MEMORANDUM

DATE: December 27, 2013

TO: Unit Managers

FROM: Gregory L. Calloway, AED, Finance
             Denise Moritz, Director of Financial Reporting and Compliance

RE: **FY 2015 BUDGET INSTRUCTIONS**

FY 2015 marks the final year toward the implementation of the ALA 2015 Strategic Plan.

The FY 2015 budget process will occur in two ways:
1) Within the budgetary framework of the current base budget
2) In the context of projections for FY 2014

This budget packet builds on the concept that to achieve the ALA 2015 goals, collaboration among and between all ALA units is essential. Born out of this process will be joint investments between the ALA General Fund, Divisions, Round Tables, and its partners to fund the ALA 2015 Strategic Objectives.

The FY 2015 budget will provide financial support to the following:

1.   Support of the Key Action Areas.
2.   Support of ALA 2015 Goals.
3.   Support for unit and divisional programmatic and member service goals.
4.   Support for the ALA organizational goals.
5.   Support the physical infrastructure and Association Technology goals.

The FY 2015 budget guidelines are based upon analysis of ALA's FY 2013 results as compared to the current FY 2014 budget. Each unit manager will prepare projections for the FY 2014 budget using current information and the most recent financial monthly results.

Guidelines for the FY 2015 budget are to be applied based on the FY 2014 budget. The FY 2015 budget will be prepared at the same level as the FY 2014 approved budget. Please refer to the FY 2015 Budget Assumptions when preparing your budget.

At the 2010 D.C. Annual Conference, Council approved a new ALA 2015 Strategic Plan, which includes the following Goals:

Goal Area I: Advocacy, Funding and Public Policy
Goal Area II: Building the Profession
Goal Area III: Transforming Libraries
Goal Area IV: Member Engagement
Goal Area V: Organizational Excellence

Ultimately this budget will reflect the coordination and alignment of these complementary goals and the establishment of priorities that are then implemented by staff.

The due dates for the FY 2015 budget schedules are as follows:
- Divisions - **February 5, 2014**
- APA and All other GF and RT Units except Membership Dues, Publishing; Conference Services & ITTS - **February 11, 2014**
- Membership Dues, Publishing, Conference Services & ITTS - **February 18, 2014**

Submit the following FY 2015 budget schedules to both Denise Moritz and your respective Department Head:
- Budget Overviews-Attachment D
- Updated Division Strategic/Financial Plan
- Organizational Chart
- FY 2015 Prophix Budget Templates including Budget Notes
- Salary Worksheet-Exhibit 2 (Mark changes on the worksheet and return).
- Depreciation Worksheet-Exhibit 3 (Mark changes on the worksheet and return).
- Long-term Investment Fund Transfer/Withdrawal Request-Exhibit 4 is provided for requesting Division Fund balance transfers to the Long-term Investment Fund. The actual transfer will be determined based on the economic conditions at that time.
- ALA 2015 Strategic Objective Request or Organizational/Infrastructure Request-Exhibit 5- No FY 2015 funding is anticipated at this time.
- Capital Request-Exhibit 6
- A one page New Business Development proposal summary
- FY 2014 Projection worksheet will be issued in January - actual unit figures for December 2013 YTD will be included in this file.

In addition to the schedules provided, there may be additional information that you will be asked to submit with your budget documentation. BARC will review budget assumptions at the Midwinter Meeting. If there are any changes in the inflation assumptions or the budget development process, you will be notified immediately.

Please note that the Executive Board will meet on April 12-13, 2014. Please adhere to the due dates in order that the senior management will have sufficient time to review and prepare the budget presentation. Early submission of the budget would be greatly appreciated.

The FY 2015 budget packet and worksheets can be accessed in the share drive directory: S:\Management\UnitManagers_FY2015 Budget Packet. After completion of your budget, please email all your budget documents to Denise Moritz by or before the due date.

The Budget Review Meetings will be held from March 17, 2014 through March 24, 2014. A detailed meeting schedule in Excel format can be found under the Budget Calendar tab. If you have any questions, please call Greg Calloway at extension 3209 or Denise Moritz at extension 5834.

cc: Keith Michael Fiels, Executive Director
        Department Heads
        BARC

FY 2015 BUDGET PACKET
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*Note: Salary schedules will be emailed to you directly. All other
       forms & schedules can be accessed in the directory --
       **S:\Management\Unitmanagers\FY 2015 Budget_FY2015
       Budget Packet.**

FY 2015 BUDGET INSTRUCTIONS

Planning & Budgeting Framework

I

Economic Environmental Scan

The ALA budget instructions and guidelines are attached to assist you with your budget preparation. Please be aware that the budget assumptions consider the significant challenges facing library related budgets across the nation. Due to the current economic condition, library and other public sector services continue to experience budget reductions in FY 2015. This economic downturn will continue to have an impact on ALA's FY 2015 operations and therefore very conservative revenue and expense projections are included in the budget assumptions.

