

RBMS Budget & Development Committee - Draft Minutes 6/28/2012
ALA Annual Conference, Anaheim, CA
Saturday, June 23, 2012,
Disneyland Hotel / Columbia, 1:30-3:30pm

Attendees:

E.C. Schroeder (Yale University – Chair), Gökür Aslan (Istanbul Technical University), Lynda Claassen (University of California, San Diego), Jackie Dooley (OCLC Research), Erika Dowell (Indiana University), David Faulds (Emory University), Sarah Fisher (Yale University – Member), Mark Greenberg (University of South Florida – Member), Eric Holzenberg (Grolier Club), Athena N. Jackson (University of Miami), Mike Kelly (Amherst College - Ex-Officio Member), Mary Lacy (Library of Congress – Member), Deborah J. Leslie (Folger Shakespeare Library), Melissa Nykanen (Pepperdine University – Member), Tory Ondrla (ACRL), Fernando Peña (Palmer School, Long Island University), Maggie Ragnow (University of Minnesota – Member), Henry Raine (New-York Historical Society – Ex-Officio Member), Molly Schwartzburg (University of Virginia), Ozgul Surmeli (Istanbul Technical University), Cherry Williams (Indiana University)

1. Introductions, Announcements, and Review of Agenda

The agenda was approved.

2. Appointment of Recorder

Henry Raine agreed to take the minutes.

3. Review and Approval of 2012 Midwinter Minutes

The minutes were approved.

4. Leab Award Fund Report

As of April 30, 2012, the endowment principal is \$32,050. From September 1, 2011 to April 30, 2012, the endowment earned \$746 in interest, and \$149 was deducted in bank charges, leaving a balance of \$597 in the spending account. Schroeder reminded the committee that the purpose of the endowment is to pay for committee expenses, which include materials and shipping of catalogs from one committee member to another. Institutions are sometimes covering shipping expenses. Schwartzburg noted that there were fewer catalog submissions in the past year, and that only one box had to be shipped, which lowered expenses. She speculated that there may have been fewer catalog submissions because there are now more electronic exhibitions.

5. Preconference Budget Reports

Kelly and Ondrla reported that the preconference held in San Diego June 19-22 was well attended, with 376 registrants and 89 booksellers.

The fundraising goal for this preconference was \$29,000, and the organizers raised \$40,000, \$20,000 of which was from the ABAA Booksellers' Showcase. The fundraising total did not include in-kind contributions such as the Tuesday night reception and the cost of shuttle buses paid for by UCSD.

Schroeder noted that some sponsors who have contributed regularly in past years (Preservation Technologies, Hollinger Metal Edge) were not approached this year, but should be in the future. Ondrla mentioned that another potential source of contributions would be dealers who didn't make it into the Booksellers' Showcase.

Ondrla also mentioned that RBMS should increasingly expect new kinds of sponsorship opportunities. For example, the St. John's Bible display in the registration area brought in \$4,000 this year. Schroeder suggested instituting a day for sponsors who want to exhibit and who are not members of ABAA. Everyone agreed that having the Booksellers' Showcase on Wednesday this year was a big success. A separate day could be set aside for other sponsors.

Claassen mentioned that she had tried to do some local fundraising in San Diego, with limited success, possibly because local people couldn't relate the conference theme to their own missions.

Schroeder suggested two key action items 1) Developing a fundraising plan for each Preconference to be shared among the Section Chair, Vice-Chair, Preconference Program Chair, Local Arrangements Chair, and the chairs of Budget & Development and Conference Development; 2) Following up with sponsors from previous years to make sure they are asked for donations.

Greenberg asked if it was possible to determine how much direct income dealers earned from sales during the Booksellers' Showcase. Ondrla mentioned that she and ABAA send an evaluation out to the dealers each year, and that there is anecdotal evidence that some dealers do make sales and more than break even.

