FY2018 Final, FY2019 First Quarter, and FY2020 Preliminary Proposed 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 gross 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 2018, ALSC ended the year with net revenue of $633,422 (before the endowment transfer), well ahead of our budgeted expense of -$156,419. Total net revenue, after the net asset balance transfer of $150,000 to ALSC's long-term investments, was $483,422. 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 supporting the pilot EDI fellowships. 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 18 at $3,075,497. The Board traditionally has supported that ALSC retain at least 10 months worth of operating expenses in reserves. Based on this philosophy, $1,151,490 is the amount we should have in our reserve (figure is based on the average monthly expenses between FY 2017 and FY 2018, and ALSC has well over twice that amount in our net asset balance. A portion of our reserve ($100,000) is slated for transfer into our endowments at the end of this fiscal year (2019) and transfers are also scheduled for FY 20 ($350,000), FY 21 ($350,000), and FY 22 ($350,000). Even with these transfers, the net asset balance will remain well above the 10-month operating standard.

Overall in FY 18 our total revenues were ahead of budget by about $752,513 (56%). Revenues that performed ahead of budget were sales from the physical seals and the licensing of the digital images of seals, membership dues, and *Children and Libraries*. Areas where we saw a shortfall in budgeted revenue were online learning, non-serial publications, and Every Child Ready to Read. On the expense side, we were under budget by $37,327 (3%) due to salary and benefit savings seen from unbudgeted grant support and expenses associated with professional services and online continuing education.

During the Saturday Board meeting, the Board will review our current strategic priorities, projects and partnerships and also engage in a discussion on where to focus attention during FY 20. 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 20. In addition, the committee will be reviewing budget assumptions and adjusting the draft budget in preparation for the Monday Board meeting where their recommendations for the preliminary FY 20 budget will be presented for the Board to review, discuss, and approve. The ALA Budget Analysis and Review Committee (BARC) will review the budget at their budget review meeting this spring. There will be opportunities to make adjustments throughout the spring, especially as we review our 2nd and 3rd quarter performance reports and finalize areas of focus. The Board will approve a proposed FY 2020 budget during the 2019 Annual Conference, which is then submitted to ALA 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 2018

Administration came in under budget by $54,742 (7%). We saw a 8% salary and benefit savings due to grant support from the Dollar General Literacy Foundation. Travel and conference registration expenses under the "Other" category were below budget due to staff transition. All other areas were under budget with the exception of the Temporary/Professional services line which was $2778 over budget because we did not have attrition as our intern stayed a full year rather than several months.

FY 2019

Administration is over budget by $276. Salary and benefits are over budget as the salary contribution for the multi-unit supported Rights and Permissions Manager was not finalized until after the budget was submitted. This line will be over budget the remainder of the year as I was able to provide equity adjustment for ALSC staff and ALA has also decided to go forward with a 2% increase for FY 19 effective December 31, which was not budgeted. Some of this expense will be offset by the one-month vacancy from the program coordinator and the awards coordinator vacancy. All other areas of administration are currently operating under budget.

FY 2020

Salary and benefit rates are part of ALA's budget assumptions. ALA has worked out some budget assumptions, but we also do business with other units, such as productions services, that are also simultaneously figuring out their budgets. Therefore, FY 20 budget figures presented here and throughout this document are extremely preliminary. We do know the overhead rate will remain 26.5% and that ALA has budgeted for a salary increase for eligible employees beginning January 1, 2020 (four months into the fiscal year). I will be sent the salary figures for the FY 20 shortly after Midwinter which will need to be adjusted again after the new awards coordinator is hired. The Temp/Professional Services line has been reduced as we are no longer supporting a temporary part-time position.

SERVICE TO MEMBERS

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

FY 2018

In FY 18, this project had a net revenue of 77,151 which was $143,511 (235%) ahead of budget. The positive performance was mainly due to expense savings. Dues revenue performed ahead of budget by $3,979 (2%). Professional services were under budget by 76% the scope of the brand identity and logo redesign project was reduced. Additionally, printing, design, promotion, and reprographics are under budget due to the logo launching in the next fiscal year. Expenses for Annual Conference audio-visual were over budget (supplies/equipment category). Overall, total expenses for this project were under budget by $130,532 (57%).

FY 2019

During the first three months of FY 19, dues revenue is performing ahead of budget by 1%. ALA has secured a Youth Media Awards Press Conference sponsor and that has been deposited to this project. ALSC will pay for all ALA unit expenses related to the event from this account. Total expenses for this project are under budget by $16,460 (31%). Travel, lodging, and meals are under budget by 53%. I expect this to come back closer to budget as planned supported member travel to external conferences take place. I expect printing and design to come closer to budget further into the year as we create and replace collateral to include the new logo. Promotion/exhibits will also accrue steady expenses as we order new conference tchotchkes and encourage ALSC members to represent at other state and regional conferences. Supplies/equipment is over budget as YMA webcast expenses were accrued here.