As a result, the FY 2015 budget will be prepared at the same level as the FY 2014 budget.

II

Business and Operational Goals

As a not-for-profit [501(c)(3)] corporate entity, the Association must recruit members, build financial resources to support members, recruit and train staff, utilize technology appropriately, evaluate and improve operations, and manage effectively. The Association must be able to respond effectively to growth, to new expectations from members and the public and to changing conditions. The Association must have a clear definition of success in any priority area or goal – and be able to accommodate the consequences of success. Here, too, the Association operates within the framework provided by mission, vision, key action areas, goals & objectives and structure. Business and operational goals should complement and support achievement of Association goals.

Assuming macro-economic stability in FY 2015, ALA's key FY 2015 organizational goals and strategies are as follows:

A. FY 2015 Organizational Goals

1. **Financial Performance**: General Fund net revenue will reach or exceed $250,000.

2. Members/Customers/Partners: Total membership will grow by 1% over the total number of members as of 8/31/13. There will be a specific focus on retention of first year members.

3. **Personal Learning**: Staff development decisions will be at the discretion of each Unit/Department/Division.

4. **Efficiency & Improvement**: Demonstrate an increase in member satisfaction above the rate achieved in FY 2013.

B.   FY 2015 Organizational Strategies

- Exercise prudent management of ALA resources to (a) maintain core operations and services, (b) ensure programmatic stability, (c) position the Association advantageously for the future, and (d) identify activities that can be eliminated, reduced in level or phased out.

- Focus resources on new business development.

- Continue enhancement of ALA's technology infrastructure, particularly increased electronic access to ALA content, enhanced member-to-member communication and interaction, and continued growth in new publishing, financial, conference and educational delivery methods.

- Continue recruitment and retention of ALA's membership, including librarians, library support staff, student, trustees, advocates, corporate members and Library Champions.

- Focus on enhancing cooperative relationships within ALA, with ALA chapters and affiliates, with other library or education associations, with other external associations which share our values and interests, and with corporate members as a means to enhance delivery of ALA's messages and educational programs.

- Final year of implementation of the ALA 2015 strategic plan.

- Work to increase number of scholarships, sponsorships, grants and planned giving.

- Identify opportunities for programmatic development.

- Continue enhancement of governance, planning & evaluation, communication reporting and organizational excellence.

- Provide increased value and generate sufficient funding of service and programs to members.

- Enhance investment opportunities to ensure endowment growth with focus on planned giving.

C.   New Funding Requests

1. For FY 2015 Capital Requests – please fill in Exhibit 6 - Capital Request Form.

2. For FY 2015 Growth Fund Request – please submit proposals to Management-Group for review.

3. The 2015 Project Request for FY 2015 Request (Exhibit 5) - no ALA funding is anticipated for FY 2015 at this time.

4. Business Development.

III

Steps to Prepare a Budget Request

(1) Review projects within your Budget

In preparing FY 2015 unit budgets, please review your existing projects to see if any changes, additions or deletions are necessary for the new fiscal year. If you need to make any changes, please inform Denise Moritz so that adjustments can be made to your budget during your budget preparation process. You should prepare GL Project Request Form-**Attachment C** and submit to John Cuculich for any new project request or project change. A copy of **Attachment C** should be submitted along with your budget request.

(2) Review and include FY 2015 assumptions in budget notes

In your FY 2015 budget, please use the FY 2012 ALA composite indirect cost rate of 25.4%.

Budget assumptions are provided to you as a reference for preparing the FY 2015 budget. The preliminary budgets are to be prepared at the same level as the FY 2014 approved budget. You may reallocate the funds among budget lines. If the FY 2014 budget is inappropriate as a base (e.g. because of a programmatic cycle), it is important to adjust your FY 2015 budget schedule and clarify your assumptions in your budget notes. Also, please use 2.85% when preparing your FY 2015 bank fee budget (refer to the analysis from John Cuculich).

(3) Complete budget and notes
Due dates:
- Divisions - **February 5**
- All other GF and RT Units except Membership Dues, Publishing, Conference Services & ITTS - **February 11**
- Membership Dues, Publishing, Conference Services & ITTS - **February 18**

For all applicable budget lines, please calculate the budget amount and input your FY 2015 budget request amount in the budget of the appropriate project in your unit's budget. Please submit your completed proposed FY 2015 budget request & FY 2014 projections to Denise Moritz.

