FY2017 Final, FY2018 Eight months, and FY2019 Proposed Budget
ALSC Budget Summary Narrative

Projects at ALA are of three types when it comes to administering the budget: **Operating**, **Restricted**, and the **Endowments/Long-Term Investments (LTIs)**. This summary covers ALSC operating funds and selected restricted funds. Please also see the Endowment Summary Report spreadsheet.

Operating funds include dues, seals sales revenue, Newbery-Caldecott-Wilder Banquet table sales, non-serial publication sales, online continuing education, Every Child Ready to Read and the like. We budget for each individual operating project anew at the beginning of each year; unspent money does not accrue in these projects at the close of a fiscal year. It is not essential for each non-revenue generating project to show net revenue at the end of the year. Revenue generating projects are expected to generate net revenue or at least break even. All the projects within the operating budget should collectively at least break even, unless the operating budget has been approved to return a net expense, which is the case for fiscal year 2018. Excess of revenues over expenses accrue to our net asset balance at the end of each fiscal year (as excess of expenses over revenues would draw down the net asset balance).

Restricted projects include those with specific donor requirements, such as the Maureen Hayes Award sponsored by Simon & Schuster, or the Dollar General grant we are using to administer out-of-school time learning activities. Generally, they are zeroed out at the end of the year (except in the case of multi-year grants), but we may defer unspent balances to the following year. We cannot intermingle unspent balances with the operating funds.

The **Endowments** each have two (or in some cases three) accounts: the Permanently Restricted Account, Temporarily Restricted Account, and the Unrestricted Account. We use a set amount annually determined by ALA's spending formula in the Unrestricted Accounts to cover expenses for the Endowments' associated projects and bank fees. Unused funds in Unrestricted Accounts automatically revert into the fund balance of the Unrestricted Account unless we make other arrangements (to collect them, or defer them into the Operating fund the following fiscal year).

According to ALA Policy 6.4, known informally as the "Operating Agreement," divisions are responsible for generating sufficient revenue to cover direct costs for our own salaries and benefits, office supplies and programs and services. ALA provides office space and basic support services such as HR, Accounting, ITTS, etc. Divisions pay overhead to ALA to defray our share of these indirect costs; overhead is assessed on <u>gross</u> revenue realized in revenue-generating projects, with one exception: dues. The current overhead rate is 26.4% and is applied to our preconference and Institute registration fees. Other types of revenue are assessed at 50% of the rate (13.2%). Examples include online courses, subscriptions, and non-serial publications. Meal functions such as the Newbery-Caldecott-Wilder Award Banquet are assessed a $1.00 per ticket. We do not receive any revenue from ALA Annual Conference and Midwinter registrations, nor do we pay staff travel expenses for these events as long as we stay within the limit of staff approved to travel; they are covered by ALA's Conference Services department.

The ALA budget process is complex, and this, along with the ALSC Budget Summary spreadsheet, are just that: summaries. Upon request, I will be glad to provide further details.

INTRODUCTION

ALSC's current major net revenue sources are awards seals sales (both physical and licensed digital images), dues, online continuing education, ECRR toolkit, and on occasion non-serial publications when ALSC has a new publication. Other projects are either roughly breaking even, or operate at an expected loss (such as the banquet, non-revenue generating national initiatives and projects such as Día, and the journal). Traditionally, our face-to-face continuing education projects such as the Institute and preconference have broken even or shown only modest net revenue (a few thousand dollars). We have not seen significant revenue from these projects in part to keep registration costs low for members, the rising costs of food and beverage, and in the case of the Institute, lack of full exhibits floor and therefore major sponsorships, and the high cost to secure the caliber of keynote author/illustrators.

