee to do further analysis related to some of the recommendations. The Special Committee, in particular, had expressed concern "...that, approximately two years after the recent dues increase, three-year projections show a widening gap between dues revenue and the cost of membership services." A significant part of that gap arises from the Operating Agreement. As the report says, "...in FY 1991, ACRL (including Choice) will pay ALA about \$200,000 more in direct charges stemming from the Operating Agreement than the Division paid in 1989." And as the Operating Agreement is fully implemented over the next few years, those charges will increase significantly.

To help the Division firm up actions that would reassert financial stability, the Joint Subcommittee was asked to "examine current membership patterns, present and projected activities, and the cost of these activities to ACRL members," and to:

"identify membership activities to be covered by dues and ensure that membership dues cover the cost of these activities;

identify activities for membership that will be provided from non-dues sources and on what basis;

identify activities for membership that will be partially subsidized from dues."

This request is consistent with goals, strategies and planning assumptions of the Association (e.g., Financial Plan, goal 1, page 24; Operating Plan and Budget).

The Joint Subcommittee was appointed at Midwinter 1991. Its members from the ACRL Membership Committee are Vivian Chou, Head of Monographic Cataloging, Paley Library, Temple University, and Andrea C. Hoffman, Library Director, Wheelock College. Members from the Budget and Finance Committee are Neil J. McElroy, Director of Libraries, Lafayette College; Charles Martell, University Librarian, California State University, Sacramento; and Keith W. Russell, Associate Director for Public Services, National Agricultural Library, chair.

At Midwinter, the Joint Subcommittee held two brief meetings. In subsequent months, members gathered and reviewed background reports budgets from ACRL, ALA and other membership associations in library and information science. (The most relevant documents are listed at the end of this report.) Additional meetings and conference calls were held over the past 10 months.



## SUMMARY OF FINDINGS AND DISCUSSIONS

The primary purpose of this Joint Subcommittee is to recommend a statement for ACRL concerning membership benefits and the funding of those benefits. This statement will serve as a foundation for efforts to clarify ACRL's obligation to members, financial aspects of that obligation, and sources of funding for membership activities.

Several existing statements relate to the charge to this Joint Subcommittee:

1. Strategic Plan financial recommendations. The ACRL Strategic Plan (1986, page 55) recommended changes to ACRL's financial policies in order to fully adopt the Plan. Four recommendations were made about the use of ACRL funds to support activities; not all of these have been fully implemented by the Division. That page from the Plan is presented as Table 1.

2. ACRL activities. The Joint Subcommittee assembled a list of ACRL activities (Table 2) from the Strategic Plan and other documents. Activities that were not considered tangible were omitted from the list for the purposes of our charge; for example, "networking and contacts" is often listed as a benefit of ACRL membership, but it is difficult to assign budget numbers to this activity.

3. Value of membership activities. Several surveys, including some described in the Strategic Plan, provide information on the most-valued and least-valued of ACRL activities, as well as information on why former members did not renew their memberships.

4. Membership perquisites. Table 3 lists current tangible benefits of ACRL membership (received for a \$35.00 annual membership fee).

5. Operating Agreement statements. The following statements from the Operating Agreement pertain to the work of the Joint Subcommittee:

A. Definition of ALA Basic Services: "Those services made available to all ALA members at no additional charge beyond their ALA dues. Dues provide the primary support for basic services. Basic services may be supported by dues or other options as approved by the Executive Board. Basic ALA services include: American Libraries, information/advisory services, support for governance/member groups, public/professional relations, administration of awards and scholarships, membership promotion/retention, executive/administrative/financial services; offices: research, outreach services, government relations, intellectual freedom, accreditation; Headquarters Library." (Page 5)

TABLE 1

Strategic Plan recommendations related to funding of various ACRL activities

(This is page 55 from the ACRL Strategic Plan)

(Note: The use of the term "reserve funds" in item 1 reflects usage in 1986. That term has a different connotation today.)