Detailed notes should be prepared for each line of each project in your budget. Notes are important and are the main source of information that explains how the budgeted revenues and expenses are computed. Management relies heavily on your notes for preparation of the consolidated budget and during presentations to BARC and the ALA Executive Board. Please express assumptions clearly and briefly, providing relevant calculations where possible.

BUDGET SCHEDULES

Exhibit 1 – Prophix Budget Template

Beginning with the FY 2015, budgets will be prepared in Prophix. Training will be provided to budget managers from December 2013 to February 2014.

If you have not been introduced to the ALA budget process, please contact Denise Moritz (x 5834) to schedule a time to go over the process.

A budget template will be designed for your Unit/Department/Division based on FY 2014 budgets. If additional projects are needed, please contact Denise Moritz to have projects added to your Unit's budget. New projects should include revenues or expenses which total $5,000 or greater. If some of your current projects have a total of $5,000 or less, please review and consider combining those projects, if possible. Also, indicate any projects that you will not budget in FY 2015. Attachment C is to be used to request new projects or to request changes to existing project titles. Please complete form and forward to John Cuculich for approval and processing. A copy of the approved Attachment C should be sent to Planning & Budgeting along with your FY 2015 budget request.

Exhibit 2 – Salary and Benefit Worksheet

A listing of the FY 2014 approved positions in your unit is provided. Salary figures are based on the November 30, 2013 payroll. Review FY 2014 unfunded FTEs to see if the same assumptions should be applied to FY 2015. Please request a revised salary schedule to reflect the new unfunded FTE assumptions for FY 2015. Benefits are projected at 33% of total salaries less attrition for FY 2015. Overtime and in-house temp are assessed at 15% for benefits.

Your review of this worksheet entails the following steps:

A) If you need to update any aspect of this document, just let Denise Moritz know and a new worksheet will be prepared for you. For the General Fund, please do not include upgrades to salaries on this schedule. Highlight upgrades in your budget overview and submit upgrades to your department head and Human Resources.

B) Due to an increase in healthcare costs, 33% of salary less attrition should be budgeted for employee benefits (**Line 5010**).

C) Estimated overtime for non-exempt employees should be budgeted under **Line 5002.** Notes should be provided for all budgeted overtime. 15% of overtime wages should be added to the fringe benefit line (**Line 5010**).

D) Review the accuracy of all the data on the salary worksheet. The information on the salary worksheet was provided by Payroll/Human Resources. However, you may have more updated/revised data regarding employee names, title, grade level, and/or FTE %. Indicate all the necessary changes on this worksheet and return it to Planning & Budgeting in a confidential envelope or highlight the changes in the salary worksheet and email it back to Denise Moritz.

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E) Temporary employees should be budgeted under expense **Line 5001** (wages/temporary employees). Cross charges from other units should be budgeted as in-house temporary employees and not as outside consultants. The Unit will not be charged the full benefit rate for temporary employees. However, there are benefit costs incurred. ALA is responsible for paying FICA, State and Federal FY 2015 Unemployment and Workers Compensation for in-house temporary employees. <u>You should budget fringe benefits for temporary employees by applying 15% to the gross wages.</u>

Exhibit 3 – Depreciation Worksheet

This worksheet contains all fixed assets purchased by your unit through FY 2013 and the **budgeted** capital purchases for FY 2014. Total projected depreciation/amortization expense for FY 2015 has been calculated by Planning & Budgeting before any FY 2015 new additions. <u>Depreciation should be allocated to the administrative project.</u>

For your information, depreciation expense is calculated in the following manner:

1) All units requesting capital items in FY 2015 will be charged depreciation/amortization on approved items in FY 2015. Planning & Budgeting will adjust your FY 2015 budget after the Capital Budget request is approved.

2) Computer Related Equipment (printers, software, etc.) -- based on a three-year depreciable life. Allocate one-sixth (one-half of one-third) of the item's purchase price to depreciation expense in the year purchased, one-third of the purchase price each of the second and third years, and one-sixth in the fourth year.

3) Office Equipment and Furniture -- based on a five-year depreciable life. Allocate one-tenth (one-half of one-fifth) of the purchase price in the year purchased, one-fifth each of the second through fifth years, and one-tenth in the sixth year.

4) Development cost for software – based on a five-year life. Allocate one-tenth (one-half of one-fifth) of the purchase price in the year purchased, one-fifth each of the second through fifth years, and one-tenth in the sixth year.

