

ACRL Budget Process Overview for ACRL Board



*Advancing learning
Transforming scholarship*

Association of College & Research Libraries

A division of the American Library Association

B&F Responsibilities

- To submit annually a recommended budget for the ACRL division (including division publications, the CHOICE budget, the allocation of Long Term Investment fund income) to the ACRL Board of Directors for action.
- To assist the Board in aligning the budget with the strategic plan.
- To advise the ACRL Board of Directors on its allocation of Friends of ACRL contributions to strategic projects and programs, as well as to consult with the ACRL Board of Directors on fundraising goals and objectives.

B&F Responsibilities (cont.)

- To counsel the ACRL Board of Directors on questions regarding all fiscal matters of the division or its publications, including dues levels and fundraising, especially as they relate to alignment with the strategic plan.
- The Chair helps represent ACRL at all meetings of the ALA Planning and Budget Assembly and the joint BARC/Division meetings.

B&F Role in Friends

- At the 2013 ALA Midwinter Meeting, the Board assumed responsibility for disbursing Friends Funds to more directly support the Plan for Excellence.
- Donations dedicated to professional development will continue to be disbursed by the Budget & Finance Committee.

Board's Role in ACRL Budget

- The Board's role is to approve the budget based on B&F committee's recommendation and monitor ACRL's financial solvency.
- B&F is an advisory committee to the Board.
- Joint meeting of Board and B&F each Midwinter



ACRL Budget

- ACRL must generate revenue – there is no allocation from ALA; ACRL pays ALA indirect costs on non-dues revenue: 26.4%.
- ACRL budget includes revenue, expenses, and net revenue.
- Healthy operating balance & LTI fund thanks to careful stewardship (past positive net revenue) which allows deficit budgets.



Major Revenues and Expenses

Major Revenues

- Membership Dues
- Publications
- Education (Professional Development)

Major Expenses

- Members Services
- Publications
- Education (Professional Development)
- Special Projects
- ALA Overhead



ACRL Financial Reporting

Quarterly Reports

- Detailed spreadsheet listing revenue, expenses, and net revenue as well as operating and LTI fund balances.
- Narrative cover memo provided by Executive Director highlights trends and provides explanation and context for the financial report spreadsheet.

Quarterly Reports: The Numbers

| Revenues | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|-----------------|------------|
| Membership | | | | | |
| Dues | \$354,335 | \$177,168 | \$261,415 | \$84,248 | 48% |
| Standards, Licensing Fees | \$850 | \$425 | \$0 | (\$425) | -100% |
| Advisory | \$42,500 | \$21,250 | \$0 | (\$21,250) | -100% |
| Awards | \$19,600 | \$0 | \$200 | \$200 | N/A |
| Special Events | \$15,125 | \$3,025 | \$0 | (\$3,025) | -100% |
| Diversity Alliance & EDI | \$27,090 | \$12,172 | \$25,000 | \$12,828 | 105% |
| Project Outcome | \$2,500 | \$1,250 | \$700 | (\$550) | -44% |
| Subtotal | \$462,000 | \$215,290 | \$287,315 | \$72,026 | 33% |
| Publications | | | | | |
| CHOICE | \$2,382,519 | \$1,181,010 | \$1,288,046 | \$107,037 | 9% |
| C&RL | \$15,700 | \$8,452 | \$3,639 | (\$4,813) | -57% |
| C&RL News | \$360,932 | \$161,957 | \$177,638 | \$15,681 | 10% |
| RBM | \$26,907 | \$13,454 | \$12,967 | (\$487) | -4% |
| Nonperiodical Publications | \$262,290 | \$132,968 | \$86,305 | (\$46,663) | -35% |
| Library Statistics | \$120,397 | \$41,088 | \$52,215 | \$11,127 | 27% |
| Subtotal | \$3,168,745 | \$1,538,928 | \$1,620,811 | \$81,882 | 5% |
| Education | | | | | |
| Institutes & Liscensed Workshops | \$295,780 | \$14,250 | \$0 | (\$14,250) | -100% |
| ACRL Conference | \$2,067,620 | \$0 | (\$10,825) | (\$10,825) | N/A |
| Preconferences & RBMS Conference | \$185,971 | \$0 | \$0 | \$0 | N/A |
| Annual Conference & MW Programs | \$16,000 | \$0 | \$1,000 | \$1,000 | N/A |
| Web-CE | \$76,178 | \$38,091 | \$68,104 | \$30,013 | 79% |
| Subtotal | \$2,641,549 | \$52,341 | \$58,279 | \$5,938 | 11% |