C. Recommended changes to ACRL's Financial Policies Implicit in the Plan

It is important to note that the Plan implies certain financial policy changes, and that the Plan can only be adopted in full if these changes are made. The Task Force therefore calls these to the attention of the ACRL Board:

1. Reserve funds are used:

- ° to increase support to sections
  - \* where targeted
  - \* through a special programming fund
  - \* through pre-Conferences
- ° to increase support to chapters
  - \* through the special programming fund
- ° to make continuing education more accessible
- ° to publish certain items
- ° to distribute standards free of charge
- ° to recruit members of underrepresented groups (scholarships)
- ° to develop incentive programs to encourage librarians to do research

2. Grant funds are used to:

- ° help support desired programs
- ° carry out special projects

3. Dues revenue supports services for all members, including:

- ° recruitment and retention activities
- ° committees
- ° sections
- ° chapters
- ° discussion groups
- ° advisory services
- ° research and statistics projects
- ° Jobline
- ° some programs at Annual Conference

(continued)

TABLE 1

(continued)

4. These are self-supporting:

- ° serial publications
- ° non-serial publications, with special exceptions
- ° continuing education, with special exceptions
- ° National Conferences
- ° Pre-Conferences, with special exceptions



TABLE 2

List of ACRL Activities

Publications

College and Research Libraries  
College and Research Libraries News  
Rare Books and Manuscripts Librarianship  
Choice  
Chapter Topics  
 Newsletters of sections  
 Non-serial publications

National conferences (every three years)

Continuing education courses

Pre-conferences, post-conferences

Board and executive committee

Advisory services

Projects (often grant funded)

Research

Chapters

Sections

Committees

Discussion groups

Statistics

Standards distribution

Membership services (direct provision of membership-related information, support, etc.)

Jobline

Programs at ALA annual conferences, and at midwinter conferences (to the extent allowed by ALA policy)

Awards

TABLE 3

List of current ACRL membership benefits

College and Research Libraries

College and Research Libraries News

Membership in one type-of-library section (and any newsletter involved)

Membership in two type-of-activity sections (and any newsletter(s) involved)

Ability to join additional sections for \$2.00 each

Discounts on ACRL publications

Member rates on national conferences, pre- and post-conferences, and  
continuing education courses

Chapter activities (for members from geographic areas covered by chapters)

B. Definition of Division Basic Services: "Those services made available to all Division members at no additional charge beyond their Division dues. Dues provide the primary support for basic services. Basic services may be supported by dues or other options as determined by Division Boards. Basic Division services include: periodical publications designated as perquisites of membership, information/advisory services, support for governance/member groups, public relations, administration of awards and scholarships, membership promotion/retention, executive/administrative/financial services." (Page 5-6)

C. "Division have the right to establish their own personal and organizational dues structures and set membership perquisites. (ALA Bylaws, Article I, Section 2; Article VI, Section 6)." (Page 6)

6. ACRL statement. The following ACRL statement, adopted by the ACRL Board in January 1990, pertains: "Basic services are those made available to all division members at no additional charge beyond their division dues. Some basic membership services may be supported with non-dues revenue."

7. MLA's approach. The Joint Subcommittee was particularly influenced by a draft "Financial Planning Model" being developed by the Medical Library Association in response to questions similar to those of ACRL. An adaptation of recommendations in that model gave the Joint Subcommittee certain insights into the way ACRL handles dues, other revenues, and expenses. If ACRL applied a modified version of this approach, activities would fall into four categories:

A. Membership activities that are fully covered by dues revenues.

B. Membership activities that are partially covered by dues revenues, and partially covered by revenues from other sources (e.g., cost recovery, fee-for-service, or subsidy from other ACRL funds, or a combination of such funds).

C. Membership activities that are not funded by dues in any way. These activities are fully supported by cost recovery, fee-for-service, or subsidy from other ACRL funds, or a combination of such funds.

D. Entrepreneurial membership activities. These are not funded by dues in any way, and net revenues are generated for use by ACRL. Sources of revenues include cost recovery, fee-for-service, subsidy from other ACRL funds (if needed, perhaps as seed money), or a combination of such funds.



## RECOMMENDATIONS

In response to its charge, the Joint Subcommittee recommends that the ACRL Board of Directors implement the following three recommendations:

1. Policy statement on membership services. ACRL should adopt the following policy statement concerning membership services. This statement pulls together various policies that currently are dispersed among various documents.