Leslie reported that the Conference Development Committee has put together a request for proposals for preconference hosts, and that the RFP makes it very clear that financial and in-kind support is expected from institutions proposing and hosting preconferences.

6. Scholarship Funding

There were 75 applicants for scholarships for this year's preconference, and 18 winners. Funding came from three sources: surplus revenue from the previous preconference; donations through the check box on the preconference registration form; and donations made through the Friends of ACRL. RBMS requested a disbursement of \$3,200 from the Friends of ACRL this year, and received \$2,500. Going forward, RBMS will no longer need to submit a formal request to the ACRL Friends Disbursement Committee, but will simply need to send an email to ACRL requesting a specific amount from the Friends of ACRL donations designated for RBMS

scholarships. Other support from ACRL for RBMS scholarships may no longer be available in the future.

Schroeder noted the need to increase fundraising for scholarships. Only 29 donations totaling \$985 were made through the check box on the registration form this past year. Various fundraising ideas were discussed, including:

- Emphasizing that no amount is too small
- Pitching fundraising as a challenge
- Having the donation box be checked as a default on the registration form with the possibility of opting out
- Building the cost of scholarships into the cost of preconference registration
- Offering an installment plan for automatic credit card payments
- Making a call for end of year donations
- Setting up a button or check box for donations on the front page of the RBMS web site
- Including a donation envelope in the printed preconference program
- Setting up a mechanism for texting a \$10 contribution when scholarship winners are introduced at the preconference
- Having photographs of scholarship winners appear on the RBMS web site and in fundraising emails
- Having testimonials appear on the RBMS web site to encourage donations
- Section and preconference chairs get comp rooms in the preconference hotel, and their institutions could donate the dollar equivalent to the scholarship fund
- Announcing a fundraising goal for scholarships, including a dollar amount and a minimum number of people to donate funds
- Offering the possibility of joint sponsorship of one or more first-time attendees
- Recommending that everyone who has served as RBMS chair in the past participate by donating to the scholarship program
- Finding organizations that would match donations
- Having a photographer at the Scholarship Breakfast during the preconference

Schroeder suggested forming a subgroup of Budget and Development to put some of these ideas into practice and to make sure that everything possible has been done to raise scholarship money. Making this a subgroup of Budget and Development would free up the RBMS Chair to focus on fundraising for the preconference.

Lacy, Fisher, and Nykanen volunteered to be part of this subgroup, and said they would put together a fundraising plan and circulate it to the committee.

Ondrla said she would ask scholarship winners to submit photographs with the reports that they are expected to submit after the preconference.

About \$15,000 went to scholarships this year. Schroeder said this could be the goal for next year.

7. Proposals for Use of Section Budget and Other Funds

Schroeder announced that the RBMS basic services budget for FY 2012 was \$2,195, and that it would be \$2,209 for the fiscal year starting September 1. None of the current year's funds have been expended. The committee discussed three proposals for the use of this year's funds in order to make a recommendation to the RBMS Executive Committee:

1. An expanded print run of 500 additional copies of the Fall issue of *RBM: A Journal of Rare Books, Manuscripts, and Cultural Heritage*, which is on the topic of assessment, for distribution at the Association of Research Libraries' 2012. Library Assessment Conference being held in Charlottesville Oct. 29-31.
2. A third printing of *Your Old Books* (no formal proposal received from the Publications Committee). The Publication Committee is looking into institutions and organizations that might order *Your Old Books* in bulk every couple of years. Discussion included printing a postcard with the URL for the online version of *Your Old Books*, and finding ways to produce *Your Old Books* more cheaply since it appears that it needs to be reprinted with some frequency.
3. Partial sponsorship of two Diversity Committee members to attend the 2012 Joint Conference of Librarians of Color being held in Kansas City September 19-23, at which they would do a presentation on the RBMS Diversity Toolkit, and participate in a joint seminar on special collections with a member of the Society of American Archivists, for the purpose of encouraging members of underrepresented groups to join RBMS and SAA. The Diversity Committee representatives would also distribute copies of the *RBM* special issue on diversity at the conference. RBMS is allowed to use its budget to fund travel for these two members, since they are traveling to a non-ALA event.