The Numbers Continued

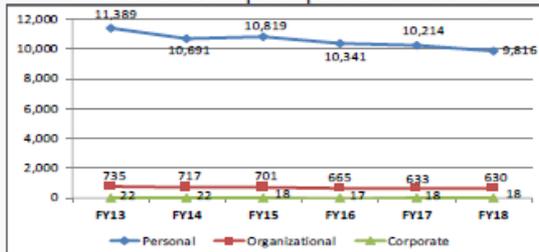
| | FY21 | FY21 | FY21 | FY21 | FY21 |
|-------------------------------------|--------------|--------------|--------------|-------------|------------|
| | Budget | Q2 Budget | Q2 Actual | \$ Variance | % Variance |
| Nets | | | | | |
| Total Net ACRL | (\$323,713) | (\$730,170) | (\$237,696) | \$492,474 | 67% |
| Total Net Choice | \$12,465 | (\$89,355) | \$230,786 | \$320,141 | 358% |
| Membership Net | \$6,129 | \$67,003 | \$179,503 | \$112,500 | -168% |
| Publications Net (without Choice) | \$256,892 | \$51,045 | \$192,448 | \$141,403 | 277% |
| Education Net | \$559,562 | (\$129,205) | \$38,690 | \$167,894 | 130% |
| Operating Transfers | | | | | |
| ACRL | \$0 | \$0 | \$0 | \$0 | N/A |
| Choice | \$0 | \$0 | \$0 | \$0 | N/A |
| LTI Transfers, Gains, Losses | | | | | |
| ACRL | (\$81,374) | \$52,000 | \$86,451 | \$34,450 | 66% |
| Choice | \$51,797 | \$4,479 | \$35,217 | \$30,738 | 686% |
| Ending Reserves | | | | | |
| ACRL Mandated Operating Reserve | \$990,533 | \$990,533 | \$990,533 | \$0 | 0% |
| Reserve Aug 31: ACRL Operating | \$2,257,528 | \$1,851,071 | \$2,343,545 | \$492,474 | 27% |
| Reserve Aug 31: ACRL LTI | \$5,128,319 | \$5,261,694 | \$5,296,144 | \$34,450 | 1% |
| Reserve Aug 31: CHOICE Operating | \$2,644,459 | \$2,542,639 | \$2,862,780 | \$320,141 | 13% |
| Reserve Aug 31: CHOICE LTI | \$609,290 | \$561,971 | \$592,709 | \$30,738 | 5% |
| Total | \$10,639,596 | \$10,217,376 | \$11,095,179 | \$877,803 | 9% |

Historical Executive Summary

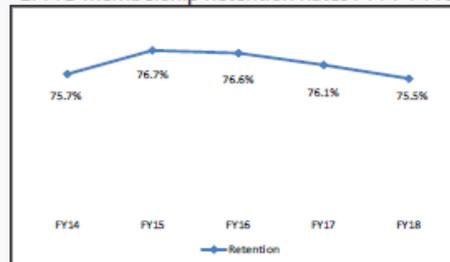
| | A | B | C | D | E | F | G |
|----|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1 | | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
| 2 | | Actual | Actual | Actual | Actual | Budget | Budget |
| 3 | Beginning Reserves | | | | | | |
| 4 | Reserve Sept. 1: ACRL Operating | \$4,389,385 | \$4,687,946 | \$3,430,260 | \$3,311,824 | \$2,581,241 | \$2,257,528 |
| 5 | Reserve Sept. 1: ACRL LTIs | \$3,567,882 | \$4,180,025 | \$4,956,786 | \$4,954,016 | \$5,523,667 | \$5,388,667 |
| 6 | Reserve Sept. 1: CHOICE Operating | \$2,648,059 | \$2,533,295 | \$2,926,294 | \$2,571,980 | \$2,631,994 | \$2,638,536 |
| 7 | Reserve Sept. 1: CHOICE LTI | \$849,196 | \$880,574 | \$572,349 | \$538,536 | \$557,493 | \$557,493 |
| 8 | Total | \$11,454,522 | \$12,281,840 | \$11,885,689 | \$11,376,356 | \$11,294,394 | \$10,842,223 |
| 9 | | | | | | | |
| 10 | Revenues | | | | | | |
| 11 | | | | | | | |
| 12 | Membership | | | | | | |
| 13 | Dues | \$638,573 | \$609,906 | \$598,848 | \$559,529 | \$354,335 | \$553,312 |
| 14 | Standards, Licensing Fees | \$1,802 | \$2,704 | \$38,714 | \$204 | \$850 | \$250 |
| 15 | Advisory | \$82,350 | \$27,050 | \$33,490 | \$73,975 | \$42,500 | \$42,500 |
| 16 | Awards | \$16,300 | \$17,450 | \$20,750 | \$13,036 | \$19,600 | \$0 |
| 17 | Special Events | \$21,729 | \$31,282 | \$34,887 | \$12,300 | \$15,125 | \$15,125 |
| 18 | Diversity Alliance | \$17,450 | \$25,500 | \$29,930 | \$14,000 | \$27,090 | \$27,500 |
| 19 | Project Outcome | \$0 | \$0 | \$37,250 | \$1,500 | \$2,500 | \$6,525 |
| 20 | Subtotal | \$778,204 | \$713,892 | \$793,870 | \$674,544 | \$462,000 | \$645,212 |
| 21 | | | | | | | |
| 22 | Publications | | | | | | |
| 23 | CHOICE | \$2,940,494 | \$2,813,283 | \$2,520,863 | \$2,485,767 | \$2,382,519 | \$2,242,842 |
| 24 | CPD | \$24,410 | \$11,750 | \$10,054 | \$10,004 | \$15,700 | \$10,010 |

