

**YALSA Board of Directors Meeting
ALA Midwinter Conference, Philadelphia, PA
January 24-28, 2020**

Topic: FY20 Financial Report - Draft

Background: As part of the budgeting process, the Board will want to review the finance report and discuss budgeting priorities. As YALSA creates the next Organizational Plan, the Board will want to keep fiscal implications in mind going forward to provide direction to the Executive Director as she develops the budget. The draft budget can be refined up through ALA Annual Conference, but must be finalized immediately afterwards. Changes are normally made to the draft in the spring, when more is known about the current fiscal year and future projects are more fully fleshed out. A draft budget will be presented to ALA's Budget Analysis and Review Committee during their meeting in the spring. Jane Gov and Tammy Dillard-Steels are providing the information below for the Board's review.

Action Required: Discussion

Purpose

The Board needs to accomplish the following during the Midwinter meeting:

1. Understand current financial status
2. Agree on goals and priorities

Some trends and notable information for FY20 and developments

- Because of various staff transitions, this year's expenses are an anomaly compared to the previous years.
- Since our former CE Consultant has decided not to renew her contract, the budget for outside services will end below budget; however, since YALSA will be hiring an internal staff to work on CE, staff budget will end above budget.
- Programs will continue to be covered with donations and interest earned from endowments.
- Since it's still early in the budget year, there are no red flags yet.

YALSA Budget Development Calendar

When	Who	Details	Goal
January / Midwinter Exec Com meeting	Fiscal Officer & Executive Director	<ul style="list-style-type: none"> • Present fiscal picture • Budget process and considerations • Analyze and understand variances 	Executive Committee determine budget monitoring next steps
January / Midwinter Board meeting	Fiscal Officer & Executive Director	<ul style="list-style-type: none"> • Present finance report for 1st quarter • Review fiscal implications from implementation plan • Determine and rank financial priorities • Discuss preliminary budget proposals, based on recommendations from staff/finance committees 	Board agree on goals & financial priorities
February - April	Executive Director	<ul style="list-style-type: none"> • Determine costs to reach program and organizational goals • Project income based on current fundraising and revenue activities 	Develops draft budget for next fiscal year
Spring Executive Committee meeting	Executive Director with input from Executive Committee	<ul style="list-style-type: none"> • Verify draft budget meets agreed upon goals and financial priorities • Make adjustments based on goals and capacity to match income and expenses • Review, discuss and validate all assumptions 	Refine and refine draft budget
June / Annual Board meeting	Board	<ul style="list-style-type: none"> • Fiscal Officer and Executive Director present budget to Board (Action Item) 	Approve budget
September - August	Executive Director Fiscal Officer Executive Committee	<ul style="list-style-type: none"> • Incorporate into accounting system • Reviews monthly budget reports for YALSA and ALA • Receives quarterly fiscal reports, reviews, discusses and shares a summary report and any concerns and opportunities with the full Board 	Implement budget Shares concerns or opportunities with Executive Committee Budget is adjusted as needed and shared with Board for approval

FY2018-2019 Finance Report

		Annual	May	June	July	August - 3rd CLOSE	As of Aug % of Budget	Notes
--	--	--------	-----	------	------	-----------------------	--------------------------	-------

YALSA Board of Directors – Midwinter 2020

Topic: Financial Report

Item # 22

Beginning Assets		Budget						136.57% - 133.08 = 3.49 % over budget
Revenues								
	Dues	231,700.00	156,403.00	173,319.00	190,345.00	207,410.00	89.52%	behind
	Sales*	20,694.00	13,935.00	14,340.00	14,770.00	15,129.00	73.11%	behind
	Other Sales**	99,950.00	124,141.00	141,685.00	156,161.00	156,536.00	156.61%	ahead
	Subscription***	12,100.00	4,760.00	5,157.00	5,554.00	5,928.00	48.99%	behind
	Advertising	20,700.00	5,090.00	5,090.00	5,090.00	5,090.00	24.59%	behind
	Meeting and Conference	151,675.00	127,943.00	144,764.00	144,764.00	144,764.00	95.44%	behind
	Grants/contracts/awards	10,330.00	180,729.00	191,129.00	238,665.00	255,267.00	2471.12 %	ahead
	Donation/Honoraria/Royalties	155,939.00	<u>133,029.00</u>	<u>153,214.00</u>	<u>161,342.00</u>	<u>170,099.00</u>	109.08%	ahead
	Total Revenues	703,088.00	746,030.00	828,698.00	916,691.00	960,223.00	136.57%	ahead
	summation of rows	703,088.00	746,030.00	828,698.00	916,691.00	960,223.00		
Expenses								
	Payroll & Related Expenses	387,632.00	285,108.00	315,893.00	348,731.00	382,658.00	98.72%	on target
	Outside Services****	125,713.00	142,495.00	150,287.00	183,353.00	196,555.00	156.35%	overspent
	Travel and Related Expenses*****	23,091.00	60,600.00	65,195.00	69,719.00	71,364.00	309.06%	overspent
	Meetings and conference	93,850.00	143,596.00	150,983.00	164,096.00	180,000.00	191.80%	overspent
	Publication and Related Expenses	34,933.00	21,467.00	27,709.00	28,672.00	24,543.00	70.26%	on target
	Operating Expenses	19,481.00	39,311.00	39,119.00	55,638.00	56,049.00	287.71%	overspent
	Summation of rows	684,700.00	692,577.00	749,186.00	850,209.00	911,169.00	133.08%	overspent
	Total Direct Expenses	669,438.00	692,576.00	684,700.00	850,209.00	911,168.00	136.11%	overspent
	Total Expenses before Overhead and Taxes	665,845.00	714,277.00	772,030.00	873,803.00	942,538.00	141.56%	overspent
	Total Indirect Expenses	-3,593.00	<u>21,701.00</u>	<u>22,845.00</u>	<u>23,594.00</u>	<u>31,370.00</u>	-873.09%	overspent