In Fiscal Year 2017, ALSC ended the year with net revenue of $292,149, well ahead of our budgeted expense of -$22,013. Total net revenue, after the net asset balance transfer of $162,000 to ALSC's long-term investments, was $130,149. The ALSC Board had approved a budgeted loss in order to support strategic projects such as expanding ALSC's outward reach and opportunities for advocating our work through member travel to conferences and also consultant fees and expenses related to the development of the new 2017-2020 strategic plan. For our newer board members, I'd like to reassure you that submitting and operating with a negative budget is a strategic and deliberate decision and the association can afford to do so. ALSC's reserves ended FY 17 at $2,592,076. The Board traditionally has supported that ALSC retain at least 10 months worth of operating expenses in reserves. Based on this philosophy, $1,052,380 is the amount we should have in our reserve (figure is based on the average monthly expenses between FY 2016 and FY 2017, and as you can see we have well over twice that amount in our net asset balance. A portion of our reserve ($150,000) is slated for transfer into our endowments at the end of this fiscal year (2018) and transfers are also scheduled for FY 19 ($100,000), FY 20 ($100,000), FY 21 ($250,000) and FY 22 ($250,000). Even with these transfers, the net asset balance will remain well above the 10-month operating standard.

Overall FY 17 total revenues were ahead of budget by about $219,765 (16%). Revenues that performed ahead of budget were sales from the physical seals and the licensing of the digital images of seals, banquet seat sales, and membership dues. Areas where we saw a shortfall in budgeted revenue were online learning, preconference, Institute, *Children and Libraries*, non-serial publications, and Every Child Ready to Read. On the expense side, we were under budget by $94,398 (7%) due to salary and benefit savings seen from unbudgeted grant support and less than anticipated expenses associated with professional services.

During the Saturday Board meeting, the Board will review our current strategic priorities, which will determine where to focus attention and funding for FY 19. The Fiscal Officer will share any projects and ideas identified as priorities with the Budget committee. The Budget committee will discuss and review the activities in order to determine if, and at what level, there is funding for these activities in FY 19. In addition, the committee will be reviewing budget assumptions and adjusting the draft budget in preparation for the Tuesday Board meeting where their recommendations for the proposed FY 19 budget will be presented for the Board to review, discuss, and approve. I will then present the proposed budget to ALA, after Annual Conference, as our final budget.

ADMINISTRATION

This project covers what it takes to run the office. The only revenues that should post are administrative fees for various award programs we administer on behalf of donors such as Simon & Schuster (Hayes), Baker & Taylor (summer reading program grant), and others.

FY 2017

Administration came in under budget by $145,235 (22%). We saw a 20% salary and benefit savings due to grant support from the Dollar General Literacy Foundation and open positions throughout the year. Travel and conference registration expenses under the "Other" category were below budget due to staff transition and a conflict preventing attendance. All other areas were close to budget.

FY 2018

Administration is under budget by $24,367. Salary and benefits are under budget. Approximately 2/3 of the salary support from the Dollar General Literacy Foundation Grant funds have been credited. The "Other" category includes items such as staff development, staff travel and lodging to professional development activities, and professional memberships which are all coming in under budget. Equipment repairs and small software/hardware are also under budget.

FY 2019

Salary and benefit rates are part of ALA's budget assumptions. ALA has not planned for a staff salary increase in FY 19. The overhead rate will be 26.5%. I am also in discussions with other ALA units to co-fund a position to spend more time monitoring digital licensing. There will be additional adjustments made to increase salary and benefits in FY19 to align with actual figures from new hires toward the end of last fiscal year. The figures are auto-calculated in the system and as of this writing they are not correct and require working with finance to adjust. I have increased the Temp/Professional Services line to account to increase supporting a temporary part-time coordinator and interns to assist with ongoing projects.

SERVICE TO MEMBERS

This project covers dues revenue and all ALSC member-oriented activity not allocated to a more specific project.

FY 2017

In FY 17, this project had a net revenue of 67,877 which was $41,852 (161%) ahead of budget. Dues revenue performed ahead of budget by $4,916 (3%). Professional services were under budget by 43% as fees for the strategic plan consultant were also paid out in FY 16, rather than fully in FY 17. Due to the leadership transition that occurred in FY 17, there was a reduction in travel related activities. Overall, total expenses for this project were under budget by $36,930 (27%).