Exhibit 4 - Long-term Investment Fund Transfer Request - for Divisions and Round Tables

Withdrawals from the Division's Long-term Investment funds must be part of the Division's annual budgetary and three-year planning processes.

Exhibit 4 is provided for requesting Division Fund balance transfers to the Long-term Investment Fund. The actual transfer will be determined based on the economic conditions at that time. Please refer to Attachment E – ALA Operating Procedures for Transfers to/from the Long-term Investment Fund for detailed information.

Exhibit 5 - ALA 2015 Strategic Objective or Organizational/Infrastructure Request

No FY 2015 funding is anticipated at this time.

Exhibits 6, 6A & 6B – Capital Request Form

The Capital Request Form-**Exhibit 6** is used for General Fund Units to request items of equipment or furniture costing more than $1,000. The Capital Request Form-**Exhibit 6A** is used for Divisions to request items of equipment or furniture costing more than $1,000 and will be paid by the Division. The Capital Request Form-**Exhibit 6B** is used for Divisions to request basic furniture costing more than $1,000 and will be paid by the General Fund.

Units anticipating building improvements or furniture additions should also use the Capital Request Form to submit your request.

ITTS will no longer lease personal computers and monitors; therefore computer-related equipment (such as scanners, printers, and software over $1,000) will be capitalized and depreciation expense will be charged to units. For lease expense of other equipment, please see budget instructions for Equipment Lease Expense account #5520.

A) UNIT NUMBER: The Unit requesting the equipment should be included here. Where more than one Unit will be sharing the cost and depreciation, all should be included and an appropriate division of such costs should be identified.

B) ITEMS REQUESTED: Multiple items can be combined on one request. For instance, a personal computer and printer would constitute a single Capital Request. Software and maintenance must be budgeted in your Unit's operating budget, accounts #5501 and #5140.

C) DESIRED MONTH OF ACQUISITION: To assist in forecasting the cash flow, identify the earliest desired and latest possible month for which you need the equipment.

D) ESTIMATED LIFE: For computer related equipment, use a depreciable life of three years. For furniture and office equipment use a life of five years. These depreciation assumptions conform to industry standard. Please contact Planning & Budgeting for the life of other equipment.

E) ESTIMATED PURCHASE PRICE: Provide your best estimate of cost, obtained from catalogs or vendor quotes. For standard equipment, the Office of Support Services and Facility can provide estimates for you. For estimated purchase price of computer-related equipment, please contact ITTS.

F) SUMMARIZE JUSTIFICATION: Provide a brief description of the purpose or functions to be fulfilled through the use of this equipment. Use additional pages if necessary. Include software applications.

G) <u>STAFF/SPACE REQUIREMENTS:</u> If you require additional office and workspace to operate the new equipment, identify the estimated square footage.

Other Accounts (Budget lines):

#4400 – Material Contributions/Sponsorship

In order to comply with accounting standards, please budget in FY 2015 any material future contributions/sponsorships including pledges, which are legally enforceable at the time the budget is prepared. It is important to note if the donor placed any restrictions on the use of the funds.

#4430 -- Royalties – Non-exempt

For Divisions, overhead is assessed to revenues received from licensing agreements for on-line products and the Publishing overhead rate should be applied.

#5301 -- Conference Equipment Rental

For audio/visual equipment for Midwinter and Annual Conferences business meetings and programs to be budgeted in the Conference Arrangements budget, please forward estimates for your conference equipment needs to Conference Arrangements by December 17, 2013. Equipment for pre- and post-conferences are to be budgeted in your Unit's budget.

#5520 - Equipment Lease Expense

If your equipment lease expense account includes leased equipment, please provide detail of all equipment leases in your budget notes.

#5905 - IUT - Subscription Processing

All subscriptions processed in house by Customer Service should charge their related expenses to account #5905. Please apply the rate of $5.85 per subscription for FY 2015 as provided by Customer Service.

#5911 - IUT - General Overhead

The ALA composite rate is based on the FY 2012 Indirect Cost Study – 25.4% for the FY 2015 budget.

#5940 - IUT - Registration Processing

All registration expenses processed in house by Customer Service should be charged to account #5940.

#5999 - IUT - Miscellaneous Expense

For those units budgeting separately-ticketed events (e.g. tours and meal functions) add $1.00 to the ticket price. The budget should be reflected in #5999.

(4)   Complete Unit budget overview

Please refer to Instructions to Develop Budget Overview-Attachment for preparing Unit budget overview. Complete Budget Overview Form - Attachment D (Microsoft Excel file) for specific Unit program and activities related to the following:
- Unit key functions
- Key environmental assumptions
- Positive/negative trends (internal)
- Major multiyear Unit goals
- FY 2015 Unit plan changes
- Major FY 2015 projects as it relates to 2015 goals and objectives, Unit goals, and ALA organizational goals
- Significant additional information.

