

ning the following September. The requests that are submitted to the ACRL office in November are reviewed by the Budget and Finance Committee during the midwinter meeting and then become part of the preliminary budget that is finalized and recommended to the Board in June. That budget goes into effect the following September 1. The corporate memory of each ACRL unit must be long; that is, active members must assist one another in becoming aware of and meeting the deadlines associated with the budget process.

You will learn to use the documentation that is available and to work within the budget process in order to be effective in divisional activities. Specifically, to be fully informed you should have copies

of three documents: 1) the *ACRL Fiscal Policy Manual*; 2) the *ACRL Guide to Policies and Procedures*, which contains a wealth of helpful hints including the budget calendar; and 3) the brochure entitled "Strategic Planning." None of the documents is formidable and the procedural information gained from reading them will more than pay for your investment of time.

As you work with the financial scene of ACRL, you will see that there are many, many more requests for funding than there are sources of revenue. Just as in our households and in our individual libraries, there are always more ways to improve our situations and spend our money than there is money to go around. ■■

ACRL's financial plan

Prepared by the ACRL Budget and Finance Committee

Linda Piele, Chair

JoAn Segal, ACRL Executive Director

A preliminary hearing on the Financial Plan will be held at Midwinter on Sunday, January 8.

The ACRL Strategic Plan sets out an ambitious program of action for the Division. It assumes that there will be adequate financial resources to carry out that program. In the summer of 1987, the ACRL Budget and Finance Committee appointed a subcommittee to draft a financial plan for the Division to ensure that those resources would be adequate. At the San Antonio Midwinter Meeting, ALA COPEs recommended that divisions develop financial plans and suggested a uniform format. Using that format, the subcommittee, headed by Elizabeth Salzer, submitted a first draft in the spring of 1988. The Executive Committee discussed and revised that draft in April, and directed staff to do further analysis. In New Orleans, the

Budget and Finance Committee discussed the draft and suggested a few additional changes. They recommended, and the Board voted, that a preliminary hearing be held to discuss the Plan at the Midwinter Meeting in Washington, D.C., in January 1989.

We have already found the analysis valuable and enlightening. We look forward to your participation in the process of further development. Following the hearings, the Budget and Finance Committee and the Staff will make revisions in light of your comments. We hope to be able to adopt a plan at Dallas and to put in place an ongoing process for keeping it up to date.

Highlights of the plan needing discussion include:

- Programmatic growth and associated growth in costs, including staff costs. An active association provides services to members, but staff costs are inflexible.

- Problem identification section. Are the problems identified really the ones for concern? Are there others?

- "Business" goals and financial objectives. Are these realistic? How might they be changed?

Should ACRL's mandated fund balance continue to be 50% of expenses?

- Strategies and Financial Analysis. These areas of the plan are as yet undeveloped because they require agreement on the problems and their importance and consensus regarding the financial goals and objectives before possible solutions can be generated and a selection of those ACRL should implement can be made.

Your suggestions are needed. We hope you will come to the hearings, Sunday evening, January 8, 8:00-10:00 p.m.

ACRL Financial Plan, 1989-1994

ALA Mission

The mission of the American Library Association is to provide leadership for the development, promotion, and improvement of library and information services and the profession of librarianship in order to enhance learning and ensure access to information for all.

Division mission

The mission of the Association of College and Research Libraries (ACRL) is to foster the profession of academic and research librarianship and to enhance the ability of academic and research libraries to serve effectively the library and information needs of current and potential library users.

I. Current financial status

A. Current Balance/Switch to Accrual Accounting

1. The ACRL fund balance at the end of fiscal 1987 was \$497,697; the *Choice* fund balance at the end of fiscal 1987 was \$424,757.

2. The major impact of the switch to accrual accounting was felt in fiscal 1987; ACRL does not anticipate that this change will have a significant impact on the fiscal 1988 budget or those of future years, except for the recognition of certain expenses in an accounting period other than that in which the associated revenue is recognized. For instance, expenses of the Cincinnati Conference are recognized when they are incurred; revenues will only be recognized after the Conference is held. This is an innovative practice on ALA's part and represents the most conservative possible (and therefore safest) budgetary practice.

B. Trends

Table 1 shows revenues and expenses for the ten fiscal years, 1979-1988. Some of the earlier figures are a bit uncertain because of changes in ALA accounting practices, but they are reliable enough to indicate important trends.

National Conferences occurred in FY 1979, 1982, 1984, and 1986. The first conference did not have a major budget impact, but the other three conference years showed peaks of net revenue (revenue less expenses). ACRL expended about \$150,000 between 1985 and 1988 in the preparation of *Books for College Libraries*, Third Edition (BCL3). The 1987 deficit was entirely due to this project; the 1988 deficit was partially accounted for by BCL3, partially by a Board-designated gift to the Hugh Atkinson Memorial Award fund, partially by the undertaking of the Output Measures Project, and partially by shortfalls in membership revenues and in journal advertising.

Membership patterns are shown in Figure 1. In any year where either ALA or ACRL raised dues, the ACRL membership dropped. The 1982 dues increase resulted in drops in membership for two fiscal years, although membership revenue increased every year. It took five years (1982-1986) before the 1981 membership level was surpassed. This dues increase clouds the picture somewhat, but it is to be expected that membership increases in a conference year (1986, 8%; 1984, 3%; 1981*, 5.9%). However, in FY 1985 membership grew more than in FY 1984. The 1987 and 1988 increases of 1.4% each year were the lowest in seven years, except for the dues increase years. Although it is probably safe to estimate a modest increase in 1989, when the Fifth National Conference is held, we should consider the possibility that membership might not increase in non-conference years.

Another membership-pattern factor may be the growth of ACRL Chapters. The growth pattern has been quite steady, with a slow start before 1972, when a regular pattern of chapter establishment began. Four peak years for chapter growth were 1975, 1977, 1980, and 1981, when three or

* Although the second ACRL National Conference was held in FY 1982, it was actually in the 1981 membership year.

TABLE 1
REVENUES AND EXPENSES, 1979-1988

ACRL	1979	1980	1981	1982	1983
Revenue	\$244,285	\$345,095	\$384,616	\$619,829	\$522,678
Expense	\$224,334	\$320,385	\$387,750	\$487,767	\$507,892
Balance	\$ 19,951	\$ 24,710	\$ (3,134)	\$132,062	\$ 14,786
<i>Choice</i>					
Revenue	\$607,019	\$686,012	\$727,867	\$879,032	\$944,697
Expense	\$647,018	\$683,811	\$751,404	\$822,786	\$854,385
Balance	\$(39,999)	\$ 2,201	\$(23,537)	\$ 56,846	\$ 90,312

more chapters were established. However, chapter establishment, which has been actively pursued and is a valuable outreach service for the association, may have a negative impact on membership as academic librarians, needs are more fully satisfied at the local level, thus providing a disincentive for national membership.

