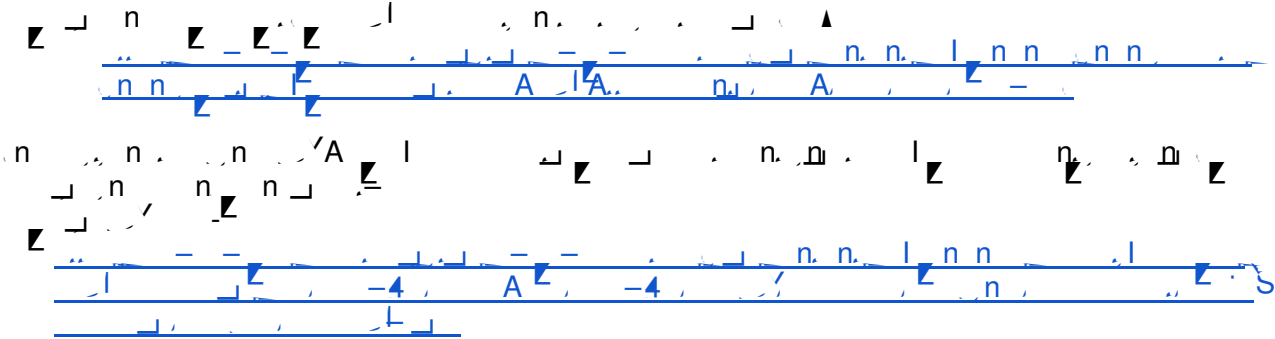


ALA Financial Questions and Responses
June 6, 2020

ALA is a 501(c)(3) nonprofit organization. Our financial statements are audited by an independent accounting firm. The 2019-2020 financial statements are available on our website at www.ala.org/about-ala/financial. The 2020 financial statements are currently under review and will be available in the coming weeks. We are committed to transparency and accountability in our financial operations.



Sale of the Chicago Headquarters Building

3. Why place the bulk of the HQ sale in endowment? And why place \$1 million in short term/cash? Concern regarding investment when there is a cash shortfall.

[Illegible text block]

4. ALA HQ is prime real estate so was the price too low?

[Illegible text block]

7. Is this a typical cash crunch for ALA?

[The following text is heavily garbled and illegible due to a scanning artifact.]

Divisions and Round Tables

8. Divisions/Round Tables - can they spend? Why did ALA take the money?

15. What should divisions and units plan for FY21?

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16. Explain the “one checkbook” analogy.

... ..

Long Term Investments/Endowment/Donor Funds

17. Please provide an outline of our endowment/investments including restricted versus unrestricted.

... ..

21. Is ALA using the long-term investment to pay for operations?

ALA is using the long-term investment to pay for operations. The investment is used to cover the operating expenses of the organization, including salaries, benefits, and other costs. The investment is managed by the ALA Investment Committee, which is responsible for ensuring that the investment is used in a responsible and prudent manner.

Divisions and Round Tables

22. What are the net assets of the Divisions?

The net assets of the Divisions are as follows: #4
The net assets of the Divisions are reported in the ALA Financial Statements. The net assets of the Divisions are used to fund the operations of the Divisions and to provide support for the ALA General Fund.

23. Does ALA have any written rules or guidelines related to Division and Round Table balances?

The Operating Agreement <A.4.3.4.1> Divisions must generate from dues and other revenue excluded from overhead at least 5% of the fund required to provide basic services. If a Division is unable to meet this 5% 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 maintain and support other similar activities in the future.

24. Divisions are being asked to be fiscally responsible but their balances are being pulled for ALA General Fund. Please explain.

ALA is asking Divisions to be fiscally responsible because the ALA General Fund is used to support the operations of the organization. The ALA General Fund is used to cover the operating expenses of the organization, including salaries, benefits, and other costs. The ALA General Fund is also used to provide support for the ALA General Fund.

F&A Audits

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What is our liquidity? What are our cash/short term assets?

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Strategic Investment Plan – details

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A ... n ... n ... A Ann ... n ... n ...

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