## ACRL Statement on Basic Membership Services

"ACRL basic membership services are those services which meet the actual and anticipated needs of most, if not all, members. Such services are made available to all division members at no additional charge beyond their ACRL dues. The primary support for basic services comes from dues, although some basic membership services may be supported with non-dues revenue, as determined by the ACRL Board of Directors. Revenues from dues will fully cover the expenditures for basic services. The ACRL Board defines which membership services are considered basic. The list of basic services is reviewed periodically by ACRL staff and the ACRL Board to ensure that those services continue to be relevant to, appropriate for, and consistent with membership needs and the goals, objectives, and priorities of ACRL. The ACRL Budget and Finance Committee annually reviews the Association dues, including their adequacy for providing basic and other services. The Committee also recommends to the ACRL Board whether or not dues need to be increased."

2. Funding for basic and other services. The main part of the charge to this Joint Subcommittee involves categorizing membership activities into three categories: membership activities to be covered fully by dues; membership activities that will be provided from non-dues sources; and membership activities that will be partially subsidized from dues. The Joint Subcommittee recommends that ACRL adopt a model that uses four categories, based on the Medical Library Association model mentioned above. Definition of the four categories appears on the previous page, and Table 4 summarizes the categories into which various membership services would fall using this model. This table reflects current ACRL practice, rather than recommended changes.

The Joint Subcommittee recommends that this table be adopted as a guide for the funding of various services, and that it become an integral part of fiscal policy for ACRL. It establishes the basic services of ACRL, and provides a ready starting point for discussions related to (a) consideration of future dues increases (or service cuts) and (b) the setting of financial goals and objectives related to categories of services (and even specific services).

3. Administrative matters. The Joint Subcommittee recommends that ACRL staff work with the ACRL Budget and Finance Committee to review and modify ACRL budget sheet categories (and perhaps other financial reporting mechanisms) so that it is easier (a) to track the revenues and expenditures of basic services and other services, and (b) to monitor progress toward financial goals and objectives. Other modifications may be necessary or desirable because of the adoption of the above recommendations.



# ACRL B&F Basic Document 6.0

TABLE 4

Placement of ACRL Membership Services in Proposed Budgetary Categories  
(see text for further definitions of categories)

I	II	III	IV
FULLY COVERED BY DUES	PARTIALLY COVERED BY DUES	NO DUES; FULL COST RECOVERY	NOT FUNDED BY DUES; NET REVENUE EXPECTED
Chapter topics	C&RL (if necessary)	RBML	National confs.
Sect. newsltrs.	C&RL News (if necessary)	CE courses	Choice
Board & ex.comm.	Awards (admin. costs)	Pre/post conferences	
Advisory (to members)*	Statistics pubs.	Projects	
Chapters (basic support)		Some acts. of Sections & Chapters	
Sections (basic support)		Research	
Committees		Some non-serial publications	
Disc. groups (staff supp)		Special grant funds	
Statistics *, **			
Standards *			
Membership services			
Jobline *			

\* Indicates a membership service that can also be used by non-members.

\*\* Indicates an activity funded fully by dues, but from which some excess revenues come in that are not credited to dues revenues.

## ACRL B&F Basic Document 6.0

### LIST OF SOURCES MOST USEFUL TO THE JOINT SUBCOMMITTEE

- American Library Association. ALA business plan, FY 1992 - FY 1994. Draft dated December 1990; revised October 1991.
- American Library Association. "Bylaws." Pages 130-135 in ALA handbook of organization, 1991/1992. Chicago: ALA. 1991.
- American Library Association. Policies of the American Library Association in relation to its membership divisions. (Referred to as the Operating Agreement.) Approved by ALA Council June 28, 1989.
- Association of College and Research Libraries. Annual report, 1989-90. Academic librarians: Partners in higher education. Chicago: ACRL.
- Association of College and Research Libraries. "Annual report, 1990-91. Empowering people: Information literacy." College & Research Libraries News, 52(10):657-676. November 1991.
- Association of College and Research Libraries. Financial Development Task Force. Report to the Board. June 25, 1990.
- Association of College and Research Libraries. Financial plan, 1990-93.
- Association of College and Research Libraries. Financial plan, 1992.
- Association of College and Research Libraries. Fiscal policy manual. June 1991.
- Association of College and Research Libraries. Guide to policies and procedures. September 1991.
- Association of College and Research Libraries. Membership survey. Conducted by Research USA, Inc., for ACRL. November 1989.
- Association of College and Research Libraries. Operating plan and budget, 1991.
- Association of College and Research Libraries. Operating plan and budget, 1992.
- Association of College and Research Libraries. Special Committee on Implementing a Revised Operating Agreement. Final report. October 1990.
- Association of College and Research Libraries. Strategic planning for ACRL. Approved by the ACRL Board July 1, 1986.
- Association of College and Research Libraries. Survey of former members. Conducted by Research USA, Inc., for ACRL. March 1991.
- Medical Library Association. Financial planning model. (Draft, March 14, 1990).