Kelly noted that the reprinting of YOB and the sponsorship of the two Diversity Committee members' attendance at the JCLC conference are both great examples of outreach, that they would use up all of the Section's funds, and that they would be good things to put in the Section activity report due to ACRL in August.

Raine asked what had happened to the idea of using Section funds to pay for the audio-visual recording of preconferences. Dowell suggested that this cost should be built into the preconference budgets. Holzenberg mentioned that the bulk of the cost is for the editing of the files, not their recording. Ondrla said that recording is being done very economically, but that editing is not covered. Schroeder said he would defer a decision on this topic until a working group, to be appointed, has come up with a process for how best to handle audio-visual recording of preconferences.

[The Executive Committee voted at its meeting on Monday, June 25, 2012 to approve the purchase, using up to \$250 in Section funds, of a third audio recorder to add to the two that the Section already owns.]

The committee voted on the following motions:

1. Motion to recommend to the Executive Committee that \$1,200 be set aside from the current fiscal year's Section budget to print 500 additional copies of *RBM* – Motion approved unanimously
2. Motion to recommend providing \$1,000 to support attendance of two Diversity Committee members at this year's JCLC conference, of which \$700 to come out of the current fiscal year's Section budget, and the remaining \$300 to come out of the next fiscal year's budget – Motion approved unanimously.

A decision about reprinting *Your Old Books* was tabled until the committee receives a formal proposal from the Publications Committee, with alternatives for printing this publication more economically.

9. Old Business: RBMS Budget FAQ for New Section Chairs and B & D Members

Schroeder explained that he is working on an FAQ that would cover questions about the Section's budget, fundraising for preconferences, preconference expenses, costs of conference programming, endowment funds, and other financial issues.

10. New Business: Changes to ALA Endowment Funds and the Leab Endowment

Schwartzburg explained the recently announced stipulation, approved by the ALA Board, that all ALA endowments must have a minimum balance of \$50,000. This decision on the part of ALA affects the Katharine Kyes Leab and Daniel J. Leab *American Book Prices Current* Exhibition Awards endowment, which currently has a balance of \$32,050.

Schroeder read out the ACRL Budget and Finance Committee Annual Conference Document 16.0 [appended at the end of these minutes], which explains the new policy. ALA suggests several options, among which are new fundraising to meet the minimum threshold of \$50,000, and spending down the endowment balance over a number of years. The document states that plans for a course of action can be developed over the next five years, and carried out over the next ten years. It also indicates that special circumstances may allow endowments that do not meet the mandatory minimum within ten years to be grandfathered in at a lower level.

Schwartzburg explained that a group consisting of herself, the current RBMS Chair, Vice-Chair, and Past Chair, the incoming Chair of Exhibition Awards, and a few others met briefly with Mary Ellen Davis, Executive Director of ACRL, at the RBMS Preconference to discuss possible options. The plan of action that was agreed upon at the preconference meeting was to ask the Leabs if they would donate more money to bring the endowment closer to the ALA minimum of \$50,000. The Leabs were subsequently informed of the new ALA requirement, and responded that they did not plan to contribute further to the endowment.

Schwartzburg announced that the issue was further discussed at the Exhibition Awards Committee business meeting held at the ALA Annual Conference, and that the committee decided that the first and best option would be to ask for the endowment to be grandfathered in at

the current balance; the second option would be to raise money from RBMS members to grow the endowment; and the third option would be to spend the endowment down, although spending it down would be difficult, given that expenses average around \$600 a year. One way to spend down the endowment would be to hold one or more day-long workshops on exhibitions. The Exhibition Awards committee feels strongly that the awards program should continue regardless of how it is funded.