FY 2020

We'll adjust dues for FY 20 after Midwinter. So far in FY 19, we have seen a consistent 2% growth in membership with dues revenue ahead of budget by 1%. We'll want to consider professional services as it will be time to begin review of the strategic plan for 2021-2023. We'll need to consider the scope of the planning process and budget accordingly. Travel, lodging, and meals has also been reduced to the FY17 level which 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), we are seeing an increase in bank fees but not as high as 2.85%. FY 2018 tracked at 2.2% and FY 2019 was increased to 2.4%. Since the logo and rebranding project should be finished in FY 1, I've reduced all areas it impacts (printing and design, promotion/exhibits, reprographics). $50,000 has been set aside in "Other" as a temporary placeholder for any activity that might support the strategic plan.

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 2018

Net revenue for seals posted at $1,184,820 (100%) ahead of budget. Net revenue in FY 17 was $730,169 and FY 17 was $731,534. Total revenues from both physical seals and digital licensing came in ahead of budget by $760,683 (79%). As mentioned throughout FY 2018, ALSC received revenue from two years of back payments for illegal use of the award seals. Total expenses were over budget by $8537,863 (46%) due to increased production costs to replenish stock from physical seals selling ahead of budget and also to cover the additional unbudgeted overhead.

FY 2019

Physical seals revenue is tracking under budget by 12% or $16,092. Licensing revenue is ahead of budget by $118% or $92,776. The ALSC supported ALA Rights and Permissions Manager will be attending Midwinter to introduce herself with the marketing teams of publishing houses (she normally works with staff in publisher art departments). Total expenses are under budget by $26,760 and overhead is over budget by $10,130. Will need to adjust for any impact based on action taken in response to Award Program Review Task Force recommendations.

FY2020

We'll need more time to consider how we budget for revenues. FY 18 was an anomaly so we'll want to look at FY 16 and 17 actuals in addition to a few more months of performance for FY 19. Again, the overhead rate for FY20 will remain at 26.5%. As a reminder, 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. Will need to adjust for any impact based on action taken in response to Award Program Review Task Force recommendations.

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. It has been over ten years since the last price increase and tickets were increase by $1 to $95. Table pricing will also increase slightly in FY 19 to help off-set rising expenses. 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 2018

The 2018 banquet in New Orleans ended with a net expense of $17,889 compared to the net revenue of $16,481 in Chicago (FY 17) and the $2,813 in Orlando (FY 16). There were 944 paid guests. Expenses were over budget by $18,070. Food and beverage was $104,938 which was $17,723 over budget. Audio-visual expenses totaled $20,087 which was $913 under budget. Floral, printing and supplies (to adjust for the CLLA name) were over budget.

FY 2019

ALSC staff traveled to Washington, DC to conduct a site visit in November. The only activity that has occurred is airfare for the site visit and the posting of bank fees which are were assessed on table registrations that were processed in September.

FY 2020

The conference will be located in Chicago which traditionally has good attendance. This budget will need to be revised to account for the new pricing of tables and the $1 increase to individual tickets which was set after the FY 19 budget was submitted. Actuals from FY 2017 (Chicago) were $121,140 in revenue and $104,659 in expenses.

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 2018

Online continuing education courses generated $11,119 in net revenue which was over budget by $508. Revenues were under budget by $13,010 or 37%. Total expenses were under budget by $11,800 or 59%. 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 is biennial and was offered in FY 17.

The ALSC National Institute is offered every other year. ALA uses accrual accounting standards and revenues and expenses for conferences and events are booked in the fiscal year the event is held. We submitted a budget for zero revenues and expenses but have since learned that Accounting is going to recognize donations and bank fees in the actual month they accrue (rather than accrued in the month of the event).

FY 2019
Only one online course was offered this past fall and that event had low registration numbers. Revenue is under budget by $3,717 (83%). Additionally, only one online course will be offered in the winter, so revenues will likely track under budget all year. Expenses are slightly over budget by $53 (3%). Overhead is under budget by $489 (82%). The Education Committee is soliciting for new courses to offer.

The preconference will be offered this fiscal year. No revenues have been budgeted at this time. ALA Annual Conference registration opened this week and we'll begin to monitor registration numbers. Minimal expenses have been budgeted/expended at this time.