**This page included to accommodate double-sided printing.**

# ACRL B&F Basic Documents 7.0

## CHART OF ACCOUNTS SUMMARY

### G/L ACCOUNT NUMBER CONFIGURATION

XX - XXX - XXXX - XXXX  
FUND/SUB FUND - UNIT - LINE ITEM - PROJECT

#### FUND/SUB FUND

11 OPERATING/GENERAL  
12 OPERATING/DIVISION  
13 OPERATING/ROUND TABLE  
20 PLANT/NON-DESIGNATED  
34 +ENDOWMENT/UNRESTRICTED  
35 +ENDOWMENT/TEMPORARY RESTRICTED  
36 +ENDOWMENT/PERMANENTLY RESTRICTED  
47 +GRANTS/GOV'T EXCHANGE  
48 +GRANTS/NON-GOV'T EXCHANGE  
49 +GRANTS/CONTRIBUTIONS  
50 RELATED INTEREST GROUPS/NON-DESIGNATED  
60 ALA/APA

#### UNITS

100 COMMUNICATIONS AND MEMBER RELATIONS/AED  
101 STANDING COMMITTEES  
102 EXECUTIVE BOARD  
103 EXECUTIVE OFFICE  
104 LIBRARY  
106 HRDR (HUMAN RESOURCE DEVELOP & RECRUIT)  
107 OLOS (OFFICE FOR LITERACY AND OUTREACH SERV)  
108 OIF (OFFICE FOR INTELLECTUAL FREEDOM)  
109 ORS (OFFICE FOR RESEARCH & STATISTICS)  
111 INTERNATIONAL RELATIONS OFFICE  
112 OA (OFFICE FOR ACCREDITATION)  
113 PIO (PUBLIC INFORMATION OFFICE)  
114 DEVELOPMENT OFFICE  
115 PUBLIC PROGRAMS OFFICE  
116 OFFICE FOR DIVERSITY  
120 OFFICE FOR LIBRARY ADVOCACY  
150 WASHINGTON OFFICE  
151 OITP (OFFICE FOR INFORM TECH POLICY)  
152 OGR (OFFICE OF GOVERNMENT RELATIONS)  
200 MEMBER PROGRAMS & SERVICES/AED  
220 MIDWINTER MEETING  
221 ANNUAL CONFERENCE  
230 ALA AWARDS  
250 MACS (MEMBER AND CUSTOMER SERVICES)  
251 CHAPTER RELATIONS OFFICE  
300 PUBLISHING/AED  
301 ALA EDITIONS  
302 BOOKLIST  
303 AMERICAN LIBRARIES  
305 ALA DIGITAL REFERENCE  
313 ALA GRAPHICS  
401 PLA  
403 ACRL  
404 CHOICE  
405 AASL  
406 ASCLA  
407 ALCTS  
409 LLAMA  
410 RUSA  
411 ALTAFF  
412 LITA  
413 ALSC  
414 YALSA  
501 STAFF SUPPORT SERVICES  
505 ITTS  
506 HUMAN RESOURCES  
509 DISTRIBUTION CENTER  
510 REPROGRAPHICS CENTER  
511 BUILDING MAINTENANCE  
550 FINANCE/AED  
551 ACCOUNTING  
552 PLANNING & BUDGETING  
591 GENERAL ADMINISTRATION  
592 GENERAL FUND ALLOCATION & OVERHEAD  
593 +ALA STRATEGIC INITIATIVES  
594 +TECHNOLOGY RESERVE FUND  
601 LHRT  
602 ERT  
603 FAFLRT  
604 GODORT  
605 IFRT  
606 IRRRT  
607 NMRT  
608 LRRT  
609 MAGERT  
610 SRRT  
611 SORT  
612 LIRT  
613 EMIERT  
614 LEARNRT  
615 +RMRT  
617 VRT  
618 LSSIRT  
619 GLBTRT  
710 HEADQUARTERS BUILDING  
720 WO BUILDING  
730 +CHOICE BUILDING  
800 ALA/APA  
903 COALITION FOR LITERACY  
905 BUSINESS CNCL FOR LIBRARIES  
907 AMERICAN INDIAN LIBRARY ASSOCIATION  
910 AACR2  
917 FREEDOM TO READ FOUNDATION