FY 2018

During the first eight months of FY 18, dues revenue is performing ahead of budget by 2%. Total expenses for this project are under budget by 76,963 (55%). Professional services are 84% under budget as we did not engage a brand identity consultant as the project was put on hold due to ALA's deep dive into organizational and operational change. Travel, lodging, and meals are under budget by 35%. Printing, design, exhibits, promotion, and reprographics are under budget due to the since we have delayed the rebranding project. ALSC participated in a booth swap that AASL coordinated with ALA so we have seen a savings on exhibits.

FY 2019

In FY 2019, dues have only been slightly increased by 1%. We have been tracking 2% ahead of budget the last two fiscal years. ALA is planning a higher than normal dues increase, so we plan to remain conservative to account for any attrition due to dropped ALA memberships. The Budget Committee is charged with regular review of ALSC's dues structure and during the ALA 2019 Midwinter Meeting did not recommend bringing a dues increase for the membership to approve. However, they have submitted for this conference a motion for the Board to consider. The requested bylaw change would authorize the Board to determine dues using the CPI index as a measure. This process also aligns with how ALA and several other divisions operate. If the Board approves the motion, then the request will appear on the next ballot for the membership to vote to accept or decline.

Professional services have been reduced from FY 18, which had included funds for the logo/rebranding project. Travel, lodging, and meals has also been reduced, but it should still support leadership and member travel to represent ALSC at select stakeholder conferences. Bank fees are assessed by ALA to be $2.85% of revenues (dues) but we haven't traditionally tracked as high as that percentage. Last year we tracked at 2.2% and I've increased it to 2.4%. ALSC Equity fellowships, committee toolkits, white paper, and training requests identified in Board Document #21d has been set aside and are accounted for in the Service to Members project.

AWARD SEALS SALES

This project covers seals production and sales for all awards; Belpré and Odyssey figures are included here, but are accounted for separately within this project.

FY 2017

Net revenue for seals posted at $730,169 (24%) ahead of budget. Net revenue was $1,365 less than the prior fiscal year (2016) actual which posted at $731,534. While total revenues from both physical seals and digital licensing came in ahead of budget by $225,827 (24%), total expenses were over budget by $82,458 (24%). As more seals sell, that also adds to production costs and additional unbudgeted overhead.

FY 2018

Physical seals sales are performing ahead of budget by $93,000 (18.6%). Licensing revenue is ahead of budget by $562561 (239%). This may decrease slightly by end of fiscal year as ALSC has been collecting all revenues while an ALA staff member is on sabbatical. She will transfer out any non-ALSC revenue upon her return. As mentioned in the Midwinter report, this is due to the identification of a publisher that was in arrears for use of our digital images over two years which resulted in about $500,000 in back payments.

Expenses are tracking 19% or $38,491 over budget. Keep in mind that Accounting records a monthly inventory expense to take into account unsold inventory as an asset. This asset shows as a credit in our supply line item in the seals project (basically the inventory offsets our expenses), which makes it appear that our actual production expenses are less than we really outlay to our seals vendor. Overhead is tracking 89% over budget and this is due to being ahead of budgeted revenue in both physical seals and in digital licensing fees.

FY2019

Based on the FY 17 actual and our strong performance this fiscal year, I increased both the revenues for physical seals and licensing fees. On the expense side, figures were adjusted to reflect the expenses associated with increased revenue. The overhead rate for FY19 has increased to 26.5%, but seals are considered a publication and are only assessed 50% of the rate (13.25%). Additionally, the Budget committee continues to maintain lists of award-winning books with media tie-ins and publication anniversary years as they are potential sales drivers as they go into reprint. These lists will help us with budgeting for revenue in the future.

NEWBERY CALDECOTT BANQUET

The Newbery-Caldecott-Wilder Awards and the banquet that celebrates them are an integral part of ALSC's organizational identity. Many people do not realize the magnitude of the event and the costs associated with it (continually rising costs in food and beverage and audio-visual production). Prior to FY 2012, the banquet more often than not operated at a net expense. The Board at that time took steps to attempt to increase revenue and add value for attendees and members. A tiered table pricing structure was implemented to keep costs of individual tickets stable at $94. Since there is variation in pricing, it is difficult to budget revenues. Additionally, the conference location is also taken into account when budgeting. The banquet is budgeted as a break-even event.