The National Institute is a revenue-based budget. All expenses must be covered from the revenue. However, traditionally the registration rate is kept as low as possible and thus usually budgets as a break-even event. The 2018 Institute (with financial activity taking place in FY 19) saw registration max out this past summer. Registration revenue posted $13,900 ahead of budget. Expenses are still being processed, but currently have posted $9,702 over budget. Speaker honorariums, miscellaneous fees, and registration processing (due to better than budget registrations) are over budget.

FY 2020
The Online CE budget currently remains the same as the FY 19 budget, but will need further examination after Midwinter.

The Award Preconference budget has zeroed out since no activity will take place in FY 20.

The ALSC National Institute is offered every other year and financial activity takes place in odd number fiscal years. ALA uses accrual accounting standards and revenues and expenses for conferences and events are booked in the fiscal year the event is held. The project has been budgeted to account for donations and bank fees that will post as they are accounted for in the actual month of accrual.

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 2018
Total revenues were ahead of budget by 40% or $8,104. Subscription revenue came in ahead of budget by 5% or $423 and *CAL* advertising sales came in ahead of budget by $7,716 (67%). Production expenses were under budget by $2,454 (4%) and overhead came over budget by $214. 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 -$29,841 against a -$40,613 net expense budget.

Non-serial publications performed under budget by $3915 (354%) with a net revenue of -$2810. A royalty expense that should have been applied to the Awards Seals project was applied here during the close and not caught in time to transfer out of the project.

FY 2019
Subscription revenue is ahead of budget for *Children and Libraries* by $402 (24%) and advertising revenue is ahead of budget by $1,529 (37%). Total expenses before overhead are running under budget by $4,918 (30%), and overhead is over budget by $128.

Non-Serial publication revenue is under budget by $528. Expenses are also under budget by $514. Overhead is under budget by $96. An early literacy brochure to replace Born to Read are in the works.

FY 2020
We have not yet received the figures from Productions Services to use for budgeting for *Children' and Libraries*, so we have maintained the same budget as FY 19.

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.

FY 2018
Net revenue for the ECRR toolkit was $9,777 which was 222% or $17,801 better than budget . This was mainly due to expense savings. Total revenues were under budget by 34% or ($10,318). Total expenses were under budget at $26,704 or 79%.

FY2019
The first quarter activity shows total revenue ahead of budget by $771 or 23%. Total expenses are over budget by $269 or 98%. Overhead is over budget by $80 or 19%

FY 2020

The budget will need to be adjusted to anticipate for a decrease in sales of the toolkit and actual expenses. The project can be adjusted as we monitor activity over the next few months.

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 2018

Revenues are not budgeted for this project. Expenses were $2,192 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 2019

No financial activity has yet accrued. Expenses will come back to budget in the coming months as activity is just starting to happen now.

FY 2020

The budget remains the same as FY 19 which includes activity to support Día.

FY 2020 BUDGET – OVERALL HIGHLIGHTS

I have developed a preliminary budget that indicates an investment budget for ALSC (net expense budget to support strategic priorities). The Budget committee will review, assess, and adjust during their meeting. The figures in the excel Budget Summary change before the Monday Board meeting. A revised budget will be distributed on-site.

- ALA will budget for a salary increase in FY 20 to commence January 1, 2020. This line will adjust (higher) after Midwinter to reflect the increase and impact (increase) on benefits. Benefits are calculated as a percentage of salaries.
- Membership dues currently the same as the FY19 budget.
- Will need to assess professional services to reflect forecasted activity (strategic planning)
- Decreases in printing, design, and promotion as expect logo and branding work to be completed in FY19.

- Monitor seal revenues and expenses based on actual performance before a decision is made. Additionally, will need to adjust for any impact based on action taken in response to Award Program Review Task Force recommendations.
- Net revenues on Online CE expected to not be as large of a return in past years.
- Off years for both Preconference and Institute in FY 20.
- $50,000 placeholder for support of strategic initiatives.

ENDOWMENTS

We're very fortunate that 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 FY19, ALSC has been allocated, based on the spending policy described below, $131,144 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 18, the endowments, with the help of ALSC's $150,000 transfer, showed an increase in growth in the amount of $479,394. ALSC's total endowment balance at the close of FY 2018 was $3,887,747. Unfortunately, the first quarter of FY 2019 has been volatile and the first quarter closed with large unrealized losses. The total endowment balance is down $166,174 from the FY 2018 close.

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 2019, 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 2019 Midwinter Meeting, the Board will decide, based upon the Budget committee's recommendations, how much we might transfer to our LTI projects in FY 2023, so that the request can be submitted with our FY 2020 budget.