(5)   Update and submit Unit Organizational Chart

Include an organizational chart of your Unit reflecting your FY 2014 Unit's reporting structure, job titles and job grades. Identify all funded and unfunded employees. If changes are requested, include current and proposed organizational chart.

Exhibit 1
American Library Association
ASC 805 (SFAS 141r) Analysis - Neal-Schuman Publishers, Inc.
Summary and Conclusion of Intangible Asset Values
As of December 23, 2011

4/20/2012

Intangible Assets	Fair Value 12/23/2011	Estimated Useful Life (Years)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Non-Compete Agreement	74,000	4	9,250	18,500	18,500	18,500	9,250							74,000
Trademarks & Brand Extension	1,684,000	10	84,200	168,400	168,400	168,400	168,400	168,400	168,400	168,400	168,400	168,400	84,200	1,684,000
Backlist	516,000	3	86,000	172,000	172,000	86,000								516,000
Distribution Relationship	631,000	7	45,071	90,143	90,143	90,143	90,143	90,143	90,143	45,071				631,000
Co-publishing Relationship	998,000	7	71,286	142,571	142,571	142,571	142,571	142,571	142,571	71,286				998,000
Online & Catalog	150,000	3	25,000	50,000	50,000	25,000								150,000
Customer Relationships	197,000	7	14,071	28,143	28,143	28,143	28,143	28,143	28,143	14,071				197,000
Total Intangible Assets	4,250,000		334,879	669,757	669,757	558,757	438,507	429,257	429,257	298,829	168,400	168,400	84,200	
Goodwill (incl. Workforce)	2,376,000	Indefinite												2,376,000
	6,626,000													6,626,000
Amortization by Yr			334,879	669,757	669,757	558,757	438,507	429,257	429,257	298,829	168,400	168,400	84,200	4,250,000
Accumulated Amortization			334,879	1,004,636	1,674,393	2,233,150	2,671,657	3,100,914	3,530,171	3,829,000	3,997,400	4,165,800	4,250,000	4,250,000

CAPITAL REQUEST FORM

Unit Number: _____

Date Submitted: _____

Item(s) Req.	Earliest Desired/ Latest Acceptable Mo. of Acquisition	Estimated Life	(2) Estimated Purchase Price FY 2015
TOTAL			$0

Check One:

Replacement Equipment _____
New Equipment _____
Additional Space/Offices _____

JUSTIFICATION
Summarize justification for this request. Attach justification for items. (Are there any savings in operations to be gained from purchase? If so, please state amount).

	YES	NO
Will you need to add additional space/offices with current stafff?		
Will you need to renovate/improve office space of your unit?		
Will you need additional space for equipment?		
Will you need additional furniture/fixture for new equipment?		

If yes, please describe

What is the estimated cost of training and required supplies?　　　　$0
What is the estimated cost of maintenance agreement?　　　　$0

APPROVAL:　　　　Unit Head: _____

　　　　　　　　Department Head: _____

*Estimated life of various types of equipment is available from Finance/Budgeting or from the Controller.
  Contact either Sandy Lee or Russ Swedowski for this information.

(1) Capital equipment funded by General Fund includes basic furniture (i.e. desk, chair, cabinet, bookcase)
(2) Please attach quotes from vendors, when available.

CAPITAL REQUEST FORM
TO BE FUNDED BY DIVISIONS (1)

Unit Number: _____

Date Submitted: _____

Item(s) Req.	Earliest Desired/ Latest Acceptable Mo. of Acquisition	Estimated Life	(2) Estimated Purchase Price FY 2015
TOTAL			$0

Check One:

Replacement Equipment _____

New Equipment _____

Additional Space/Offices _____

JUSTIFICATION

Summarize justification for this request. Attach justification for items. (Are there any savings in operations to be gained from purchase? If so, please state amount).

	YES	NO
Will you need to add additional space/offices with current stafff?		
Will you need to renovate/improve office space of your unit?		
Will you need additional space for equipment?		
Will you need additional furniture/fixture for new equipment?		

If yes, please describe

What is the estimated cost of training and required supplies? $0

What is the estimated cost of maintenance agreement? $0

APPROVAL: Unit Head: _____

          Department Head: _____

*Estimated life of various types of equipment is available from Finance/Budgeting or from the Controller.
Contact either Sandy Lee or Russ Swedowski for this information.

