

Canadian Library Association Budget and Financial Report

May 2014

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Treasurer

The purpose of this report is to provide members with an overview of the 2014 Budget approved by the CLA Executive Council. It is also an opportunity to outline the financial challenges, and opportunities, for CLA in the coming years.

Financial health is essential to organizational health. For some time CLA has struggled to establish a solid financial foundation on which to build and sustain the services members expect and want. Many of those difficulties remain. However, there are numerous reasons to be optimistic.

The 2014 budget should be viewed as transitional. It does not solve the financial challenges but it does provide some stability and the opportunity to grow. Executive Council is focused on multi-year budgeting models that are tied closely to strategic directions. The Council will seek partnerships in order to share costs and improve outcomes, and it will expand the membership based on member priorities, value, and engagement.

The 2013 budget year ended with a deficit of \$169,970. This was the result of fewer memberships, reduced revenue from the conference, and the severance costs for the former Executive Director. This shortfall was covered and eliminated in the 2014 budget with a one-time transfer from the CLA unrestricted fund. The diminishment of the unrestricted funds (CLA has many restricted funds; see the budget document) is a concern since this fund provides financial flexibility for the organization. Replenishing this fund is a multi-year objective of Executive Council.

The CLA budget is quite simple. The two primary sources of income are memberships and the annual conference. Both brought in less money in 2013 than the years before. The primary expenditures are salaries and contracts, operations, conference overhead, advocacy and member engagement initiatives, and communications. Based on a request from the 2013 Executive Council the budget presentation has been modified to display expenditures and income in accordance with the 5 strategic goals: Champion Library Values, Advocacy and Influencing Public Policy, Member Engagement, Partnerships, and Organizational Excellence. This report is still evolving (calculating and allocating income and staff expenses to each goal has proven difficult). However, increasingly it will be a tool to align financial resources with strategic goals.

In order to stabilize costs a number of actions were taken at the beginning of the fiscal year:

1. membership fees would not be prorated as the impact on the revenue stream would have been debilitating
2. staff salaries (including compensation for contract staff) have been frozen

3. costs for printing and mailing were substantially reduced and communications programs have been moved to electronic and online platforms and
4. travel for staff and volunteer governance were significantly reduced or eliminated.

Executive Council has approved an expenditure pool of \$100,000 to enable transformation at CLA. While this is a small amount of money given the needs, it is a significant portion of CLA's reserve funds. The funding will come from the Mary Elizabeth Allan Fund, a restricted fund whose terms include association management and operations. The transformation fund is being allocated to the Executive Director with Executive Council approval on any expenditures. As a financial lever, this allocation will assist CLA by concluding less important operations and services, by establishing new directions and enhancing current priorities, and by attracting new members based on an alignment with their expressed needs and expectations.

We are being prudent to ensure investment funds and income are maximized within our risk tolerances, and we have allocated sufficient funds to wind up the organization should that ever be necessary (an obligation of the Board of any organization). CLA's investment policies will be reviewed and updated. While there is no immediate concern, and the current investments are serving CLA appropriately, the time has come to review the full portfolio and CLA's investment strategy.

An IT Renewal Project is progressing under the leadership of the Treasurer. The CLA IT infrastructure has been woefully neglected. The essential administrative tools and resources needed by any association are either lacking or insufficient. Communication with members, partners, stakeholders, and other interested groups has been constrained by limited or unsophisticated tools and services.

This project has experienced some difficulties. Funds were raised through core budget allocation, a membership tariff, and member donations. The initial project, begun in early 2013, resulted in a contract with an external provider who subsequently did not meet the specifications and requirements of the project. That contract has been terminated. Both time and resources have been expended and lost. The renewed project, begun in earnest in late 2013, resulted in the development and release of a new RFP as well as the collection of proposals which are to be reviewed just prior to the CLA National Conference. Components of the new IT infrastructure will be developed and implemented following the annual conference.

Executive Council is reviewing the financial viability of CLA's monograph publications program and its book sales operations (CLA is the Canadian distributor for ALA publications and sells other resources). It is not clear that these services, while generating a modest income, are continuing to be core to the members and an effective use of staff resources. Rather than finding any way to generate even small amounts of funding (i.e. acting as an ALA distributor), CLA must establish key priorities and assemble or attract the resources necessary to support them. The former has resulted in CLA being diverted from its core business; the latter is a challenge of building credibility with our community and establishing CLA as an important vehicle worthy of support.

In addition to streamlining services and programs, Executive Council is working towards reducing operating costs. In particular, staff have been investigating alternative office space that would be appropriate for the current needs of the organization and at a more favourable lease cost. The costs to relocate and transition to a new lease will have to be considered if any move is planned.

The financial state of CLA is stable but in transition. A series of corrections and adjustments are required to establish the foundation that is essential to fully advance the mandate of the association. The Executive Director and Executive Council are committed to making the difficult decisions necessary to focus the organization and deliver increased value for members. The result will be increased membership, more active member engagement, and an increased influence in the larger community that shapes libraries and information management in Canada.

As Treasurer, I welcome your questions, concerns and ideas. Please do not hesitate to contact me at mridley@uoguelph.ca, the CLA Facebook page, the Twitter account (@CLA_web) or the CLA Office at (613) 232-9625.

Canadian Library Association
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Revenues

Goal 1: Champion Library Values	17,150.00
Goal 2: Advocacy: Influence Public	-
Goal 3: Member Engagement	
Membership	413,000.00
Conference / Exhibits	500,300.00
Members Communications	28,000.00
Publication Sales	141,500.00
CLA Networks	14,000.00
Committees / Task Forces	-
Awards	9,000.00
Continuing Professional Development	28,000.00
Goal 4: Partnerships	-
Goal 5: Organizational Excellence	
Governance	-
Operations	-
Finance	23,000.00
GST	-
Total Revenues	1,173,950.00

Expenses

Goal 1: Champion Library Values	55,150.00
Goal 2: Advocacy: Influence Public	44,850.00
Goal 3: Member Engagement	
Membership	80,400.00
Conference / Exhibits	336,945.00
Members Communications	85,450.00
Publication Sales	86,800.00
CLA Networks	22,875.00
Committees / Task Forces	9,450.00
Awards	16,300.00
Continuing Professional Development	17,925.00
Goal 4: Partnerships	46,450.00
Goal 5: Organizational Excellence	
Governance	97,150.00
Operations	147,130.00
Finance	110,550.00
GST	33,200.00
Total Expenses	1,190,625.00

Net Income / Loss	- 16,675.00
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