FY 2017

The 2017 banquet in Chicago ended with a net revenue of $16,481 compared to the net revenue of $2,813 the previous fiscal year in Orlando. There were 1,047 paid guests. Expenses were over budget by $16,284 and these overages occurred in most expense areas. Food and beverage $78,291 which was $10,000 over budget. Audio-visual expenses totaled $21,143 which was $5,143 or 32% over budget. Photography, bank fees, and floral were also over budget. Strong ticket sales and support from the Wilder endowment ($2,000) helped us cover those expense overages and show a net revenue.

FY 2018

ALSC staff traveled to New Orleans to conduct a site visit in January. Expenses are related to travel ($794) and to bank fees applied to tickets purchased via credit card ($1,096). Based on current ticket and table sales, we estimate attendance at 975 guests. The last time we were in New Orleans (2011) we were just shy of 900 guests.

FY 2019

The conference will be located in Washington, D.C. which traditionally has good attendance. 2010 was the last time ALA was in Washington, D.C. and there were about 1,050 paid guests at the banquet. I have increased the budget to more accurately account for rising a/v costs. The last two conferences have consistently been over $20,000.

CONTINUING EDUCATION

ALSC offers a variety of continuing education activities both face-to-face and online. We hold an award preconference every two year (odd years), the biennial National Institute (even years), and online continuing education courses and webinars.

FY 2017

Online continuing education courses generated $7,619 in net revenue, but it was under budget by 54%. This is about $8,132 less than last fiscal year. Revenues were under budget by $15,941 or 48%. Total expenses were under budget by $7,100 or 43%. As a reminder, webinars have been offered free to both members and non-members, with a cap of two webinars per month, as an incentive to experience ALSC's quality professional development and a segue to registering for online courses. While there isn't webinar revenue, we still incur expenses for instructor compensation and these are factored into the Web CE project.

The ALSC Awards Preconference was offered in FY 17. The project is showing net revenue of $7,360 which was 100% or $3,666 ahead of budget. It appears the hotel expenses were never applied to our project. Total revenues were under budget by $2,875 or 19% due a slight under performance in registration revenue ($1,375 under budget) and budgeted monetary donations for break expenses were not secured. As mentioned above, hotel expenses did not post, so we came in ahead of budget by 56% or $6,541. FY 17 is now closed, so it is unlikely we will see any sort of expense for this activity.

The ALSC National Institute is offered every other year. ALA is now using accrual accounting standardsand revenues and expenses for conferences and events are booked in the fiscal year the event is held. Since the Institute was planned to take place in FY 2017, the FY 16 budget was submitted as zero. The ALSC Board of Directors canceled the ALSC National Institute in April after North Carolina passed discriminatory legislation. This resulted in all the pre-paid expenses for FY17 (design, printing and promotion) having been moved back into the FY16 budget. ALSC had anticipated a $10,000 loss for canceling the Institute. Alternative activities were implemented in FY 17 (2-day virtual event and a one-day mini Institute at Midwinter). These additional activities resulted in additional revenue bringing the net loss to only -$3,702 over the two fiscal years. The number reflected in the summary spreadsheet reflects only FY17 activity.

FY 2018

Online Course revenues are tracking under budget by $13,809 (52%). Expenses are under budget by $7,058 (61%). Overhead is under budget by $669 (29%). Net revenue for this project is $6,475 which is 48% under budget. We will have to examine our overall online CE strategy this summer in preparation for the new fiscal year. A committee has reached out to indicate that they feel webinar presenter fees are too low compared to other organizations. Given that ALSC offers free webinars, we'll have to review how many are offered per year if we increase expenses. The Education Committee has been using information collected in a recent CE needs assessment to identify what members are looking for when it comes to CE, which will help inform the committee as they begin to recruit new instructors.

This is not a Preconference year. All financial activity will take place in FY 19.