(1) Capital equipment funded by General Fund includes basic furniture (i.e. desk, chair, cabinet, bookcase)
(2) Please attach quotes from vendors, when available.

CAPITAL REQUEST FORM
TO BE FUNDED BY GENERAL FUND (1)

Unit Number: _____

Date Submitted: _____

Item(s) Req.	Earliest Desired/ Latest Acceptable Mo. of Acquisition	Estimated Life	(2) Estimated Purchase Price FY 2015
TOTAL			$0

Check One:

Replacement Equipment _____
New Equipment _____
Additional Space/Offices _____

JUSTIFICATION

Summarize justification for this request. Attach justification for items. (Are there any savings in operations to be gained from purchase? If so, please state amount).

	YES	NO
Will you need to add additional space/offices with current stafff?		
Will you need to renovate/improve office space of your unit?		
Will you need additional space for equipment?		
Will you need additional furniture/fixture for new equipment?		

If yes, please describe

What is the estimated cost of training and required supplies? $0
What is the estimated cost of maintenance agreement? $0

APPROVAL: Unit Head: _____

Department Head: _____

*Estimated life of various types of equipment is available from Finance/Budgeting or from the Controller.
  Contact either Sandy Lee or Russ Swedowski for this information.

(1) Capital equipment funded by General Fund includes basic furniture (i.e. desk, chair, cabinet, bookcase)
(2) Please attach quotes from vendors, when available.

FY 2015 BUDGET CALENDAR

DATE	ACTION
October-December, 2013	Preparation of Salary Worksheets, Depreciation Worksheets, and Unit Budget Templates in Prophix for All Units.
December 3, 2013	All Units Budget Instructions Issued
December 5, 2013	Production Services Unit Forwards Cost Estimates for Journals and Newsletters to Units
January 8, 2014	Small Division Basic Service Budgets to be Reviewed by Small Division Executive Directors
2014 Midwinter Mtg. (January 24-29)	BARC to review General Fund and Division Budget Instructions and Inflationary Assumptions. Approved President Elect Budget Division Boards approve Preliminary Division Budgets
February 5, 2014	**DIVISION BUDGETS, OVERVIEWS, STRATEGIC/FINANCIAL PLAN & ORGANIZATION CHARTS DUE IN PLANNING & BUDGETING AND DEPARTMENT HEADS**
February 11, 2014	**UNIT BUDGETS, UNIT OVERVIEWS, AND ORGANIZATIONAL CHARTS DUE IN PLANNING & BUDGETING AND DEPARTMENT HEADS:** **EXECUTIVE OFFICE UNITS INCLUDING OPERATIONS** **MEMBER PROGRAMS & SERVICES UNITS (EXCEPT CONF. SERV. & ITTS)** **COMMUNICATIONS & MARKETING** **FINANCE, ACCOUNTING & PLANNING & BUDGETING** **ROUND TABLES** **PLANT FUND** **LONG-TERM INVESTMENT FUND AND GRANTS & AWARDS** **APA**
February 18, 2014	**UNIT BUDGETS, UNIT OVERVIEWS, AND ORGANIZATIONAL CHARTS DUE IN PLANNING & BUDGETING AND DEPARTMENT HEADS:** **MEMBERSHIP DUES** **PUBLISHING** **CONFERENCE SERVICES & ITTS**

FY 2015 BUDGET CALENDAR

DATE

ACTION

DATE	ACTION
February-March, 2014	Analysis and Preparation of Budget Review Schedules by Planning & Budgeting: * Review and Analysis, Meeting with Units * Preparation of Summaries
March 17, 2014	Automation Capital Request Forwarded to ITTS
March 20, 2014	ITTS Recommendations Returned to Planning & Budgeting and Department Heads
March 17 to 24, 2014	**General Fund, Divisions, & APA Budget Reviews**
March 27, 2014	**Department Heads Budget Review:** **General ALA Budget Overview/Issues;** **FY 2015 Preliminary General Fund Budget-1st Iteration;** **Budget Adjustments**
March 28, 2014	**Budget Prioritization Discussion;** **FY 2015 Preliminary APA Budget;** **Compensation Plan (Finalization);** **Capital Budget (Finalization);** **Budget Recap;** **FY 2015 Preliminary Budget-Final Board Presentation Discussion**
March 31, 2014	**Department Budget Overviews Due in Planning and Budgeting**
April 7, 2014	Budgets Mailed to Executive Board
April 12-13, 2014	Executive Board Meeting to Review Total ALA Preliminary Budget Request-*Chicago*
April/May, 2014	BARC Meeting to review Total ALA Preliminary Budget Request