#### LINE ITEM - 4XXX - REVENUES

400X - DUES  
4000 DUES/PERSONAL  
4001 DUES/ORGANIZATIONAL  
4002 DUES/SPECIAL  
4003 DUES/LIFE MEMBER - CURRENT  
4004 DUES/CONTINUING MEMBERS  
  
410X - SALES  
4100 SALES/BOOKS #  
4101 SALES/PAMPHLETS #  
4102 SALES/AUDIOVISUAL #  
4103 SALES/ONLINE #  
4104 SALES/RENTAL - MAIL LISTS #  
4105 +SALES/WEBINARS/WEBCASTS/WEB CE  
4108 SALES/ALA STORE #  
4109 SALES/MISCELLANEOUS #  
  
4110 SUBSCRIPTIONS #  
  
414X - ADVERTISING  
4140 ADVERTISING/GROSS ##  
4142 ADVERTISING/CLASSIFIED ##  
4143 +ADVERTISING/ON-LINE ##  
  
42XX - MEETING & CONFERENCES  
4200 REGISTRATION FEES #  
4210 EXHIBIT SPACE RENT #  
4220 MEAL FUNCTIONS #  
  
4300 +GRANTS/AWARDS-EXCHANGE  
4301\* +GRANTS/AWARDS-TEMP RESTRICTED  
  
44XX - MISCELLANEOUS  
4400 DONATIONS/ HONORARIA  
4420 INTEREST/DIVIDENDS  
4421 ROYALTIES - EXEMPT  
4422 ENDOWMENT GAIN/LOSS - REALIZED  
4423 ENDOWMENT GAIN/LOSS - UNREALIZED  
4429 OVERHEAD - EXEMPT REVENUE/DIVISIONS  
4430 ROYALTIES - NON-EXEMPT #  
4490 MISCELLANEOUS FEES & REVENUES #  
  
46XX - PUBLICATION CONTRA ACCOUNTS  
4600 +ASSETS RELEASED FROM RESTRICTION  
4601 RETURNS/CREDITS #  
4610 +COMMISSION/ON-LINE ADV #  
4611 COMMISSION/SALES REP. #  
4612 COMMISSION/ADVERTISING AGENCY #

#### LINE ITEM - 5XXX - EXPENSES

500X - 502X - PAYROLL RELATED  
5000 SALARIES & WAGES  
5001 WAGES/TEMPORARY EMPLOYEES  
5002 OVERTIME  
5005 ATTRITION FACTOR  
5009\* ACCRUED VACATION  
5010 EMPLOYEE BENEFITS  
5011\*\* LIFE INSURANCE  
5012\*\* DISABILITY INSURANCE  
5013\*\* WORKERS COMPENSATION INSURANCE  
5014\*\* ANNUITY/EMPLOYER  
5015\*\* TUITION REIMBURSEMENT  
  
5016 PROFESSIONAL MEMBERSHIPS  
5019\*\* HEALTH INSURANCE  
5020\* FICA/EMPLOYER  
5021\* UNEMPLOYMENT COMPENSATION TAX  
  
5030 STAFF RECRUITMENT/RELOCATION  
5031 STAFF DEVELOPMENT  
5040\*\* POST RETIREMENT BENEFITS  
  
51XX - OUTSIDE SERVICES  
5100 TEMPORARY EMPLOYEES/OUTSIDE  
5110 PROFESSIONAL SERVICES  
5120 LEGAL FEES  
5121 AUDIT/TAX FEES  
5122 BANK SERVICE FEES  
5140 REPAIRS/MAINTENANCE  
5150 MESSENGER SERVICE  
5151 DUPLICATION/OUTSIDE