ACRL annual revenue over the ten years went from \$244,285 to \$827,216, an increase of 239% (Figure 2). *Choice* annual revenue during the period increased 121% (Figure 3). During this period, the Consumer Price Index went from 195.4 in 1978 to 347.4 in 1988 (using 1967 as the base). This represents an increase of 78%. Therefore, the mag-

nitude of the increase in ACRL and *Choice* revenues is far greater than the rising cost of living during the period. A brief chronology of some important budgetary factors is in Table 2.

The fund balance has been expressed in a number of different systems over these years. In some historical reports, it is shown on a cash basis. Most of the ALA reports were on a "modified cash" basis. ALA recently switched to a "full accrual" basis and the 1987 year-end balances were expressed in full accrual terms. However, it has been announced that for the next five years, fund balances will be expressed on a "modified accrual" basis for divisions with national conferences. This makes

ACRL Membership Statistics (total members)
August 31

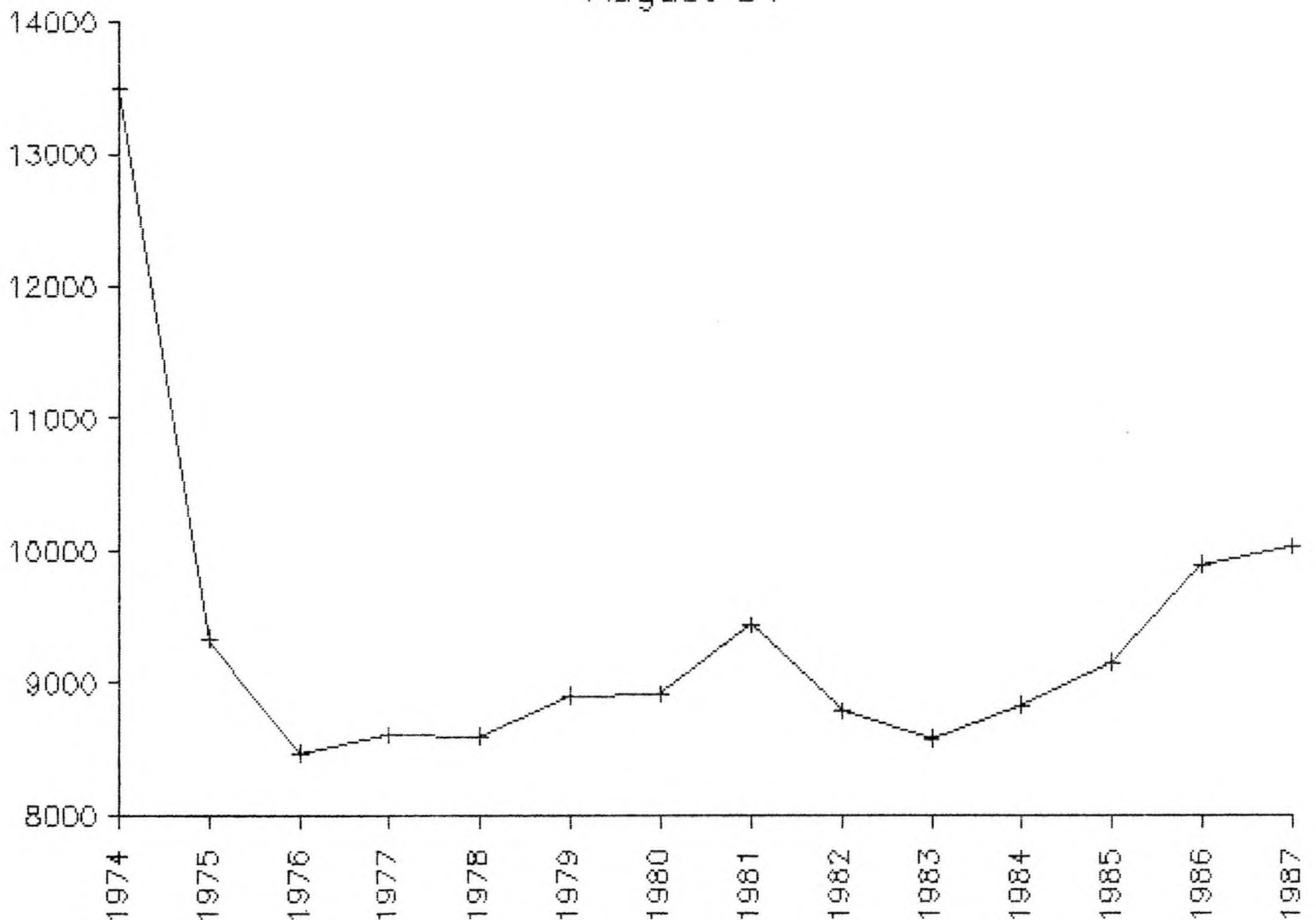


Figure 1

**TABLE 1 (Cont'd)
REVENUES AND EXPENSES, 1979-1988**

ACRL	1984	1985	1986	1987	1988
Revenue	\$833,081	\$ 928,452	\$ 966,435	\$ 715,857	\$ 827,216
Expense	\$679,987	\$ 857,199	\$ 849,953	\$ 756,673	\$ 879,777
Balance	\$153,094	\$ 71,253	\$ 116,482	\$ (40,816)	\$ (52,561)
<i>Choice</i>					
Revenue	\$992,281	\$1,086,281	\$1,236,163	\$1,308,116	\$1,339,494
Expense	\$927,541	\$ 967,294	\$1,050,430	\$1,088,888	\$1,235,244
Balance	\$ 64,740	\$ 118,987	\$ 185,733	\$ 219,228	\$ 104,250

comparisons somewhat difficult.

The ACRL fund balance, however expressed, grew constantly from 1979-1986, as revenues exceeded expenses in each year except 1981. In 1987, when divisions' fund balances were expressed in accrual terms for the first time, the fund balance was reduced. However, the ACRL Board had at the same time mandated a 6-month reserve (based on a three-year moving average). In fiscal 1988, the Board has begun a planned reduction of the fund balance to the six-month level (as of September 1, 1987, that would be \$413,555.)

Choice began to operate on a full accrual basis in 1982. By 1984, it showed a positive fund balance

and that balance has continued to grow ever since. Recently, the ACRL Budget and Finance Committee asked the editor and publisher to suggest a less conservative policy regarding the fund balance for the magazine. This will be presented at the Mid-winter meeting.

