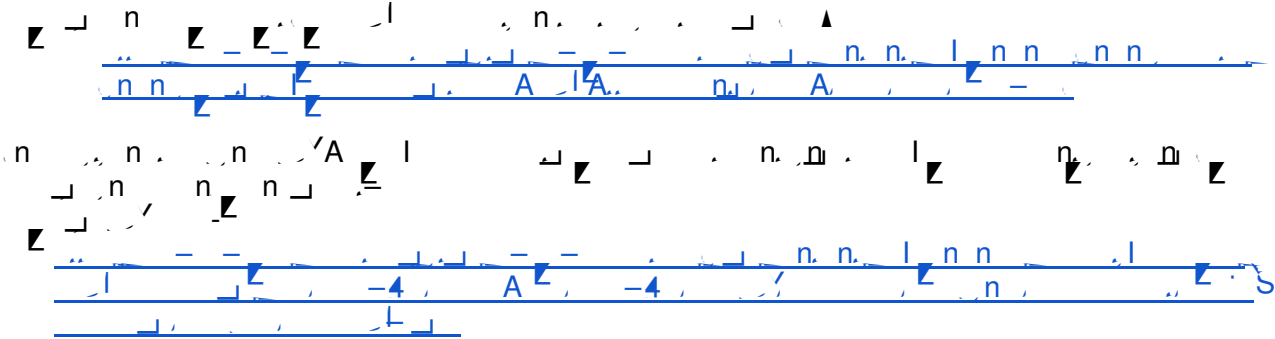


ALA Financial Questions and Responses
June 6, 2020

ALA is a 501(c)(3) nonprofit organization. Our financial statements are audited by an independent accounting firm. The 2019-2020 financial statements are available on our website at www.ala.org/about-ala/financial. The 2020 financial statements are currently under review and will be available in the coming weeks. We are committed to transparency and accountability in our financial operations.



Sale of the Chicago Headquarters Building

3. Why place the bulk of the HQ sale in endowment? And why place \$1 million in short term/cash? Concern regarding investment when there is a cash shortfall.

... A A ...

4. ALA HQ is prime real estate so was the price too low?

... A A ...

7. Is this a typical cash crunch for ALA?

ALA's budget is significantly higher than in previous years, and this is not a typical cash crunch for ALA. The budget for the 2020 ALA Annual Conference is \$1.5 million, which is a significant increase from the \$1.2 million budget for the 2019 ALA Annual Conference. This increase is due to a number of factors, including the need to support the ALA's strategic plan, the need to support the ALA's efforts to address the COVID-19 pandemic, and the need to support the ALA's efforts to address the needs of the ALA's members. The ALA's budget is also significantly higher than the budget of other major professional associations, such as the American Library Association (ALA) and the American Association of University Professors (AAUP).

Divisions and Round Tables

8. Divisions/Round Tables - can they spend? Why did ALA take the money?

15. What should divisions and units plan for FY21?

[Illegible text]

16. Explain the “one checkbook” analogy.

[Illegible text]

Long Term Investments/Endowment/Donor Funds

17. Please provide an outline of our endowment/investments including restricted versus unrestricted.

[Illegible text]

21. Is ALA using the long-term investment to pay for operations?

ALA is not using the long-term investment to pay for operations. The investment is held in a separate fund and is used to provide a source of funds for the future. The investment is managed by a professional investment manager and is subject to the same risks as any other investment.

Divisions and Round Tables

22. What are the net assets of the Divisions?

The net assets of the Divisions are reported in the financial statements. The net assets of the Divisions are as follows: [#-4](#)

23. Does ALA have any written rules or guidelines related to Division and Round Table balances?

[The Operating Agreement <A.4.3.4.1>](#) Divisions must generate from dues and other revenue excluded from overhead at least 5% of the fund required to provide basic services. If a Division is unable to meet this 5% level for two consecutive years its status as a Division must be referred to Council by the Executive Board with an appropriate recommendation. Money from the General Fund will not be used to offset expenses for non-dues revenue-generating products and services. Divisions may retain the net revenue from these activities to maintain and support other similar activities in the future.

24. Divisions are being asked to be fiscally responsible but their balances are being pulled for ALA General Fund. Please explain.

Divisions are being asked to be fiscally responsible but their balances are being pulled for ALA General Fund. This is because the ALA General Fund is used to cover the operating expenses of the organization. The ALA General Fund is also used to cover the operating expenses of the Divisions. The ALA General Fund is also used to cover the operating expenses of the Round Tables.

F&A Audits

... n ... A ... n ...

What is our liquidity? What are our cash/short term assets?

... n ... n ...

Strategic Investment Plan – details

... n ... n ...

A ... n ... A Ann ... n ...

A ... n ...
A A ... n ...
A A ... n ...