Note: PLA National Conference – Indianapolis – March 11-15, 2014

9/12/2013

FY 2015 REVENUE/EXPENSE ASSUMPTIONS

Revenue Factors	Account #.	Assumptions	% of Revenue	% over FY 2014 Budget
Interest/Dividend Income	4420	5% rolling average of last 20 calendar quarters of the net asset balance of Long-term Investment (Calendar quarter Sept 30, 2008 - June 30, 2013)		

Expense Factors

Revenue Factors	Account #.	Assumptions	% of Revenue	% over FY 2014 Budget
ALA Expense reduction Rate		Per Budget Instruction		0.0%
General Inflation		General inflation rate		2.0%
		2009 = 2.7%, 2010 = 1.5%, 2011= 3%, Projected 2012 = 2%		
Travel	5210	Airfare Rate Increase Rate For Mileage Reimbursement - 56.5 Cents/Mile; Per Diem $50/day		2.0%
Lodging & Meals	5212	General Inflation Rate		2.0%
Postage	5523/5909			4.0%
Supplies	5500	General Inflation Rate		2.0%
Bad Debt	5543	As a Percentage Of Gross Sales	1.0%	
Returns	4601	As a Percentage of Gross Sales	5.0%	
IUT-Production Services	5901	Production Services will communicate the % increase to units		
IUT-Reprographics	5910	General Inflation Rate		2.0%
Paper/Publications		Uncoated Paper		5.0%
Income Taxes	5600	As a Percentage of Gross Advertising Revenue:		
		Booklist	4.0%	
		Booklinks & CHOICE	2.0%	
		C&RL News	3.0%	
		All Other Units	1.0%	
Library Materials	5502	General Inflation Rate		2.0%
Employee benefits - Exempt & Non-Exempt	5010	As a Percentage of Salary Cost less attrition, apply a 30.0% Factor		
Employee benefits - In-House Temp/OT	5010	As a Percentage of Salary Cost, apply a 15% Factor for in-house temporary and overtime		
Attrition-GF only	5005	As a Percentage of Salary Cost, apply a -5% factor		
Staff Development	5031	As a Percentage of Salary Cost, apply 1.5% factor or based on unit discretion		
Indirect Cost Rates	5911	ALA Overhead Rate: Composite: FY 2012 = 25.4% Fed Gov't Grant Preliminary Rate: 18.57% Non-Fed Gov't Grant Preliminary Rate: 18.57% Other Agencies 30.0%		

FY 2015 Budget Assumptions

Revenue Factors	Account #	Assumptions	% of Revenue	% over FY 2014 Budget
Interest/Dividend Income	4420	5% rolling average of last 20 calendar quarters of the net asset balance of Long-term Investment (Calendar quarter Sept 30, 2008 - June 30, 2013)		
Expense Factors				
ALA Expense reduction Rate		Per budget instructions		0.0%
General Inflation		General inflation rate FY 2010 = 1.5%, FY 2011 = 2.4%, FY 2012 = 2.6%, FY 2013 = 1.6%		2.0%
Depreciation		Capitalize and depreciate, equipment purchases greater than		$1,000
Bank service fees	5122			2.85%
Travel	5210	Airfare Rate Increase Rate For mileage reimbursement - 56 cents/mile; per diem $50/day		2.0%
Lodging & Meals	5212	General inflation rate		2.0%
Postage	5523/5909			4.0%
Supplies	5500	General inflation rate		2.0%
Bad Debt	5543	As a Percentage Of Gross Sales	1.0%	
Returns	4601	As a Percentage of Gross Sales	5.0%	
IUT - Marketing	5900			10%
IUT - Production Services	5901	Production Services will communicate the % increase to Units		
IUT - Data Processing/ITTS	5902			
IUT - Subscription Processing	5903			$5.85
IUT - Reprographics	5910	General inflation rate		2.0%
Paper/Publications		Uncoated Paper		5.0%
Income Taxes	5600	As a Percentage of Gross Advertising Revenue: Booklist Booklinks & CHOICE C&RL News All Other Units	1.0% 1.0% 1.0% 1.0%	
Library Materials	5502	General inflation rate		2.0%
Employee benefits - Exempt & Non-exempt	5010	As a percentage of salary cost less attrition, apply a 33% factor		
Employee benefits - In-house temp/OT	5010	As a percentage of salary cost, apply a 15% factor for in-house temporary and overtime		
Attrition - General Fund only	5005	As a percentage of salary cost, apply a -5% factor		
Staff Development	5031	Based on Unit discretion		
Indirect Cost Rates	5911	ALA Overhead Rate: Composite: FY 2012 = 25.4% Fed Gov't Grant Preliminary Rate: 18.57% Non-Fed Gov't Grant Preliminary Rate: 18.57% Other Agencies 30.0%		