As background, ALSC was asked to defer transfers into the LTI by the ALA Executive Board in FY 2009. 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). ALSC strongly requested that it be allowed the deferred $49,000 transfer in FY 2011 because it fell under the BARC approval threshold and we had already been on hold for two years. 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 has been a moratorium up until 2014. ALSC has transferred $512,000 between 2015-2018 (details in Endowment Transfer History chart below). During FY 2018, ALSC received an unexpected (i.e. unbudgeted) one-time payout of $500,000 from a customer that used the digital image of an award seal for two years without permission. Since ALA would not have budgeted for this Overhead, ALSC made a special request after the 2018 Annual Conference requesting a deviation from the transfer policy (3-year notice) and allowing us to increase our FY 19 transfer to $350,000 from an original ask of $100,000. After several months of waiting, ALA leaders denied the request citing they did now want to waver from policy. ALSC immediately responded to this news by revising its transfer requests for FYs 20, 21, and 22.

- FY 20- 350,000 (revised from 100,000)
- FY 21- 350,000 (revised from 250,000)
- FY 22- 350,000 (revised from 250,000)

The ALSC Board has approved the following transfer schedule through 2022. If all transfers were to take place as outline below, the total amount to be transferred into our LTIs between FY 19-22 would be $1,150,000.

Year of Transfer	**Transfer Amount**	**LTI Location**
2019	$100,000	TBD in FY 2018
2020	$350,000	TBD in FY 2018
2021	$350,000	TBD in FY 2020
2022	$350,000	TBD in FY 2021
2023	TBD at MW 19	TBD in FY 2022
Total Amount of Transfers	$1,150,000	

The transfers in FY 19, 20, 21, and 22 have been authorized to cover the following with the original request amounts. The Budget Committee will provide recommendations to the Board as part of its report as to where funds could be directed.

LTI Fund	**Transfer Amount**
Children's Library Services Endowment	$100,000 (FY19)
? TBD in FY19	$350,000 (FY20) [originally 100,000]
? TBD in FY20	$350,000 (FY 21) [originally 250,000]
? TBD in FY21	$350,000 (FY 22) [originally 250,000]
? 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 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
Maureen 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 2018, ALA was awarded a ninth 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.

- **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 work to support one or more summer learning programs in ALSC member libraries to assess efficacy and outcomes for both the library and the participating children and families. The 2018-2019 ALSC Board recently supported ALSC staff moving forward with use of the funds based on Board feedback, priorities and project-outcomes desired collected in November 2018.

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 ALSC National Institute, sponsored a networking reception/events at the Institute, ALA conferences, and at other national conferences, coffee service at Leadership & ALSC and All-Committee during

ALA conferences; and two tables at the Newbery-Caldecott-Legacy 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 November 30, 2018.

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

2018 Annual Conference

- Friends of ALSC Recommendation to use the funds from the FOA defunct category "Innovative Conference Programs" of $1,983 for the National Institute in Cincinnati. (Expense will post December 2018.).

2018 Midwinter Meeting

- From Friends of ALSC sponsor 2 banquet tables for the 2018 Newbery-Caldecott-Legacy 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.
- Another scholarship, for an LGBTQ+ attendee, to attend the ALSC National Institute in the amount of $1,400 to cover registration and a travel stipend.

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. (*The networking event occurred September 2018 and the expense will post in December 2018.)*

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 with evaluation due June 2019).*

Friends of ALSC as of December 1, 2018

December 1, 2017 – November 30, 2018*

Area of Support	# of Donations	Amount donated	Balance f/ previous last year	Total fund balance
Unspecified Donations	139	$13,507	$29,452	$42,959
Matching Donation (12/1/17 to 1/15/18)		$6,920		$6,920
Early Literacy	12	$525	$18,719	$19,244

Professional Development	2	$150	$1,764	$1,914
Innovative Conference Programs (defunct category eff. FY 17 or 9/1/16)	0	0	$1,983	$1,983
Totals	**153**	**$21,102**	**$51,918**	**$73,020**

***REMINDER:** Between November 1, 2017 – January 15, 2018, an anonymous donor matched gifts to the ALA Annual Fund. Every gift to an ALA unit from an individual donor, up to $1,000, was matched, dollar for dollar. Matching funds for each unit was capped at $10,000 total per unit and $100,000 overall. ALA Development reported that $6,920 was matched to the Friends of ALSC which was deposited to unspecified donations.

Expenditures as of Nov. 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.	$5,600 for year 2	$1,880	Unspecified
FoA sponsored refreshments at conferences	Up to $15,000	$1,517	Unspecified
Two FoA sponsored N-C-L Banquet Tables	$2,000	$2,000	Unspecified
Three National Institute Scholarships	$3,000	$3,000	Unspecified
Bank Fees	$100.00	$273	Unspecified
Total Expenditures	**$25,700**	**$8,670**	

Net Asset Balance (Fund balance less exp)	**$64,350**

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