C. Current Sources of Revenue

Table 3 shows budgeted and projected sources of ACRL revenue for FY 1988 and 1989 preliminary budget figures. The major categories of revenue and expense are:

- Membership dues and other (includes all classes of membership, plus miscellaneous revenue

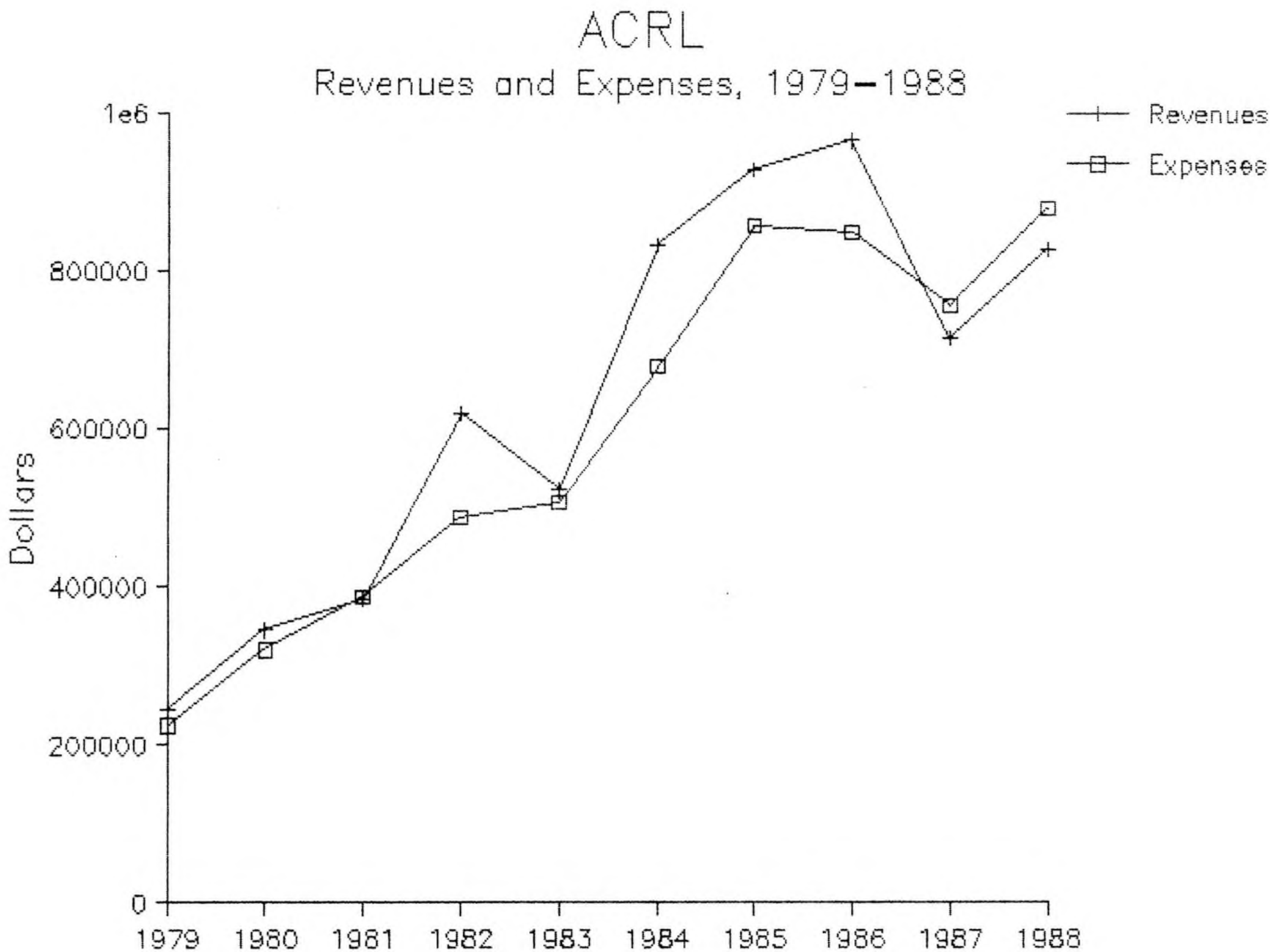


Figure 2

TABLE 2
CHRONOLOGY OF BUDGETARY FACTORS, 1978-1988

FY	FTE STAFF		Significant Projects Begun
	ACRL	Choice	
1978	?	19	Ad Hoc Committee on Goals, Priorities & Structures.
1979	5	19.5	<i>C&RL News</i> responsibility moved to staff. National Conference. University Library Statistics. First Academic/Research Librarian award. Standards for University Libraries.
1980	6	19	Accreditation Workshop.
1981	6	19	University Library Statistics. Continuing Education program began.
1982	9	18.5	National Conference. Activity Model. BI Liaison Project.
1983	10	18.5	ISI and Dudley awards started. Foreign exchange project started. University Library Statistics. First NEH grant started. ALA Goal Award for division training.
1984	10	19.25	National Conference. <i>RBML</i> started. Section newsletters started. ACRL/PLA/NEH grant started. Professional Association Liaison Committee takes over BI Liaison project.
1985	10	19.25	<i>Books for College Libraries</i> (3d ed.) began. University Library Statistics. Membership survey. Strategic Planning work began.
1986	10	19.25	Research Clinic. National Conference. Standards for College Libraries. Output Measures work began.
1987	11*	19.25	University Library Statistics. Hugh Atkinson Memorial Award (ACRL as administrator).
1988	11	19.25	Historically Black Colleges and Universities Project. WESS Florence Conference. BIS Preconference. CJCLS Teleconference.

*Mary Ellen Davis on maternity leave Jan.-May, no replacement.

Note: projects are only listed in the year begun. Ongoing projects are not indicated (e.g., RBMS Preconference annually). Thus, for instance, in 1988, we still have an NEH grant, RBMS Preconference, Section Newsletters, *RBML*, *BCL3*, Output Measures, the above-mentioned awards, *C&RL News*, foreign exchange, and liaison efforts.

TABLE 3
CURRENT SOURCES OF REVENUE

Sources	1988 Budget	1988 Projections 3/31/88	1989 Budget 2/15/88
Membership Dues and Other	\$ 275,100	\$ 249,450	\$ 261,680
Publications (without <i>Choice</i>)	\$ 364,252	\$ 356,120	\$ 413,150
Conferences and Workshops	\$ 139,900	\$ 121,600	\$ 362,620
Funded Projects	\$ 73,964	\$ 45,000	\$ 87,100
Subtotal	\$ 853,216	\$ 772,170	\$1,124,550
<i>Choice</i>	\$1,339,494	\$1,340,000	\$1,350,620