52XX - TRAVEL  
1215++ TRAVEL ADVANCE  
5210 TRANSPORTATION  
5212 LODGING & MEALS  
5214 ENTERTAINMENT  
5216 BUSINESS MEETINGS

#### LINE ITEM - 5XXX - EXPENSES (cont'd)

53XX - MEETINGS & CONFERENCES  
5300 FACILITIES RENT  
5301 CONFERENCE EQUIPMENT RENTAL  
5302 MEAL FUNCTIONS  
5303 EXHIBITS  
5304 SPEAKER/GUEST EXPENSES  
5305 SPEAKER/GUEST HONORARIUM  
5306 AWARDS  
5307 SECURITY SERVICES  
5308 SPECIAL TRANSPORTATION  
5309 AUDIO/VISUAL EQUIP RENTAL & LABOR  
5310 COMPUTER RENTAL/INTERNET CONNECTN  
5350 PROGRAM ALLOCATION

54XX - PUBLICATION - RELATED  
5400 EDITORIAL/PROOFREADING - O/S  
5401 TYPESETTING/COMP. O/S  
5402 PRINTING - OUTSIDE  
5403 BINDING - OUTSIDE  
5404 DESIGN SERVICE - OUTSIDE  
5406 REVIEW SERVICE  
5410 MAIL SERVICE - OUTSIDE  
5411 ADVERTISING/SPACE  
5412 ADVERTISING/DIRECT  
5413 MAIL LIST RENTAL  
5414 SUPPLIES/PRODUCTION  
5415 PRE-PRESS/PHOTO SERVICES  
5416 ADVERTISING PRODUCTION COST  
5420 COPYRIGHT FEES  
5430 WEB OPERATING EXPENSES

5431 +WEBINARS/WEBCASTS/WEB CE EXP  
5432 PURCHASED INVENTORY  
5433 ORDER PROCESSING/FULFILLMENT

5480 COST OF SALES  
5490 INVENTORY ADJUSTMENT  
5499\* INVENTORY RESERVE ADJUSTMENT

55XX - OPERATING EXPENSES  
5500 SUPPLIES/OPERATING  
5501 EQUIPMENT & SOFTWARE/MINOR  
5502 REFERENCE MATERIALS/PERIODICALS  
5510 INSURANCE  
5520 EQUIPMENT RENTAL/LEASE  
5521 SPACE RENT  
5522 TELEPHONE & FAX/OUTSIDE  
5523 POSTAGE & E-MAIL/OUTSIDE  
5525 UTILITIES  
5530 DEPR/FURNITURE & EQUIPMENT  
5531 DEPRECIATION/BUILDINGS  
5532 AMORTIZATION/EQUIPMENT LEASE  
5540 ROYALTY EXPENSE  
5543 BAD DEBT EXPENSE  
5544 INTEREST EXPENSE  
5545 TAXES/PROPERTY  
5550 PROMOTION  
5560 ORGANIZATIONAL SUPP/CONTRIBUTION  
5599 MISCELLANEOUS EXPENSE  
5600\* TAXES/INCOME

59XX - INTER-UNIT-TRANSFERS  
5900 IUT-MARKETING  
5901 IUT-PROD. SERV./ADM. FEE  
5902 IUT-ITTS  
5903 IUT-SUBSCRIPTION PROCESSING  
5904 +TRANSFER TO/FROM ENDOWMENT  
5905 IUT-TELEPHONE  
5906 IUT-ORDER BILLING  
5908 IUT-MAINT.  
5909 IUT-DIST. CTR.  
5910 IUT-REPRO  
5911 IUT-GEN. OH  
5912 IUT-COPY EDITING/PROOFREADING  
5913 IUT-COMPOSITION/ALTERATION  
5940 IUT-REGISTRATION PROCESSING  
5941 IUT-CHOICE  
5942 IUT-ADVERTISING  
5998 IUT-ALLOCATIONS  
5999 IUT-MISC.

\* For Accounting use only.

\*\* For Human Resources use only.

# Subject to overhead

## Rev. from Div. Mbr. Perquisite Publ.  
Not Assessed OH

+ New/Change as of this revision

++ Fund/Sub-Fund/Unit - will always be 11-000.