There are revenues and expenses showing in the Institute project. We have worked with Accounting to ensure these will be transferred out and recorded as deferred revenues and expenses for FY 19.

FY 2019
The Online CE budget has been adjusted to reflect the actual performance that occurred in FY 17.

The Award Preconference budget has been entered to reflect FY 17 actual revenues and what should have been actual expenses.

The ALSC National Institute budget has been revised to include current known expenses against projected registration revenue. The Institute is a revenue-based budget. All expenses must be covered from the revenue. However, the Institute has traditionally kept the registration rate as low as possible and thus usually budgets as a break-even event. The Institute does seek sponsorships and also has some support from the William C. Morris Endowment to help offset expenses.

PUBLICATIONS

Our journal, *Children and Libraries,* is considered a service to members, and has not traditionally been expected to bring in net revenue. We do generate revenue from subscriptions and advertising sales to help offset expenses.

FY 2017
Total revenues were under budget by 2% or $480. Subscription revenue came in ahead of budget by 2% or $140, but *CAL* advertising sales came in under budget by $656 (5%) which was offset a slightly lower commission fees which is debited from our revenues. Commission fees were $131 under budget. Production expenses were under budget by $6,670 (11%) and overhead came over budget by $19. The expense figures used for budgeting are developed by ALA Production Services, and some services may be intentionally overestimated to guard against price increases while others come in right on target. Actual net expense for the project was -$34,738 against a -$40,921 net expense budget.

Non-serial publications performed under budget by $485 (57%) with a net revenue of $363.

FY 2018
Subscription revenue is ahead of budget for *Children and Libraries* by $691 (14%) and advertising revenue is ahead of budget by $5,621 (62%). Total expenses before overhead and tax are running under budget by $3,378 (8%), and overhead is over budget by $91 due to subscriptions running ahead of budget..

Non-Serial publication revenue is under budget by $1,425 (77%). Expenses are also under budget by $922 or 60%. Overhead is under budget by $147. We had hoped to launch a new brochure to replace the Born to Read brochure and a digital download series on current issues in the field and practical ways to address or implement them, but those projects have been delayed due to staff capacity.

FY 2019

Only slight adjustments have been made to the *Children and Libraries* budget and non-serials project. Staff capacity to create new product is a concern given the large amount of projects that are already in the wings.

EVERY CHILD READY TO READ

ALSC and PLA share the administration of this project and have an equal cost share in the toolkit. Sales have tapered off since the 2nd edition toolkit has been available since 2011. A new caregiver module launched in 2017. During the 2018 Midwinter Meeting the ALSC and PLA Board's moved the project into maintenance mode (maintain existing toolkit materials).

FY 2017

Net revenue for the ECRR toolkit was $12,609 which was 21% or ($3,378) under budget. Total revenues were under budget by 11% or ($3266). Total expenses were just over budget at $111 or 1%.

FY2018

Total revenues are under budget by $6,021 or 30%. Total expenses are under budget by $12,466 or 81%.

FY 2019

The budget has been decreased to reflect the current decrease in sales of the toolkit.

DÍA

Día was founded in 1996 by children's book author and poet Pat Mora as an enhancement of Children's Day, which began in 1925. ALSC became Día's national home in 2005 through a series of grants from the W. K. Kellogg Foundation, and administers the program. Día celebrated its 20th anniversary in 2016, and has grown from a grassroots literacy initiative to a nationwide celebration of books, culture, and families. As a refresher, the ALSC board has affirmed ALSC will support Día by integrating the work across and through ALSC's existing programmatic and budgetary structure and priorities. Día work in this capacity was established by the ALSC Board in 2008, and reaffirmed in January 2014 when the ALSC Board conducted an extensive review and analysis of all of ALSC's many initiatives, projects, and collaborations. The Board has recognized that Día should be celebrated by any and all, and encourages Día supporters to continue with their work, in the capacity they choose, especially in the creation of resources.

The Día project traditionally operates at a loss since it is funded from the operating budget. However, from 2011-2016, ALSC received six Dollar General Literacy Foundation grants to support Día work which offset expenses in the operational budget.