Membership

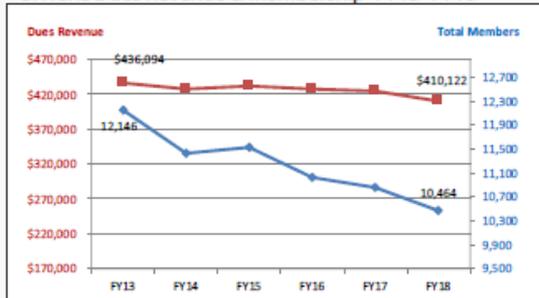
1. ACRL Membership Composition FY13-FY18



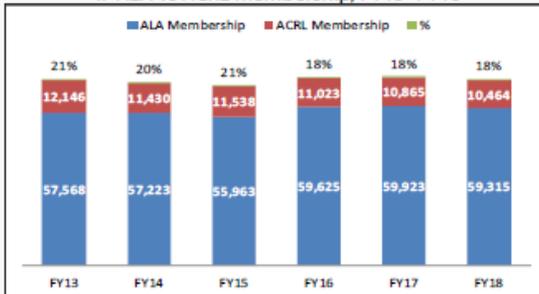
2. YTD Membership Retention Rates FY14-FY18



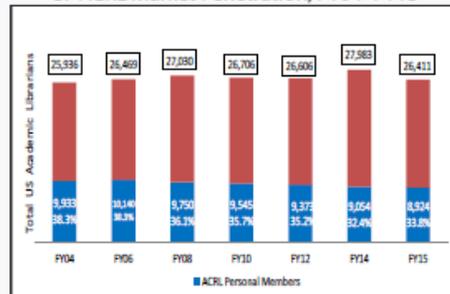
3. ACRL Dues Revenue & Membership FY13-FY18



4. ALA vs ACRL Membership, FY13-FY18



5. ACRL Market Penetration, FY04-FY15



FY22 Budget & Finance Projects:

1. Develop budget assumptions for ACRL FY23 budget preparation
2. Monitor CHOICE Financial Outlook
3. Continued evaluation of Dashboard Metrics
4. Dues rate review & recommendation FY23
5. Friends' disbursement & fundraising activities
6. Advise Board on LTI transfers
7. Conduct orientation for new Board members and new B&F members
8. Monitor effects of discounted \$5 student dues on membership
9. Continued evaluation of infographic showing members how ACRL revenues are used to support programs/services
10. Monitor the level of the net asset balance to make recommendations to the Board of Directors.
11. Stay abreast of ALA Finances and Organizational Effectiveness
12. Consider how ACRL can financially support its Core Commitment to EDI.



Typical ACRL Budget Cycle

Two-year cycle due to the ACRL Conference cycle

- **Fall:** Budget assumptions drafted by staff and reviewed by B&F and Executive Committee
- **Midwinter:** Preliminary budget review by B&F
- **Spring:** Staff revise budget
- **Annual Conference:** B&F prepares budget recommendation for Board

Summary

- ACRL budget preparation is ongoing process
- Actual financial performance, historical trends, and external economic conditions converge to inform budget.
- ACRL Budget & Finance Committee, Board, and staff collaborate

Questions?