4500 HURON PLAZA - RENT

5541 COLLECTION EXPENSE

**This page included to accommodate double-sided printing.**



## **ACRL B&F Basic Document 8.0**

### **TIPSHEET ABOUT THE ACRL BUDGET AND PRACTICES**

1. The ALA fiscal year begins on September 1 and ends on August 31.
2. ACRL's budget is not an allocations budget, but rather it is projected based on revenue that should be collected.
3. The ACRL Budget & Finance Committee Chair is also a member of ACRL's Executive Committee and Board of Directors.
4. The Board is responsible for the association's big picture and counts on the B&F Committee to consider budget matters at a more detailed level.
5. The B&F Committee makes recommendations to the Board about the budget.
6. The B&F Committee looks at the organization in a broad sense and wants to ensure that the association both meets members' needs and makes sure that their money is spent appropriately.
7. The staff and the B&F Committee make it possible to see trends and issues.
8. ACRL's strategic plan serves as a roadmap for the budgeting process. Budget assumptions are presented by the strategic plan areas to ensure that B&F and the Board continue to align resource allocations with the strategic plan.
9. ACRL generates revenue in three categories: membership dues/other, publications and education. Categories for expenses parallel those for revenue: member activities, publications, education—and a fourth to cover special programs.
10. The ACRL Financial Plan is prepared annually to document fiscal strategies for the division that will focus and direct decisions and activities for the current year.
11. The ACRL budget is divided into programs (projects), each with a name and number. Each project includes line items for revenue and expenses. ACRL staff salaries and administrative costs are distributed throughout the projects.
12. Salaries are estimated for each project based on historical data of actual staff time spent on projects (from the historical budget matrix) as well as on the Executive Director's knowledge of factors likely to affect particular projects during the budget year.
13. The operating expenses are estimated and percentages are distributed among projects. Operating expenses include a fixed percent for the ALA indirect cost charge (overhead), the rate of which is determined each year by ALA based on an indirect cost study of the previous fiscal year.

## **ACRL B&F Basic Document 8.0**

14. At its Strategic Planning and Orientation Session in the fall, the Board reviews action plan proposals for the following fiscal year and makes decisions about such proposals that are then included in the budget assumptions reviewed by the Executive Committee at its fall meeting.

15. The Choice and ACRL budgets are separate. Preliminary budgets for both ACRL and Choice are prepared prior to the Midwinter Meeting and distributed to the Board and the Budget and Finance Committee. This budget assumptions document is the guide staff will use to develop the draft budget.

16. Historically Choice's net operating fund balance has been kept distinct from ACRL's, but starting in FY09 Choice will contribute an initial amount of \$100,000 from its operating fund balance to support ACRL initiatives, programs, and services. The specific amount to be contributed to ACRL by Choice will be determined on an annual basis during the budget process.

17. The Budget and Finance Committee sends a summary and recommendation regarding approval of the final budget to the Board prior to the Board's second meeting during the Annual Conference. The ALA Executive Board approves the final budgets for ALA and all of its units at its fall meeting.

18. Remember that the ACRL budget is a part of the ALA budget and that the relationship between ALA and the Divisions is governed by the operating agreement.

19. ALA uses accrual accounting, which recognizes revenues and expenses in the accounting period in which the revenues were earned and the expenses paid. For example, revenues for a conference are recognized in the accounting period in which the conference takes place, even though registrations and exhibits may have been paid in a previous accounting period. Expenses are recognized at the time that they are paid.

20. At Midwinter the B&F Committee looks at the budget for three years – the actual budget performance of the past year that just ended, the current year, and the preliminary budget for the next year. At the 2008 Midwinter Meeting, for example, the committee discussed fiscal years 2007, 2008, and 2009.



# Plan for Excellence

Association of College & Research Libraries

Approved April 20, 2011 — Effective July 1, 2011

Reaffirmed September 2013. Revised November 2019.

## Preamble

The strengths and capacities of ACRL have enabled the association to sustain exemplary programs and results for its members and to shape policies and practices of vital interest to higher education.

ACRL's Plan for Excellence continues that path and focuses attention on four areas that capitalize on our strengths, deliver high member value, and heighten our impact:

- Value of Academic Libraries
- Student Learning
- Research and Scholarly Environment
- New Roles and Changing Landscapes

These strategic areas will be supported by financial and operational planning, and will guide the development and implementation of programs and services that target education, advocacy and member engagement.