FY 2017

Revenues are not budgeted for this project. Expenses were $375 under budget. Expenses include professional services to copyedit and design an annual booklist, web operating expenses to maintain the Día website, and some funds to support copying and mailing of promotional materials to distribute to stakeholders.

FY 2018
The professional expenses for maintaining the database and web hosting fees have not yet been charged. We will have funds to print additional booklists and may still end the year ahead of budget.

FY 2019
Basic activity has been included in the budget.

FY 2019 BUDGET – OVERALL HIGHLIGHTS
I have developed a preliminary budget that shows a slight net revenue for the Budget committee to review and assess. This is likely to change before the Monday Board meeting. A revised budget will be distributed on-site.

- ALA has not budgeted for a salary increase in FY 19. I have increased this line to account for additional temporary help, intern, and possible co-fund for a position to more intentionally monitor digital licensing and as a result bring in additional revenue.
- Membership dues revenue is adjusted slightly ahead by 1%.
- Decrease in professional services to reflect forecasted activity.
- Slight decrease in travel, lodging, and meals- still enough to sustain President's ALSC Tour visits and sending members to key stakeholder conferences
- Support of committee and task force project requests (printing, design, and promotion) as well as expanded budget to support the development of new collateral for a refreshed logo that is expected to launch as the start of the fiscal year.
- Net revenues for ECRR and Online CE have been decreased.
- Increases in both seal revenues and expenses based on actual performance.

ENDOWMENTS
ALSC's eleven endowments and long-term investment funds enable a much wider range of programs and services than we'd be able to provide through the operating fund alone. In FY18, ALSC has been allocated, based on the spending policy described below, $121,906 in spending income to cover the expenses related to awards administration, four student scholarships, media evaluation training, professional development activities, and some additional support to help offset committee work and operational activities.

In FY 17, the endowments, with the help of ALSC's $162,000 transfer, showed an increase in growth in the amount of $411,952. ALSC's total endowment balance at the close of FY 2017 was $3,408,353.

We've seen both realized and unrealized gains and a few unrealized losses eight months into FY18 and are currently showing a gain of $169,495 since the close of FY17. ALSC's long-term investment funds are part of the ALA Endowment. As of this writing, the ALA Endowment Trustee report for the Midwinter Meeting was not available online. If you are inclined, you will likely soon find the report, along with many other informative financial resources, on the ALA Treasurer's webpage http://www.ala.org/aboutala/treasurerspage or on the ALA Financial Reports webpage:
http://www.ala.org/aboutala/governance/financialdata/financialrpts/financialrpts.

ALA's spending policy is based on a specific formula. ALA determines a payout rate between 3-5% of the trailing five-year quarterly (20 quarters) rolling average of the account's calendar year end net asset balance (Int+r-gain+u-gain). When we have a bad performance as we did during the first quarter of FY 2017, it contributes negatively to the amount available to spend the following fiscal year.

As part of our budget development process, ALSC regularly reviews its endowments and long-term investments (LTI) to ensure they are still adequately covering program expenses.

For instance, we have to consider this as we plan for changes in how we use endowment payouts as the spending amount could decrease in future years. Bank fees are also deducted from the payout amount which also impacts how much is available for programmatic activity. If deemed necessary, ALSC may transfer funds from its net asset balance to a designated investment project(s). However, because the interest earned from our net asset balance is used and factored into ALA's general operating fund, we must provide advance notice of our intent so that ALA can adjust their budget accordingly. Transfers from the division fund balance to any of our LTI funds must be a part of our approved annual budget. Transfers of $51,000 or more must be reviewed by BARC as part of the 3-year financial plan and requested two years prior to the execution. During this 2018 Midwinter Meeting, the Board decided, based upon the Budget committee's recommendations, the amount to transfer to our LTI projects in FY 2022, so that the request can be submitted with our FY 2019 budget.