2019-2020 1st Quarter Finance Report

		Annual	September	October	November	As of Nov Budget	Notes	
Beginning Assets		Budget						

YALSA Board of Directors – Midwinter 2020

Topic: Financial Report

Item # 22

Revenues								
	Dues	226,165.00	17,037.00	33,773.00	50,236.00	22.21%	behind	
	Sales*	17,500.00	501.00	1,268.00	1,737.00	9.93%	behind	
	Other Sales**	100,800.00	8,325.00	29,141.00	30,002.00	29.76%	ahead	
	Subscription***	10,000.00	362.00	736.00	1,104.00	11.04%	behind	
	Advertising	20,600.00	0.00	0.00	1,700.00	8.25%	behind	
	Meeting and Conference	165,000.00	0.00	0.00	136,586.00	82.78%	ahead	
	Grants/contracts/awards							
	Donation/Honoraria/Royalties	74,000.00	-41.00	1,542.00	5,293.00	7.15%	behind	
	Total Revenues	614,065.00	26,184.00	66,460.00	226,659.00	36.91%	ahead	
Expenses								
	Payroll & Related Expenses	418,789.00	29,983.00	63,547.00	93,539.00	22.34%	on target	
	Outside Services****	98,550.00	13,708.00	23,459.00	32,613.00	33.09%	overspent	Temporary Employee
	Travel and Related Expenses*****	26,500.00	848.00	1,938.00	7,471.00	28.19%	on target	
	Meetings and conference	86,750.00	1,500.00	1,611.00	10,476.00	12.08%	overspent	Unbudgeted grant expenses
	Publication and Related Expenses	32,060.00	3,280.00	8,495.00	14,864.00	46.36%	on target	
	Operating Expenses	15,068.00	345.00	1,806.00	2,647.00	17.57%	on target	
	Total Direct Expenses	677,718.00	49,663.00	100,855.00	161,610.00	23.85%		
	Total Indirect Expenses	-76,059.00	237.00	1,831.00	5,113.00	-6.72%		
	Total Expenses before Overhead and Taxes	601,659.00	49,900.00	102,686.00	166,724.00	27.71%		
	Net Revenue	-38,387.00	-24,941.00	-40,514.00	24,477.00		In the Black	

*Sales includes seals, ticketed events, books

**Other Sales is anything that is not included in Sales

***Subscription includes YALS, webinar subscribers, licensed institutes

****Outside Services includes printing, YALS software, any other services outside of ALA offices

*****Travel and Related Expenses includes all travel expenses for staff excluding Midwinter and Annual

Fund Balance

FY13	FY14	FY15	FY16	FY17	FY18	FY19
178,129	168,795	270,310	233,836	116,149	152,705	160,000

In accordance with not-for-profit best practices, YALSA's fund balance should be above \$342,350 to cover 6 months' expenses.

Requested Action

- As the Board creates the next Implementation Plan, fiscal implications for each priority should include an estimation of cost and/or amount of staff time.

Additional Resources

- ALA Budget timeline
<http://www.ala.org/aboutala/sites/ala.org.aboutala/files/content/mleader/calendars/BudgetCalendarFY1-3.pdf>
- YALSA Current Implementation Plan
<https://docs.google.com/spreadsheets/d/1D8Ww0sf63dqqAqh9qfs1ABXrHgACk1EyFvF7jqSp4Kc/edit#gid=96305049>
- YALSA Current Organizational Plan <http://www.ala.org/yalsa/aboutyalsa/strategicplan>
- YALSA Business Plan
 - Last brought to board:
http://www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlan_MW18.pdf
 - Current plan:
<http://www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlanFY014to17.pdf>