ACRL's leadership views strategic thinking and planning as an ongoing process. Adoption of this plan for excellence affirms the general intent and direction articulated by the association's core ideology, envisioned future, shorter-term goals, and objectives. Progress will be assessed annually and will guide the operational planning process. The plan for excellence will be updated based on achievement of the goals and their continued relevance as new needs and opportunities arise.

## Timeless Core Ideology

### Core Purpose

To lead academic and research librarians and libraries in advancing learning and scholarship.

### Core Organizational Values

ACRL is committed to:

- visionary leadership, transformation, new ideas, and global perspectives
- exemplary service to members
- equity, diversity, and inclusion
- integrity and transparency
- continuous learning
- responsible stewardship of resources
- the values of higher education, intellectual freedom, the ALA Ethics policy, and "The Library Bill of Rights"

## Core Commitment

ACRL is dedicated to creating diverse and inclusive communities in the Association and in academic and research libraries. This core commitment permeates the work of the Association, cutting across all ACRL sections, committees, interest and discussion groups, and communities of practice. The Association will acknowledge and address historical racial inequities; challenge oppressive systems within academic libraries; value different ways of knowing; and identify and work to eliminate barriers to equitable services, spaces, resources, and scholarship.

## Long-term Envisioned Future Vision

Academic and research librarians and libraries are essential to a thriving global community of learners and scholars.

### Vivid Description of a Desired Future

ACRL elevates the position, recognition, and impact of all academic and research libraries and librarians as catalysts in exceptional research and learning. Academic libraries play a critical role in building diverse, welcoming, and equitable communities; developing inclusive organizations, spaces and services; guarding against policies and practices that intentionally or unintentionally create racial inequalities; embodying diversity in the profession; and creating conditions so that all users are respected and supported in their intellectual dialogues and pursuits. Librarians and their colleagues design services that provide scholars and learners the unfettered ability to create, access, evaluate, and use knowledge. College and university students are information literate, informed scholars and citizens who value the opinions, perspectives, and experiences of others. Facile use of information sources and discovery techniques enables them to succeed in their coursework and future careers preparing them to lead new national and global initiatives. Partnering with academic librarians to collect and organize research data, faculty break new ground in their respective fields. Academic libraries, constantly transforming to meet the evolving needs of their campuses, are central to educational and research efforts.

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## Five-Year Goals and Objectives

### Value of Academic Libraries

Goal: Academic libraries demonstrate alignment with and impact on institutional outcomes.

#### *Proposed Objectives:*

1. Cultivate research opportunities that communicate the impact of academic and research libraries in the higher education environment.
2. Promote the impact and value of academic and research libraries to the higher education community.
3. Expand professional development opportunities for assessment and advocacy of the contributions towards impact of academic libraries.
4. Support libraries in articulating their role in advancing issues of equity, access, diversity, and inclusion in higher education.

### Student Learning

Goal: Advance equitable and inclusive pedagogical practices and environments for libraries to support student learning.

#### *Proposed Objectives:*

1. Empower libraries to build sustainable, equitable, inclusive, and responsive information literacy programs.
2. Collaborate with internal and external partners to expand understanding of the impact of information literacy on student learning.



## Research and Scholarly Environment

Goal: The academic and research library workforce accelerates the transition to more open and equitable systems of scholarship.

#### *Proposed Objectives:*

1. Increase the ways ACRL is an advocate and model for more representative and inclusive ways of knowing.
2. Enhance members' capacity to address issues related to scholarly communication, including but not limited to data management, library publishing, open access, and digital scholarship, and power and privilege in knowledge creation systems.
3. Increase ACRL's efforts to influence and advocate for more open and equitable dissemination policies and practices.

## New Roles and Changing Landscapes

Goal: The academic and research library workforce effectively fosters change in academic libraries and higher education environments.

#### *Objectives:*

1. Deepen ACRL's advocacy and support for the full range of the academic library workforce.
2. Equip the academic library workforce to effectively lead, manage, and embrace change, advocate for their communities, and serve as a catalyst for transformational change in higher education.
3. Increase diversity, cultivate equity, and nurture inclusion in the academic library workforce.

