

2013-2014 ALA CD# 33.1
2013-2014 EBD #3.2
2013-2014 BARC #4.2

**American Library Association
Budget Analysis and Review Committee
Report to ALA Executive Board, ALA Council and
ALA**

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- ALA Operating Agreement
- Budget Cycle and Process
- Long Term Investment Fund – the Endowment
- Round Tables Financial Orientation – Good things to know

The Committee suggested topics that might be covered by new webcast tutorials and concluded that one possibility is how to budget for pre-conferences/summits/planning retreats. Several Committee members are working with staff to compile a handbook of ALA financial policies and procedures.

Small Division Support

The committee was reminded that at the 2014 Midwinter Meeting in Philadelphia actions were taken to reaffirm the extension of the small division subsidy to United for Libraries and ASCLA through FY 2016. After FY 2016 the small division subsidies are scheduled to end. Over the years the Committee has strongly encouraged these divisions to work toward eliminating the need for the subsidy as YALSA has done. The subsidy for FY2014 is one-half of what it has been in the recent past. The current concern of the Committee is whether or not the Operating Agreement precludes an end to the stated subsidy. The issue is not clear and will continue to be evaluated.

Indirect Cost Study for FY 2016 rate

Keith Brown, ALA Finance Office, summarized for the o BDC /TT31 Tf4(r)3l/.47 3(a)-6(ge)(t)-2(e)4(.22 0h(c

- A redesign of Annual Conference and the repositioning of the Midwinter Meeting
- Implementation of a permanent Association digital archiving program in conjunction with the University of Illinois
- Refinement and expansion of the Legacy Society and Library Champions programs
- Implementation of the next generation Engage social networking platform for ALA Chapters to support advocacy at state and national levels

Directors, liaisons and managers from each Division, Round Table and support areas met with BARC to discuss their planned activities for FY 2015 (see BARC #20 for details). After further discussion and review, BARC voted to recommend to the Executive Board approval of the FY 2015 preliminary budget as highlighted in BARC # 20.1

FY 2014 Budget Update

In the spring meetings, BARC closely examined the year-to-date (YTD) results of the current FY 2014 budget as of February 28, 2014 closing. Six months into FY 2014, revenues were less than budget by \$1.8 million and expenses were less than budget by \$3.6 million. Less revenue than budget was seen in the General Fund, the Divisions and in Grants and Awards, and occurred in publishing, dues and interest income. Expenses were down across the association. Year end projections were discussed as were possible options for closing the gap should revenues not cover expenses by year end.

BARC met during Annual Conference Las Vegas to discuss the year-to-date (YTD) FY 2014 budget results through April 30, 2014, which are the latest analyzed figures available. Preliminary findings of the April results are shown below in Exhibits 2 – 6.

This report continues with the attached slides. 5 Td-(TJ 5.58 0 Td h)2(th)21,-1. [TJ -0.0/P < 2(l)-21 Tw 07a