CHOICE

Revenues and Expenses, 1979-1988

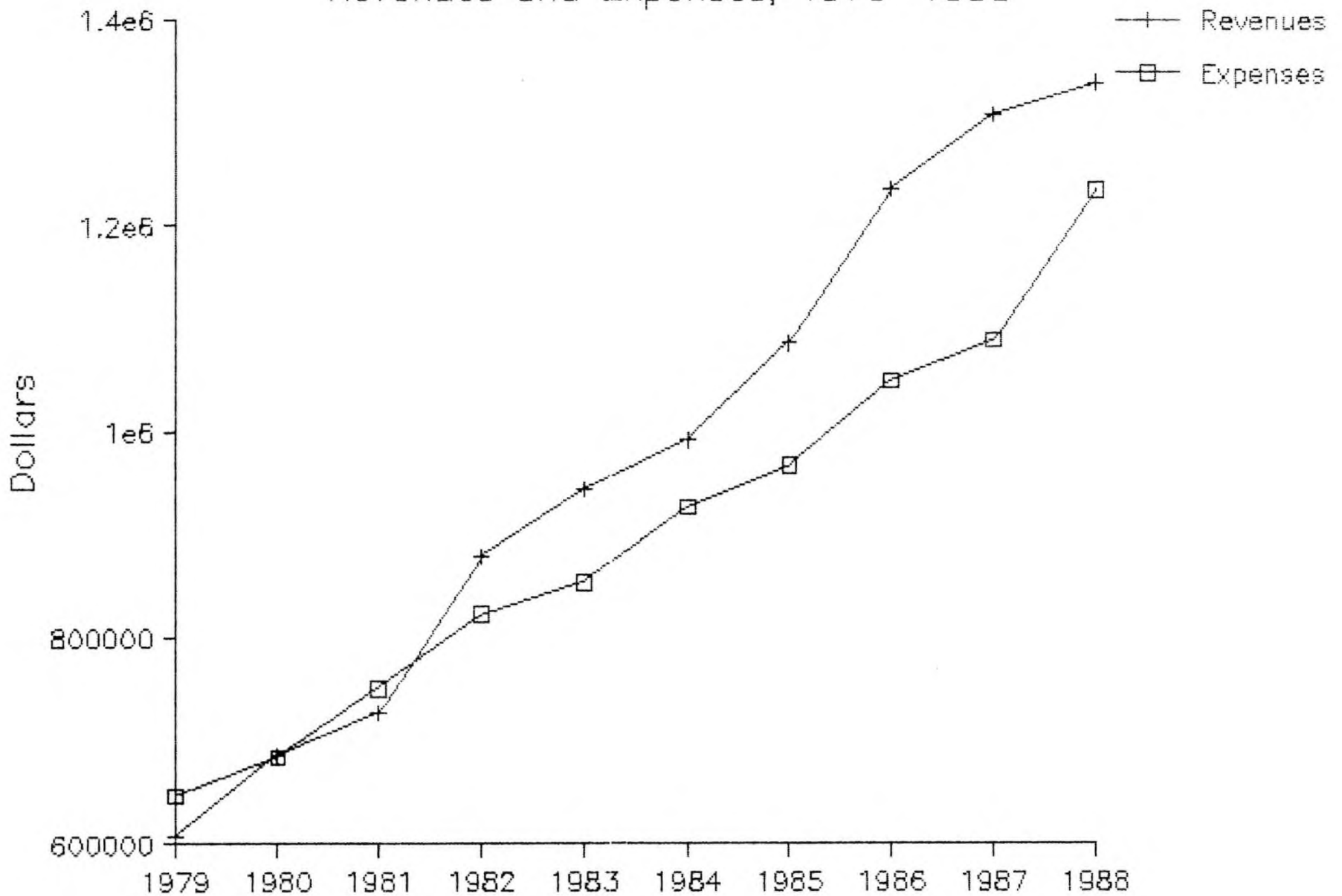


Figure 3

from advisory services, sale of mugs and notes, gifts and donations, award administrative fees.) The last dues increase was in 1981. The Budget and Finance Committee has decided to pursue a policy of considering a dues increase every year and making an annual recommendation to the Board as to whether or not such an increase should be sought.

• Publications (for comparison purposes, *Choice* is not included in totals and percentages, because it represents such a large block of revenue and expense that it would distort the ACRL picture). Periodical and non-periodical publications are included. Subscription and advertising revenue

supports *C&RL*, *C&RL News*, and *RBML*. Non-periodical publications are self-supporting through sales. *Chapter Topics* and section newsletters do not generate any revenue, although a practice of accepting advertising has just been initiated.

• Education (this includes national conferences, pre-conferences, other conferences, continuing education courses—local presentations, regional programs, at ALA Annual Conference and at ACRL national conferences—and ALA conference programming, plus special projects such as the NEH humanities workshops.) Overall, education programs are self-supporting, although some individual activities are not.

TABLE 4
CURRENT OBJECTS OF EXPENSE

Objects	1988 Budget	1988 Projections 3/31/88	1989 Budget 2/15/88
Membership Dues and Other	\$ 277,749	\$ 277,500	\$ 332,960
Publications (without <i>Choice</i>)	\$ 373,955	\$ 359,000	\$ 378,730
Conferences and Workshops	\$ 162,109	\$ 171,400	\$ 307,670
Funded Projects	\$ 65,964	\$ 35,000	\$ 112,200
Subtotal	\$ 879,777	\$ 842,900	\$1,131,560
<i>Choice</i>	\$1,235,224	\$1,235,000	\$1,258,759

D. Current Expenses

Table 4 shows budgeted and projected objects of ACRL expense for FY 1988 and 1989 preliminary budget figures. Categories are the same as revenue categories above, to facilitate comparison.

E. Problem Identification

The list below represents a start at ranking undertaken by the ACRL Executive Committee at its Spring 1988 meeting.

1. The cost of membership activities has outpaced the revenue generated by membership dues. There is a perception among both ACRL members and other ALA members that ACRL is wealthy and fiscally conservative. This may result in less ALA funding for Divisional programs at the Annual Conference or in demands from ACRL members that more money be spent on membership services, when in fact membership services, for example, are already subsidized by other revenues.

2. The uncertainties coming out of the negotiations on the Operating Agreement. The Executive Committee considers this the single most unsettling factor we have to deal with at present.

3. Current staff salaries and fringe benefits continually increase and, at the same time, increased demands for membership services place additional demands on Divisional staff (see Table 2).

4. As ACRL has become more adept at budgeting, we can expect that there will be less of a gap between budgeted and actual revenues and expenses. As that happens, the growth in the fund balance will slow down because revenues and expenses will tend to be closer together. The fund balance will only increase if steps are taken to see that revenue deliberately exceeds expenses. The Board has also announced its intention of keeping the fund balance closer to its mandated level and has authorized the spending of funds in excess of that level. In keeping with this expectation, FY 1987 was the first year since 1982 that the ACRL Board mandated reserve in the Division's fund balance decreased, rather than increased.

5. There is concern about the impact of general economic conditions, dollar fluctuation, and changes in federal and state tax laws on ACRL membership recruitment, retention, and participation.

6. There is concern about possible legal liabilities which might be associated with the activities of the Division's chapters.

