

TO: ALA Executive Board

FROM: Mark Leon, Chief Financial Officer
Brad Geene, Director Budgeting & Planning

DATE: October 10, 2019

RE: **FY 2020 Final Budget (changes since Annual Conference)**

Introduction

On Sunday, October 20th, the Budget Analysis & Review Committee (BARC) will be asked to take action to approve ALA’s Fiscal Year 2020 Final Budget. On Saturday, October 26th, Maggie Farrell, ALA Treasurer, will present the FY 2020 annual estimates of income for Executive Board action and approval.

The final operating and capital budget schedules, which reflect managers’ revisions to their budgets after ALA’s June 2019 Annual Conference in Washington, DC, can be found in *EBD #3.4a/ BARC #3.4a*.

Final Adjustments to the FY 2020 Budget

As is customary between each of the 3 iterations of the budget (Preliminary, Revised, and Final), ALA Unit Managers, in conjunction with Finance Office staff, continued to review their FY20 budgets and have made revenue and expense adjustments reflecting their most current information and decisions.

In aggregate for the General Fund, **an improvement of \$47K** results from all net revenue and expense changes. Material changes are summarized in the table below.

ALA's General Fund: FY 2020 Final Budget, (\$,000)

Annual Conference Budget = \$(2,859)

Additional Revenue, net	
Annual Conference (CHI)	202
Interest Income	(150)
Midwinter (PHL)	24
Membership Services	12
International Relations Office	(5)
Office for Intellectual Freedom	(6)
Total	77

Expense Reductions, net	
IT	(166)
Publishing	(71)
General Administration	69
Executive Office	61
Midwinter (PHL)	59
Annual Conference (CHI)	35
Membership Services	35
Distribution Center	28
<i>All other nonmaterial changes, net</i>	(20)
Total	30

Final FY20 Budget (as detailed in EBD/BARC #3.4a) = \$ (2,812)

Revenue improvements, net

The primary driver of additional revenue in the FY20 budget derives from increased registration fees in Conference Services' Midwinter Meeting in Philadelphia and Annual Conference in Chicago. Additional revenue has also been added by Membership Services for Member Affinity Programs. Additionally, Interest income assumptions were revisited given the timing of the Headquarters Building sale proceeds and the current direction of interest rates.

This increase is offset by reductions by the Office for Intellectual Freedom for Banned Books Week to more closely reflect FY19 actual results. Finally, the International Relations Office slightly decreased expected exhibit revenue from the upcoming 2019 Sharjah International Book Fair.

Expense additions, net

The relatively small net expense change of \$30K is most materially the result of IT moving several new positions' expected hiring dates to months later within the FY20 budget year. Much of this large savings has been offset by additional expense in Midwinter Meeting for professional services and in Annual Conference for design service and equipment rental. Additional funds have also been included in General Admin and the Executive Office to reflect a few months dual overlap in the Executive Director's role.

FY20 Final Budget Schedules

Additional fund and unit level supporting detail for Total ALA, General Fund departments, Divisions, and Round Tables can be found in “**Fiscal Year 2020 Final Budget Schedules**” (EDB #3.4a BARC # 3.4a).

Division Transfers to Endowment

The following transfers from ALA Divisions to their endowments have been approved.

➤ **Association for Library Service to Children (ALSC)**

ALSC has been approved for transfers to their endowment according to the following fiscal year schedule:

FY 20 - \$350,000 (revised from \$100,000)

FY 21 - \$350,000 (revised from \$250,000)

FY 22 - \$350,000 (revised from \$250,000)

➤ **Public Library Association (PLA)**

PLA has been approved for transfers to their endowment according to the following fiscal year schedule:

FY 22 - \$350,000

FY 23 - \$350,000

FY 24 - \$350,000