

**YALSA Board of Directors Meeting
 ALA Annual Conference, Virtual
 June 26, 2021**

Topic: Use of Endowment Funds for FY21

Background: It is Board practice to annually revisit the Endowments to determine how funds can be best used to support YALSA’s mission and its members. The Board will select a recommended course of action. Tammy Dillard-Steels has provided the information below for the Board’s consideration.

Action Required: Action

Proposal: use the endowment funds as outlined below to support FY 21 activities.

(ALA Finance calculates it as the 5% average from the last 20 quarters)

Endowment	Available Funds for FY21*	Potential Fund Use
Edwards Trust	\$53,763	<ul style="list-style-type: none"> • \$40,000 for Essentiam (Contractor) to design and establish a comprehensive strategic planning process, provide in-depth research and analysis of members and non-members to understand their needs, develop a three to five-year strategic plan for YALSA and provide recommendations and implementation strategies. • \$1,000 for MAE Award for Best Literature Program for Teens. • \$2,000 for the creation of E-Courses for YALSA unpublished Competency Book. • 10,763 for Communications Assistant for Literacies Projects.
Leadership	\$4,754	<ul style="list-style-type: none"> • \$1,000 for YA Symposium Scholarship • \$2,000 for Spectrum Scholarships (2 @ \$1,000 each) • \$1,000 for Emerging Leader Scholarship • \$754 for Board President-Elect Leadership Training

Morris	\$36,927	<ul style="list-style-type: none"> • \$2,500 for Great Books Giveaway shipping fees • \$2,000 to support YA symposium virtual session recordings. • \$5,000 to support recording and promotional materials for book/media award winners. • \$2,000 to support Pura Belpre Award. • \$3,000 to support staff travel to LibLearnX to support the YMAs. • \$5,000 to create awareness, promotion, and funding campaign for TeenTober. • \$13,000 towards a shared ALA, ALSC, YALSA position that takes responsibility for award seals, incl. trademark monitoring, sales, publisher relations, ordering, inventory monitoring, etc. Unit contribution to the position’s wages would be based on a 10-year average of seal sales • \$4,427 towards a shared RUSA and YALSA position to take responsibility for providing logistical support to YALSA’s Strategic and Process committees, Taskforces, Juries, ALA’s Annual and LibLearnX. 20% of the employee’s time is dedicated to YALSA.
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Rationale

- Each of the proposed activities supports one or more strategies in YALSA’s FY 21.
- Using endowment interest to support activities helps expand YALSA’s capacity beyond its operating budget and does not put stress on projects being funded by the operating budget

Financial Implications

- The endowment funds increase capacity to support initiatives aligned to the YALSA’s mission.

Endowment Basics

- The average net asset balance of an endowment from the previous 20 quarters determines how much money a unit can use for its coming year’s budget (the range is limited to 3 – 5%)
 - For FY 21, the percentage is 5%
 - Can spend these funds during the fiscal year or make a transfer at the end of the fiscal year
- Endowments are the only way that a Division earns interest on its monies
 - Divisions have a combined total of about \$13 million in their net asset balance; however, the interest from that goes to the ALA general fund, per the Operating Agreement

Requested Board Actions

Direct the Executive Director to work with YALSA and ALA staff to expend the endowments’ interest as outlined in this document and to provide updates via quarterly

fiscal reports to the Executive Committee.

Related Resources

- Margaret Edwards Trust, <http://www.ala.org/yalsa/margaret-edwards-trust>
- Leadership Endowment, <http://www.ala.org/yalsa/givetoyalsa/leaderendow>
- Morris Endowment, <http://www.ala.org/yalsa/givetoyalsa/morris>