7. A national conference for which revenues do not cover expenses could seriously alter financial trends and planning projections.

8. The budget is affected by three different calendars: 1) the membership year (renewal to renewal); 2) the fiscal year (September to August); and 3) the program year (Annual Conference to Annual Conference).

9. Some current projects, which support ACRL's Strategic Plan (e.g., the WESS Conference in Flor-

ence, Output Measures Manual) carry certain fiscal risks.

10. ACRL "continuing education" activities continue to cost more than they generate in revenue. However, national conferences, Division conferences, preconferences and funded workshop projects all combine to make education a self-supporting activity at ACRL.

II. Situation Analysis

A. Economic Conditions

Although the long-term effects of the October 1987 stock market drop and the devaluation of the dollar in international markets are not yet known, it seems likely that these events may have a serious impact on both libraries and librarians.

Library budgets are likely to reflect economic trends and colleges and universities in both the public and private sectors will undoubtedly have budget cutbacks, if there is a recession.

The devaluation of the dollar will have its greatest impact on the largest or most specialized academic and research libraries, where more money is spent in the international market for journal subscriptions and other publications. Libraries may purchase fewer subscriptions to ACRL's serial publications and/or buy fewer copies of the Division's other publications. It may be that recent unexplained changes in membership patterns are due to these factors.

Libraries may be less generous in supporting travel, conference attendance, and other professional or continuing education activities for their employees.

Individual members of ACRL will feel the impact of the new federal tax law in terms of reduced deductions for dues, educational expenses, and publications. Members living in some states may experience similar changes in state tax laws. These changes may affect individual librarians, decisions on joining or renewing their memberships in ALA and/or ACRL, their attendance at conferences or continuing education activities, or their purchase of serial subscriptions and other publications.

Although ACRL's ability to offer conferences, workshops, and other continuing education options at times and locations different from ALA's Annual Conference may help the Division to counteract some of these difficulties, the cost of most of these activities exceeds revenue generated by them. The Division needs to mount a successful 1989 National Conference in order to meet the objectives of its three-year budget planning process.

Revenues will be augmented by ACRL's strong and diverse publications program. For example, revenues generated by the new edition of *Books for College Libraries* and related products should begin to help the Division in fiscal 1989 and beyond. However, increases in postal rates could have some adverse effect on the Division's publications program.

B. Technology and/or Equipment

Increased use of automation equipment by both the ACRL headquarters staff and the *Choice* staff has or will result in improvements in productivity and communication. The relative increase in staff size as compared with budgetary and project growth over the past ten years indicates a tremendous productivity increase, even when adjusted for the CPI increase.

Choice reviews are being made available to Bowker for its CD-ROM products, thus providing information in a medium of growing importance for academic libraries and generating some additional income from royalties. Automation of the production of *Choice* will result in the availability of a machine-readable version of the magazine, which may be marketable at some time in the future. A tape version of *Books for College Libraries* is available and the use of CD-ROM is also being considered for the new edition of *Books for College Libraries*.

However, the increasing importance of technology, combined with economic factors, could cause academic librarians to select a Division other than ACRL, if they feel they must choose between Divisions. ACRL can promote the interests of academic librarians in technology by cooperating with other ALA Divisions and other library and higher education associations in programs and continuing education activities.

C. Legal Ramifications

Increased insurance costs, particularly in the area of liability, continue to be a concern to professional organizations.

Associations are particularly vulnerable to anti-trust violations and must be extremely careful to avoid situations, including discussions at meetings, which could be construed as limiting the rights of other individuals or associations. In the case of liability for chapter activities, ALA counsel has warned us that ACRL chapters make the Association vulnerable to civil suits. Other legal dangers lie in the area of publication, especially copyright, libel, and privacy violations. Our editors are very sensitive to these issues.

D. Changing Structures

From ACRL's perspective, the change to accrual accounting will not have a serious long-term impact. The major effects of implementation were felt in fiscal 1987 and are now history, except for the recognition of expenses when made and of revenue after the event has been held. Decisions relating to: increased charges for services, such as those associated with serial subscriptions; interest on fund balances; and the creation of separate Divisional endowments may have a more significant longterm effect on ACRL's financial position, and such matters are of concern to the Division. Therefore, the upcoming Operating Agreement discussions take on heightened importance. The possible lack of synchronicity between the ALA and ACRL

planning processes may also create some problems (we hope minor ones) for the Division.

E. Competitors

Because of the nature of academic and research librarianship, the Division competes for members with other library associations, such as the Special Library Association, Music Library Association, and ARLIS, as well as with other ALA Divisions, such as LITA, LAMA, RTSD, and RASD. Other higher education associations, such as EDUCOM, the American Association for Higher Education (AAHE), and the American Association of Community and Junior Colleges (AACJC), and scholarly organizations such as the Modern Language Association, American Historical Association, American Chemical Society, and the Society for Scholarly Publishing are also possible competitors, although ACRL is actively trying to establish liaisons with such groups to ensure cooperation, rather than competition. Finally, other organizations, such as ARL, RLG and OCLC, compete for the time, although not the personal membership, of academic and research librarians.

III. Market Analysis

A. Current Description

1. *Potential audience.* ACRL's primary audience is the approximately 22,000 librarians currently working in U.S. academic and research libraries. Some programs/services/products are also directed at academic or research libraries and/or the institutions of which they are a part. To a lesser extent, ACRL's audience includes: Canadian academic and research librarians; librarians working in other types of libraries: other information professionals, such as publishers, brokers, etc.; retired librarians; paraprofessionals, and library school students and faculty.

2. *Programs/services/products offered.* ACRL offers a wide range of services including: ALA Annual Conference programs, National Conferences, and other Continuing Education offerings; a research bi-monthly, an eleven-issue per year news periodical, *Chapter Topics*, *Choice* magazine and *Reviews on Cards*, non-periodical publications; job listings; professional standards; library statistical information; liaison to other professional organizations; support for local chapters, and some consulting.

B. Potential Conditions

1. *Other potential audiences.* In addition to increasing participation among the audiences already identified, ACRL may wish to more actively cultivate members of other higher education, scholarly, or technology-oriented organizations or associations and other individuals in higher education institutions, accreditation bodies, etc., who have interests in academic libraries.