As background, ALSC was asked to defer transfers into the LTI by the ALA Executive Board in FY 2009 due to the impact of the recession. ALSC agreed to this request. ALSC had planned a $50,000 transfer to build up several of our LTIs. Additionally, we had budgeted $100,000 transfer in FY 2010 to begin funding the new Board Initiatives LTI, established by the ALSC Board (which we will now transfer to the Children's Library Services fund). In FY 2011, after two years of transfer moratoriums, ALSC insisted that it be allowed to $49,000 because it fell under the BARC approval threshold. We were allowed the transfer and it went to support Arbuthnot ($24K) and the Charlemae Rollins President's Program ($25K). With the exception of the $49,000 transfer in 2011, there was a transfer moratorium up until 2014. ALSC transferred $50,000 to the Arbuthnot fund in FY 2015; $108,025 to the Arbuthnot and $41,975 to the Charlemae Rollins President's Program fund in FY 2016; and $23,000 to the Charlemae Rollins President's Program fund and $139,000 to the Children's and Library Services fund in FY 2017.

The ALSC Board has approved the following transfer schedule through 2022. If all transfers were to take place as outlined below, the total amount to be transferred into our LTIs between FY 18-22 would be $850,000. The Budget committee will next discuss and present transfer recommendations for 2023 during the 2019 Midwinter Meeting.

Year of Transfer	Transfer Amount	LTI Location
2018	$150,000	$100K Morris and $50K Melcher
2019	$100,000	CLSE
2020	$100,000	TBD in FY 2018 or 2019
2021	$250,000	TBD in FY 2020
2022	$250,000	TBD in FY 2021

Total Amount of Transfers	$850,000	

The transfers in FY 18, 19, and 20, 21, 22 have been authorized to cover the following:

LTI Fund	Transfer Amount
Children's Library Services Endowment	$100,000 (FY19)
Melcher Scholarship	~~$50,000 (FY18);~~ moved to Morris as received a $50,000 donation from an estate in FY 18
William Morris	$150,000 (FY18) (increased from 100K mid-2018)
? TBD in FY18 or FY19	$100,000 (FY20)
? TBD in FY20	$250,000 (FY 21)
? TBD in FY21	$250,000 (FY 22)
? TBD in FY 22	? (FY 23) – amount determined at MW 19

ALSC RESTRICTED PROJECTS

- **The Professional Awards**
  ALSC/Baker & Taylor Summer Reading Program Grant; Maureen Hayes Award; Bechtel Fellowship; Penguin Random House Young Readers Group Award; Candlewick Light the Way; and Scholarships (Melcher and Bound to Stay Bound) are all administered with restricted projects. They're very simple, pass-through accounts; the check is deposited and then checks are cut to the winners. The administration fee is deposited into ALSC's operating fund. The restricted funds -0- out at the end of each fiscal year. There are no changes or surprises here.

Award Name	Award Amount	Admin Fee (deposited in operating)
Louise Seaman Bechtel Fellowship (study fellowship for one month or more at U of F Baldwin Library)	$4,000 stipend	$500
Penguin Random House Young Readers Group (Annual Conference travel stipends)	$2,400 - $600 stipend for up to four	$250
Baker & Taylor Summer Reading Grant	$3,000	$300
Mauren Hayes Author/Illustrator Visit (Simon & Schuster)	$4,000	$500
Candlewick Light the Way: Library Outreach to the Underserved	$3,000	

- **Dollar General Literacy Foundation- Everyone Reads @ your Library grant**
  In September 2017, ALA was awarded an eighth Dollar General Literacy Foundation Grant with funds going to ALSC and YALSA. ALSC received $124,528 with $14,943 of that total designated to ALA overhead. The grant is titled, "Strengthening Communities through Libraries." The grant encourages youth services librarians to collaborate with schools and community partners to optimize out-of-school learning with an emphasis on

STEAM content and experiences. ALSC and YALSA submitted a proposal in May seeking a ninth grant.

- **Disney Unrestricted Donation**
  At the close of FY 2016, Disney donated a $100,000 unrestricted gift to support ALSC programs and operations. There is no expectation from Disney that ALSC will develop a new program or initiative with these funds. During the 2017 Annual Conference, the Board designated the funds to support the Out of School Time Learning Task Force's recommendation to support, via a pilot, one or more summer learning programs in an ALSC member libraryto assess efficacy and outcomes for both the library and the participating children and families.

