

ALA CD #33.2

ALA Council/Executive Board/Membership  
Information Session

Annual Conference 2009 - 10

# BUDGET ANALYSIS AND REVIEW COMMITTEE

## BARC REPORT TO COUNCIL

Jim Neal

BARC Chair for 2009 -10

Annual Conference

Sunday, June 27, 2010

Washington, DC

# BARC REPORT

- Fiscal Year 2010 Status
- Mid Year Adjustments
- Council Recommendations Referred to BARC
- Fiscal Year 2011 Plan
- Budget Preparation Process
- Budget Monitoring/Contingency Plans
- Role of BARC

# FISCAL YEAR 2010 STATUS

- 8 month Period Ending April 30, 2010 -

- Total ALA (all combined funds) Revenues:  
\$33,676,847 (\$ 484,491 less than budget)
- Total ALA Expenses:  
\$33,544,427 (\$2,148,545 less than budget)
- General Fund Revenues:  
\$14,638,415 (\$ 871,914 less than budget)
- General Fund Expenses:  
\$16,965,599 (\$ 615,102 less than budget)

# FISCAL YEAR 2010 STATUS

- 8 month Period Ending April 30, 2010 con't -

- Division Revenues: \$ 161,290 less than budget  
Division Expenses: \$1,461,338 less than budget
- Roundtable Revenues: \$ 23,978 more than budget  
Roundtable Expenses: \$ 91,914 less than budget
- Grants and Awards: \$ 108,000 more than budget
- Investment Interest Dividends: \$ 416,735 more than budget
- Long-Term Investment: \$30,411,715 (\$27.0 million in Aug. 2009)

# Mid Year Budget Adjustments

## - Revenues

	<u>Annual Budget</u>	Year End <u>Projections</u>	<u>Variance</u>
General Fund	\$28,094,505	\$26,089,190	(\$2,005,315)
Divisions	\$16,068,801	\$15,287,322	(\$ 781,479)
Round Tables	\$ 356,005	\$ 356,005	\$ 0
Grants & Awards	\$ 8,959,538	\$ 8,959,538	\$ 0
LTI	<u>\$ 536,572</u>	<u>\$ 536,572</u>	<u>\$ 0</u>
Total	\$54,015,421	\$51,228,627	(\$2,786,794)

# Mid Year Budget Adjustments

## - Expenses

	<u>Annual Budget</u>	<u>Year End Projections</u>	<u>Variance</u>
General Fund	\$28,094,505	\$26,089,190	\$2,005,315
Divisions	\$16,392,739	\$15,149,750	\$1,242,989
Round Tables	\$ 375,472	\$ 375,472	\$ 0
Grants & Awards	\$ 8,959,538	\$ 8,959,538	\$ 0
LTI	<u>\$ 603,482</u>	<u>\$ 603,482</u>	<u>\$ 0</u>
Total	\$54,425,736	\$51,177,432	\$3,248,304

# Budget Adjustment Sources

## General Fund

### Revenue Shortfall

Publishing	(\$ 963,000)
Conferences	(\$ 900,000)
Dues	(\$ 85,000)
Other	<u>(\$ 52,000)</u>
Total	(\$2,000,000)

### Expense Adjustments

2 Week Furlough*	\$ 560,000
Payroll	\$ 734,000
Travel & Related	\$ 149,000
Publishing	\$ 527,000
Professional Services	(\$ 370,000)
Use of Reserves	<u>\$ 400,000</u>
Total	\$2,000,000

\*Week 2 furlough decision pending

# REFERRED COUNCIL RECOMMENDATION

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# FISCAL YEAR 2011 PLAN

- Economic Uncertainty
- ALA Planning Priorities
- Operational Realignments
- Expense Reductions
- Key Revenue Sources
- Service and Product Enhancements
- New Business Development Strategies

# FISCAL YEAR 2011 PLAN

## BUDGET PREPARATION PROCESS

*(All General Fund Units, Divisions, and Roundtables)*

- Key Functions/Alignment with ALA Priorities
- Environmental Assumptions
- Positive/Negative Trends
- Major Multiyear Unit Goals
- Fiscal Year Changes
- Fiscal Year Project Activities
- Current Year Budget Review
- Next Fiscal Year Budget Request
- Service and Product Enhancements
- New Business Development Strategies

## BUDGET MONITORING/CONTINGENCIES

- Detailed Month-to-Month Budget Review
- October 2009 - Final FY09 Results  
(Midwinter Projections)
- April 2010 - FY10 Six-Month Analysis  
(Annual Projections)
- Detailed Revenue Trends Analysis
  - Publishing
  - Dues
  - Meetings and Conferences
  - Grants and Awards
  - Interest and Dividends
- Detailed Expense Reduction Strategies

# ROLE OF BARC

To review the proposed budget, as forwarded by the ALA Executive Board, in the context of the ALA strategic plan, annual priorities and budget assumptions; to review the financial performance of the Association and the budget impact of potential actions of ALA Council; to make budget recommendations to the ALA Executive Board and to report to Council regarding budget analysis and process.

**Thanks for Your Attention**