2. *Potential programs/services/products.* In addition to current programs/services/products,

TABLE 5
THREE-YEAR BUDGET PROJECTION (REVENUE)

Sources of Revenue Notes	FY1988 Budget	FY 1988 Projection 3/31/88	FY 1989 Budget 2/15/88	FY 1990 Budget Estimate	FY 1991 Budget Estimate
Membership dues and other ¹	\$265,500	\$245,000	\$251,020	\$251,000	\$251,000
Other (sales of small items)	\$500	\$250	\$1,010	—	—
Advisory (speaker honoraria)	\$900	—	\$600	\$600	\$600
Awards	\$5,500	\$1,500	\$6,050	\$6,050	\$6,050
Jobline ²	\$2,700	\$2,700	\$3,000	\$3,000	\$3,000
Subtotal	\$275,100	\$249,450	\$261,680	\$260,650	\$260,650
Publications					
<i>Choice</i>	\$1,339,494	\$1,340,000	\$1,350,620	\$1,360,000	\$1,370,000
<i>C&RL</i> ³	\$116,621	\$99,000	\$110,520	\$100,000	\$100,000
<i>C&RL News</i>	\$181,795	\$182,000	\$207,340	\$200,000	\$200,000
<i>RBML</i> ⁴	\$17,696	\$17,000	\$19,020	\$18,000	\$18,000
<i>FJLS</i> ²	\$4,965	\$3,800	\$3,780	\$3,800	\$3,800
Section Newsletters	—	\$70	\$80	\$100	\$100
Nonperiodical Pubs	\$38,925	\$50,000	\$42,030	\$50,000	\$52,000
<i>BCL</i> ⁵	\$4,250	\$4,250	\$30,380	\$15,000	\$10,000
<i>Chapter Topics</i>	—	—	—	—	—
Subtotal	\$1,703,746	\$1,696,120	\$1,763,770	\$1,746,900	\$1,753,900
Conferences & Workshops					
Continuing Education	\$43,050	\$33,000	\$63,620	\$31,000	\$31,000
National (86,89)	\$26,000	—	\$283,740	—	—
Pre- & Postconferences (RBMS)	\$51,600	\$51,600	\$15,260	\$20,000	\$25,000
WESS Conf.	\$19,250	\$30,000	—	—	—
Teleconferences	—	\$7,000	—	\$2,000	\$3,000
RBMS Cambridge Conf.	—	—	—	\$36,860	—
Subtotal	\$139,900	\$121,600	\$362,620	\$89,860	\$59,000
Funded Projects					
NEH Project A ⁶	\$50,731	\$25,000	\$20,360	\$80,000	\$80,000
HBCU Project ⁶	\$23,233	\$20,000	\$31,210	\$55,000	\$55,000
Output Measures	—	—	—	\$15,000	—
Planning Workshops ⁷	—	—	\$35,530	\$25,000	\$25,000
Subtotal	\$73,964	\$45,000	\$87,100	\$175,000	\$160,000
TOTAL REVENUE	\$2,183,110	\$2,112,170	\$2,464,510	\$2,262,760	\$2,223,900
<i>Choice</i> Revenue	\$1,339,494	\$1,340,000	\$1,350,620	\$1,360,000	\$1,370,000
TOTAL REV. W/O CHOICE	\$843,616	\$772,170	\$1,113,890	\$902,760	\$853,900
TOTAL REVENUE	\$843,616	\$772,170	\$1,113,890	\$902,760	\$853,900

¹ Assumes increase in conference year, flat afterwards.

² No growth forecast.

³ No recovery of ad revenue expected.

⁴ Flat revenues, low ads.

⁵ Tapes in 1990, book royalties in 1991.

⁶ Assumes funding of new proposal.

⁷ Grant in 1989; revenues after.

**TABLE 5
THREE-YEAR BUDGET PROJECTION (EXPENSE)**

Object of Expense¹	FY1988 Budget	FY 1988 Projection 3/31/88	FY 1989 Budget 2/15/88	FY 1990 Budget Estimate	FY 1991 Budget Estimate
Membership Activities					
Membership Services	\$25,928	\$26,000	\$23,440	\$26,000	\$27,300
Exec. Comm. & Board	\$54,568	\$55,000	\$47,360	\$55,000	\$57,750
Statistics (alternate yrs.)	—	—	\$16,530	—	\$17,000
Advisory	\$27,129	\$27,000	\$32,990	\$34,650	\$36,400
Standards distribution	\$6,778	\$6,700	\$8,500	\$8,500	\$8,920
Discussion Groups	\$2,397	\$2,000	\$1,980	\$2,000	\$2,050
Awards	\$6,293	\$7,300	\$11,010	\$11,500	\$12,080
Chapters	\$54,213	\$54,000	\$54,740	\$56,700	\$59,540
Committees	\$53,386	\$53,000	\$61,710	\$65,000	\$68,250
Sections	\$45,518	\$45,000	\$53,110	\$56,000	\$58,800
Jobline	\$1,539	\$1,500	\$1,590	\$1,600	\$1,650
Special Grants Fund	—	—	\$20,000	—	—
Subtotal	\$277,749	\$277,500	\$332,960	\$316,950	\$349,740
Publications²					
<i>Choice</i>	\$1,235,224	\$1,235,000	\$1,258,759	\$1,270,000	\$1,280,000
<i>C&RL</i>	\$102,784	\$96,000	\$103,070	\$100,000	\$105,000
<i>C&RL News</i>	\$176,559	\$176,000	\$207,070	\$210,000	\$215,000
<i>RBML</i>	\$16,468	\$16,000	\$18,910	\$20,000	\$21,000
<i>FJLS</i>	\$2,909	\$2,900	\$4,120	\$4,300	\$4,400
Section Newsletters	\$19,032	\$19,000	\$26,840	\$28,000	\$30,000
Nonperiodical Pubs.	\$40,670	\$42,000	\$10,120	\$44,100	\$46,300
<i>BCL3</i>	\$13,413	\$5,000	\$5,340	\$2,000	\$2,000
<i>Chapter Topics</i>	\$2,120	\$2,100	\$3,260	\$3,500	\$3,700
Subtotal	\$1,609,179	\$1,594,000	\$1,637,489	\$1,681,900	\$1,707,400
Conferences & Workshops					
Continuing Ed.	\$38,701	\$38,000	\$63,190	\$40,000	\$42,000
National (86,89)	\$51,774	\$50,000	\$210,250	\$4,000	\$50,000
Pre- & Post Conferences ³	\$52,407	\$52,400	\$15,190	\$20,000	\$25,000
WESS Conf.	\$19,227	\$31,000	—	—	—
Teleconferences ³	—	—	—	\$2,000	\$3,000
RBMS Cambridge Conf.	—	—	\$19,040	\$5,000	—
Subtotal	\$162,109	\$171,400	\$307,670	\$71,000	\$120,000
Funded Projects					
NEH Project A ³	\$50,731	\$25,000	\$20,360	\$80,000	\$80,000
HBCU Project ³	\$23,233	\$23,000	\$31,210	\$55,000	\$55,000
PLA Project	\$-8,000	\$-13,000	—	—	—
Output Measures	—	—	\$25,100	\$23,100	—
Planning Workshops ³	—	—	\$35,530	\$25,000	\$25,000
Subtotal	\$65,964	\$35,000	\$112,200	\$183,100	\$160,000
TOTAL EXPENSES	\$2,115,001	\$2,077,900	\$2,390,319	\$2,252,950	\$2,337,140
<i>Choice Expenses</i>	\$1,235,224	\$1,235,000	\$1,258,759	\$1,270,000	\$1,280,000
TOTAL W/O CHOICE	\$879,777	\$842,900	\$1,131,560	\$982,950	\$1,057,140
TOTAL EXPENSES	\$879,777	\$842,900	\$1,131,560	\$982,950	\$1,057,140
NET	\$-36,161	\$-70,730	\$-17,670	\$-80,190	\$-203,240
FUND BALANCE	\$461,536	\$426,967	\$409,297	\$329,107	\$125,867
MANDATED BALANCE	\$413,355	\$413,355	\$414,155	\$420,000	\$492,901

¹ All expenses involving staff time calculated at 5% annual increase.