FY 2015 BUDGET REVIEW MEETING
With
Unit Managers, Department Heads,
Keith Fiels, Gregory Calloway, & Denise Moritz

Date	Time	Name	Unit
Monday March 17, 2014	9:15am - 10:00am (Central Time)	Sally Reed	UFL (Conference call)
	10:00am - 10:30am	Mary Taylor	LITA
	10:30am - 11:30am	Susan Hornung	ASCLA & RUSA
	11:30am - 12:00pm	Charles Wilt	ALCTS
	1:30pm - 2:15pm	Aimee Strittmatter	ALSC
	2:15pm - 3:00pm	Beth Yoke	YALSA
Tuesday March 18, 2014	9:45am - 10:30am	Barb Marcikas	PLA
	10:30am - 11:15am	Sylvia Norton	AASL
	11:15am - 12:15pm	Kerry Ward	LLAMA
	1:30pm - 2:45pm	Mary Ellen Davis & Mark Cummings	ACRL & CHOICE
Wednesday, March 19, 2014	9:15am - 9:45am	Marci Merola	OLA
	9:45am - 10:15am	Mark Gould	PIO
	10:15am - 10:45am	Ron Jankowski	Membership Dues, & Member
	10:45am - 11:15am	Juanita Rodriguez	Customer Service
	11:15am - 11:45am	Michael Dowling	IRO/Chapter Relations
	11:45am - 12:00pm	Cathleen Bourdon	Communications /AED
	1:15pm - 1:45pm	Karen Muller	Library
	1:45pm - 2:15pm	Deb Robertson	Public Programs
	2:15pm - 2:45pm	Kathy Rosa	ORS
Thursday March 20, 2014	9:15am - 9:45am	JoAnne Kempf & Cheryl Malden	Executive Board, Council, Executive Office & ALA Awards program
	9:45am - 10:15am (Central Time)	Emily Sheketoff	Washington Office & OITP (Conference call)
	10:15am - 10:45am	Kimberly Olsen-Clark	Development Office
	10:45am - 11:15am	Ron Bruzan	Office of Operations & Support
	11:15am - 12:00pm	Cynthia Vivian	HR
Friday March 21, 2014	9:15am - 10:00am	Michelle Harrell Washington	OLOS & Diversity Office
	10:00am - 10:30am	Karen O'Brien	OA
	10:30am - 11:00am	Barbara Jones	OIF
	11:00am - 11:45am	Lorelle Swader	HRDR
	11:45am - 12:15pm	Lorelle Swader	APA
	12:15pm - 12:30pm	Mary Ghikas	MPS/AED
	1:30am - 2:30pm	Sherri Vanyek	ITTS
	2:30pm - 3:30pm	Paul Graller	Conference Services
Monday March 24, 2014	9:30am - 10:30am	Don Chatham	Department Overview/AED
	10:30am - 11:15am	Don Chatham	ALA Editions
	11:15am - 12:00pm	Troy Linker	ALA Digital Reference
	1:30pm - 2:15pm	Bill Ott	Booklist
	2:15pm - 3:00pm	Laurie Borman	AL
	3:00pm - 3:45pm	Rachel Johnson	ALA Graphics

* All meetings will be held in the Judith F. Krug Room

9/12/13

FY 2015 BUDGET REVIEW MEETING
With
Department Heads,
Keith Fiels, Gregory Calloway & Denise Moritz

Date	Time	Description	Discussion Items
Thursday March 27, 2014	9:00am - 4:30pm	Department Heads Budget Overview	General ALA Budget Overview / Issues FY 2015 Preliminary General Fund Budget-1st Iteration Budget Adjustments
Friday March 28, 2014	9:00am - 4:00pm	Department Heads Budget Overview	Budget Prioritization Discussion FY 2015 Preliminary APA Budget Compensation Plan (Finalization) UNITED (Conference call) Technology Reserve Fund Budget Recap FY 2015 Preliminary Budget-Final
Monday March 31, 2014			Department Heads Budget Overviews due Planning & Budgeting
Monday April 7, 2014			FY 2015 Preliminary Budget - Mailing to Executive Board Members
Friday - Sunday April 12-13, 2014		Executive Board Spring Meeting	FY 2015 Preliminary Budget - Approval
Friday April 18, 2014			FY 2015 Preliminary Budget - Mailing to BARC Members
April/May, 2014		BARC Spring Meeting	Final-FY 2015 Preliminary Budget Review

* All meetings will be held in the Carnegie Room

912/2013