Friends of ALSC

Friends of ALSC funds are part of a restricted project in the ALSC budget so that unused funds accumulate and are available across fiscal years to support special ALSC projects and activities. In recent years, the fund has been used to support 100 student memberships for two years, the development of a member recruitment video, a $5,000 donation to the National Association to Promote Library & Information Services to Latinos and the Spanish Speaking (REFORMA) Children in Crisis fund, scholarships to attend the Mini-Institute, sponsored networking receptions at Midwinter forums and the Institute, and two tables at the Newbery-Caldecott-Wilder Banquet, and digitization of all the back issues of *Children and Libraries.*

Friends of ALSC "membership" follows the calendar year. Every December, a Friends of ALSC annual report is sent from the President to Friends of ALSC donors outlining the year's activities and achievements, along with a financial accounting. In order to create this report, financial data was cut-off at December 1, 2017.

During the following conferences, the ALSC Board approved the following expenditures from Friends of ALSC, based on the Budget Committee's recommendations:

2018 Midwinter Meeting

- From Friends of ALSC sponsor 2 banquet tables for the Newbery/Caldecott/Wilder Banquet for up to $2,000
- From Friends of ALSC allocate up to $15,000 for ALSC to use to provide networking events at conferences throughout the year, through MW 2019.

2017 Annual Conference

- The Budget Committee recommends funding two scholarship of $1,400 each to attend the ALSC Institute in 2018, for a total of $2,800. This amount covers registration and a travel stipend.
- The Budget Committee recommends spending up to $5,000 to support a networking event at the 2018 ALSC Institute in order to provide an opportunity for any and all interested in Youth Services to come together regionally to learn about ALSC with a special emphasis on inviting any local groups in support of the ALSC Strategic priority of Diversity and Inclusion.

2016 Annual Conference

- Approved final funding amount for pilot student membership campaign as requested by the Student Gift Membership TF ($11,200) *Memberships paid, pilot still in progress*

Friends of ALSC as of December 1, 2017

December 1, 2017 – May 30, 2017*

Area of Support	**# of Donations**	**Amount donated**	**Balance f/ previous last year**	**Total fund balance**
Unspecified Donations	59	$15,149	$29,452	$44,601
Early Literacy	5	$360	$18,719	$19,079
Professional Development	2	$175	$1,764	$1,939
Innovative Conference Programs (defunct category eff. FY 17 or 9/1/16)	0	0	$1,983	$1,983
Totals	**66**	**$9,264**	**$52,149**	**$67,602**

***Between November 1, 2017 – January 15, 2018, an anonymous donor is matching gifts to the ALA Annual Fund. Every gift to an ALA unit from an individual donor, up to $1,000, will be matched, dollar for dollar, and the matching funds for each unit will cap at $10,000 total per unit and $100,000 overall. Since the matching gift program is still in progress, the amounts listed here are pre-audit and do not reflect the matched gifts. The matched gifts will be reflected in a future 2018 report. I received an email from Development indicating that $6420 was matched to the Friends of ALSC which was deposited to unspecified donations.

Expenditures as of April 30, 2018	**Budgeted**	**Actual Expense**	**Category to apply deduction**
ALSC Student Memberships- two years of ALA and one year of ALSC have been expended. 2nd year of ALSC will post in Dec 2017. $3,519 previously expended.	$5,600 for year 2	$3,760	Unspecified
Bank Fees	$100.00	$210	Unspecified
Total Expenditures	**$5700**	**$3,970**	

Net Asset Balance (Fund balance less exp)	**$63,632**

Current Spending Amounts in Areas of Support

Area of Support	Fund Balance	Actual Expense	Remaining Fund Balance
Unspecified Donations	$44,601	$3,970	$40,631
Early Literacy	$19,079	$0	$19,079
Professional Development	$1,939	$0	$1,939
Innovative Conference Programs (defunct giving category eff. FY 17 or 9/1/16)	$1,983	$0	$1,983
	$63,632		

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