² Up 5% per year on most publications.

³ Revenue = Expenses.

ACRL is investigating or exploring: other products, such as CD-ROM or an online service, produced from data for the printed versions of *Books for College Libraries* (3d ed.) and of *Choice*; a manual on the role of the library in the accreditation process; the need for continuing education on other topics and in different formats or locations or for different audiences; a planning workshop for small college libraries, a faculty/librarian workshop, a research workshop, further liaison with other professional associations with overlapping or related areas of interest, and providing speakers, bureau services to a broader academic community.

C. Potential Sources of ACRL Revenue

1. *Books for College Libraries* (3d ed., 1989) and related products. Estimated expense for nonprint formats in 1988 is \$17,000. In FY 1989, estimated non-print format revenue is \$30,380 and expenses \$5,340. Royalties from the print version will come in beginning in 1990, with about \$20,000, and nonprint revenues will level off at about \$5,000 per year.

2. *Periodical subscriptions*. *Choice* subscriptions have leveled off in the domestic 4-year college and university market; we have not had a good sales record in community and junior colleges. Reviews on *Cards* experience moderate growth. Investigation of the impact of including more formats in *Choice* might reveal whether this could increase the market. *C&RL* subscriptions grow very slightly each year. *C&RL News* has over 1,400 subscribers. We might want to investigate some method of discouraging such subscriptions and encouraging subscribers to join ACRL instead. *RBML* has not seen growth; a subscription campaign might be a good idea. We are willing to sell subscriptions to the section newsletters, but have not had much demand for them.

3. *Advertising, including classified ads*. Gross advertising revenues for *Choice* continue to increase very nicely each year. Advertising in ACRL journals has leveled off; although Art Beck greatly increased gross revenues when he first took over the journals, there has been a serious drop-off in *C&RL* (possibly due to lateness of issues) and in *RBML*, where some work is needed to raise advertisers' consciousness of the difference between advertising in your customers' journals and making specific sales. *C&RL News* ads for 1989 are estimated at \$56,000. Although there is some mixed opinion on the subject, the sale of advertising as a possible source of revenue has been suggested to section newsletter editors and to sections desiring directories. The first section to take up the suggestion was CLS.

Classifieds are an extremely important source of revenue for *C&RL News* (1989 budget: \$121,000). The late listings also enjoy popularity in the form of the *Fast Job Listing Service*, which does not have a large budget impact.

4. *Other publications*. Largely through an active direct mailing campaign, regularly implemented, Mary Ellen Davis has increased the sale of ACRL publications. Revenues for 1988, budgeted at \$42,000, are expected to pass the \$60,000 mark. We are currently engaged in dialogue with ALA Publishing Services to see how more works might be published jointly, along the model of BCL3. In addition, we sell the syllabi for the continuing education courses. We are moving in 1989 to an accrual basis for accounting for non-periodical publications. This will have a particularly positive impact in the first year.

5. *Jobline*. This service to members has a break-even budget.

6. *National conferences*. The fiscal strategy for these has been to break even. Under a system of accrual accounting, many expenses are recognized in the two years before the conference, while the revenue does not appear on the books until after the conference has taken place. There is a potential for making the conference generate excess revenue, if that strategy is desired. It is not the intent to do so for the Cincinnati (1989) conference.

7. *Grants*. These should not be seen as a way to generate revenue, but rather a method for supplementing association resources so as to accomplish some desired purpose. Most funders expect some contribution, even if in kind, by the grant-seeker. It is rare to recover all costs of a project; however, it is possible to stretch resources by means of grants and contracts. For example, the HBCU project, for which the Mellon Foundation supplied \$20,000, cost about \$24,000.

8. *New members*. ALA carries out "shotgun" campaigns annually which usually bring in more academic librarians than others. At present it is not possible to follow up on dropped members, or to receive mailing lists of academic librarians who have joined ALA but not ACRL. As soon as the DMG system can be harnessed to carry out these two functions, we will undertake some more recruitment efforts. We do several small campaigns, notably library school posters and letters to those whose new jobs are announced in *C&RL News*. We have never identified a target membership among non-librarians, such as academic administrators, faculty, or paraprofessionals. This might be an interesting concept to explore.

9. *Increased dues*. With membership dropping and the impact of higher income taxes just beginning to be felt, it may not be a good time to raise dues. We have some leeway in controlling expenses and increasing other revenues before we have to ask our members for more dues. Other divisions have begun to raise dues; that makes membership in ACRL a bargain, a psychologically important fact.

10. *Miscellaneous product sales*, e.g. mugs, notecards. We have less than \$500 per year revenue from these sources. We could design other products: posters, bookmarks, t-shirts; perhaps even in

conjunction with the National Library Week materials (which do not go over well with academic librarians). Perhaps a jointly-designed line of high-brow materials would sell. It has been suggested that we provide products that our members would use, rather than just items with our logo.

11. *Donations.* We have no planned fundraising activities; ALA is examining the question of fundraising by its members and staff. There is concern that some vendors are repeatedly "hit up" to support activities; however, others feel that the vendors should be able to say "no" themselves.

Given the relatively flat revenue projections for the Division and the constant increase in expenses (Figure 3), this section of the plan takes on great importance. The Budget and Finance Committee recommended to the Board and the Board voted to establish a Financial Development Task Force to investigate sources of income. Betsy Baker has agreed to be the chair.

D. ACRL's Potential Expenses

1. Increasing costs (5% per year minimum) to support activities of the Division's sections, committees, and chapters.

2. Subventions or subsidies (estimated at \$5,000–\$10,000 per year) for some publications or other activities, e.g., continuing education, which are within the scope of the Division's strategic plan.

3. Costs, such as travel, associated with outreach to other groups, e.g., scholarly professional associations or groups involved with higher education, and to underrepresented groups within the library profession, such as Hispanics or Blacks.