Ragnow noted that the fact that revenue from the endowment currently meets committee expenses adequately is a good argument for grandfathering it in. Holzenberg said that annual expenses were likely to increase over time, and that fundraising to add to the endowment would be worthwhile. Dowell expressed concern about fundraising using the Leab name, and how the Leabs would feel about that. Ondrla wondered if fundraising for the endowment would take away from preconference and scholarship fundraising. Schwartzburg noted that the Exhibition Awards program does not necessarily need to have an endowment, since it could be funded out of the RBMS annual budget as a Section expense.

Greenberg asked what the current return was on the endowment, and said that at the current 2.6% return, it might make more financial sense to spend down the endowment than to use the income that it generates. He suggested that if anyone in RBMS knew a financial advisor, it would be worthwhile asking him or her whether it is useful to continue investing in the endowment when the rate of return is so low.

Schroeder asked if the Exhibition Awards program should continue, were the decision to be made to spend down the endowment, and Williams stated that the Exhibition Awards Committee is committed to continuing the program. Schwartzburg suggested asking the RBMS Executive Committee to affirm the following points:

- That the Exhibition Awards program should continue
- That RBMS should commit to funding the Exhibition Awards if the decision is made to spend down the endowment

Schroeder stated that the next steps would be for the Budget and Development Committee to determine the financial implications of the various options discussed, and for the Exhibition Awards Committee to bring the issue back for discussion at Midwinter.

11. Adjournment

The meeting was adjourned at 3:18 pm.

Respectfully submitted,
Henry F. Raine

TO: Administrators of Small Endowments

FROM: Jim Neal – ALA Treasurer
Dan Bradbury – Senior Trustee ALA Endowment Fund

RE: Recent Policy Changes – New Minimums for Current Accounts

DATE: June 15, 2012

At the 2012 Midwinter Meeting in Dallas, the ALA Executive Board approved a recommendation by the Endowment Trustees to increase the minimum funding level required to establish and maintain an endowment. The action was:

F&A concurs with the Endowment Trustees and recommends to the Executive Board increasing the minimum amount to start a new endowment to \$50,000. Additionally, to allow those endowments currently under \$50,000 up to five years to determine the path that will best allow them to reach the new minimum and up to ten years to achieve it.

There are three basic objectives for this change in policy on minimum funding levels for ALA endowments:

1. Endowments below \$50,000 generally do not generate sufficient funds to support the goals of the endowment, such as scholarships, awards or other purposes. The current approved payout rate of 4 percent, for example, would generate only \$2,000 per year on a \$50,000 endowment.

2. It is important that we communicate to donors the actual costs of funding programs and activities through endowments. If we are not able to fulfill the expectations of the donor because of the limited proceeds from an endowment, that is a serious problem for future fundraising. This is particularly timely as ALA seeks to advance a major planned giving campaign.

3. The administrative costs of managing effectively endowments are significant. A large number of small endowment accounts with low levels of funds

generated, with the accounting and budgeting activities involved, is not effective use of staff resources.

There are 18 accounts among the 73 individual endowments in the ALA endowment fund that are currently below the \$50,000 threshold. The staff responsible for the 18 accounts in question, are being asked to consider the following actions as they develop plans to achieve the minimum endowment requirements:

- New fundraising
- Combination/integration of similar endowments as long as no legal or donor restrictions
- Transfer of funds from supporting unit net asset balances
- Spending down endowment balances over number of years
- Reduced use of endowment payout funds over number of years
- Budget support from the hosting unit

Discussions with staff responsible for the endowment accounts indicate that as plans are developed (five years) and strategies are advanced (ten years), it may not be possible to achieve the \$50,000 endowment minimum level. It is recognized that special circumstances may dictate that selected endowments may need to be “grandfathered” at a lower level. However, plans should be developed and pursued in all cases. If “grandfathering” is determined to be the best and most viable option, then a formal request needs to be made to the Trustees.