4. Increasing staff costs (now exceeding 5% per year).

5. Possible impact of the new "Operating Agreement" between ALA and its Divisions, e.g., cost of proposed Subscription/Order/Billing is estimated at \$20,000.

6. Higher demand by sections, chapters, and committees to support activities, especially those mentioned in the Strategic Plan. This is intensified by the knowledge that there is a sizable fund balance.

IV. Setting Division Business and Financial Goals and Objectives

A. Background Review

ACRL's financial goals are rooted in the Division's strategic plan, which has four major goals and a number of subgoals and specific objectives. The major goals are to: 1) contribute to the total professional development of academic and research librarians; 2) enhance the capability of academic and research libraries to serve the needs of users; 3) promote and speak for the interests of academic and research librarianship; and 4) promote study, research, and publication relevant to academic and research librarianship. Many of the subgoals and objectives address the five areas—publications, continuing education, standards,

liaisons, chapters—which were ranked as the highest needs and priorities of the membership at the 1985 ACRL President's Program.

The Division's Strategic Plan also specifies seven "Strategic Management Directions," as follows:

1. Position ACRL as the most significant American association of academic and research libraries, librarians, and librarianship—the association which represents them, speaks for them, asserts their interests, and assists them in reaching their goals.

2. Manage the financial resources of ACRL by relying on sound budgeting and accounting principles; including maintaining a reserve fund equal to at least 50% of the average annual expenditures over the three most recently completed years.

3. Maintain a dedicated and competent staff by depending on sound personnel practices, including careful selection, adequate training, participative management techniques, and opportunities for professional development.

4. Seek new members through a variety of recruitment techniques, while extending efforts to retain present members, including regular assessments of member needs.

5. Support all elected and appointed officers in fulfilling their leadership roles, through carefully-prepared programs of orientation and staff personal attention.

6. Work collaboratively with other ALA units for the good of librarianship as a whole.

7. Provide a headquarters office as a communications center, information resource, and central meeting and work place.

B. Business Goals for ACRL

The major business goals of ACRL are: 1) to provide a stable financial environment, which will enable the Division to fulfill its stated mission and the goals of its Strategic Plan; 2) to increase the number of Division members; and 3) to manage the Association in a fiscally prudent manner.

C. Objectives Supporting ACRL's Business Goals

D. Financial Objectives

Goal 1: Financial Stability

Objective 1: Maintain annual budgets with revenues equal to or greater than expenses. Financial Note: revenue must outstrip expenses, especially if we want to continue the Special Grants Fund.

Objective 2: Recruit experienced Division members for the Budget and Finance Committee and provide the Committee and Board with quality documentation which will assist them in fiscal planning.

Objective 3: Maintain mandated fund balances. Financial Note: budget increases each year. At the end of FY 1983, the 6-month reserve would have been \$230,568. At FY 1987 end, it is \$413,355. With 1988 projections and 1989 preliminary budget, it will be \$433,258 at September 1, 1989.

Goal 2: Growth

Objective 1: Increase Division membership by



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XX% per year (note: this figure is to be agreed upon by the Membership Committee.)

Objective 2: Strengthen chapter affiliates program by increasing the number each year until one is available in each geographical area. Financial Note: \$250 average support for new chapter.

Objective 3: Increase the diversity of ACRL membership to include more members from presently underrepresented groups.

Goal 3: Prudent Management

Objective 1: Maintain salaries/benefits for Divisional staff equal to or less than 45% of the total budget. Financial Note: FY 1988 estimate is 47% salaries and benefits. 1989 budget is for 31% salaries and benefits. (Dollar figure remains relatively constant, while 1989 budget is enhanced by Conference revenue.)

Objective 2: Maintain total administrative costs for the Division at equal to or less than 60% of the total budget. Financial Note: FY 1988 projection is 54% for all administrative expenses, including salaries and benefits. 1989 budget is 35%. (See note to Objective 1 above.)

Objective 3: Explore alternatives other than increased membership dues, e.g., grants, cooperative programs with other Divisions of ALA, etc., for expanding services. Financial Note: see "grants." Note that grants, while they allow us to do more things, do not provide basic support and usually require some fiscal commitment.

V. Strategies

A. Solution Generation and Selection

The Executive Committee brainstormed solutions to the three top-ranked problems. After listing solutions, the group then drew a line through those that were not desirable and placed an asterisk (*) next to those that were highly desirable.

1. *Cost of activities:*

Raise dues.

*Stress the process ACRL follows in allocating funds.

Generate other sources of revenue.

*Publicize services and membership activities.

Change the way membership activities are accounted for.

*Decide that the high cost is OK.

Publicize that ACRL is drawing down the fund balance.

Publicize that the reserve amount changes.

*Change the policy on the fund balance.

2. *Operating Agreement uncertainties:*

*Negotiate an acceptable Operating Agreement.

*Clarify our position.

Increase amount in the fund balance to provide for changes coming out of the Operating Agreement.

Raise dues.

Leave ALA.

3. *Rising salary expense:*

Have ALA pick up some of the services.

*Get members to do more of the routine work.

Systematize routine activities.

Prepare fact sheets, directories, codifications.

Use *C&RL News* to relay routine answers.

Contract activities out, use consultants.

*Improve productivity.

Further refinement of solutions and analysis of strategies will continue at Dallas.

VI. Financial Analysis

A. Strategy Analysis

B. Risks in New Ventures

C. Reserve Definition

ACRL has already set policies with regard to Reserves. The Division must maintain a fund balance equal to at least 50% of the average annual expenditures over the three most recently completed years. In January 1986 the ACRL Board affirmed its intent to build the *Choice* reserve fund over the next 8 years to an amount equal to 15% of a running average of actual expenditures. (Note: A revised fiscal policy regarding *Choice* will be offered by the Budget and Finance Committee at this meeting.)

D. Fiscal Projections

A tentative three-year budget projection is shown in the Tables on pp. 768-69. ■■

"Reading and Libraries" Seminar

The ALA Library History Round Table has announced a call for papers for presentation at its Library History Seminar VIII, "Reading and Libraries," to be held May 9-11, 1990, in Bloomington, Indiana. Co-sponsored by *Libraries and Culture* (published by the University of Texas Graduate School of Library and Information Science) and the Indiana University School of Library and Information Science, the conference will explore the role and significance of collections of recorded knowledge in society.

With no limitation on chronological periods, geographical regions, types of libraries or institutions, or types of media, topics may include (but not be limited to): biographical studies, institutional development, collecting efforts, cultural and socio-economic environments, literacy and libraries, history of the profession, philosophy of librarianship, research methods, and teaching methods.

A prospectus of no more than 500 words and a vita should be sent before July 1, 1989, to: Donald G. Davis Jr., Graduate School of Library and Information Sciences, University of Texas at Austin, Austin, TX 78712-1276. Papers selected for presentation will be published by the University of Texas Press.