

**YALSA Board of Directors Meeting  
ALA Annual Conference, Chicago  
July 9-15, 2009**

**Topic:** Dedicating YALSA Funds

**Background:** The Board may want to formalize some parameters for directing funds into different YALSA accounts in order to help YALSA fund critical programs and advance its mission.

**Action Required:** Action

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**Proposal:** The YALSA Board deliberate moving a certain amount of money from the operating budget in fiscal years where YALSA's net asset balance exceeds one year's worth of operating expenses and into the other accounts such as the Leadership Endowment and Activities Fund.

**Rationale:** Conservative fiscal policy involves keeping one year's worth of operating expenses in on hand; however, keeping more than that in an operating budget is not ideal because it means the money isn't in an interest bearing account where it could be growing. So long as YALSA has more than one year's worth of operating expenses on hand, moving any 'surplus' into targeted funds such as the Leadership Endowment and/or Activities Fund could help YALSA fund critical programs and advance its mission. For example, the current interest from the Leadership Endowment is not enough to even use for the student conference scholarship the Board approved last year. It will be important to continue to roll funds into the endowment so there will not only be adequate funds for the scholarship, but also for other leadership activities such as mentoring programs, leadership training, etc.

**Background Information:** YALSA currently has several restricted accounts where the funds could be moved, including the William Morris Endowment, the Leadership Endowment, Friends of YALSA and the Activities Fund. Only the endowments are in interest bearing accounts. Also, only the interest from endowments may be used, not the principal.

**Implementation:** ALA policy states that transfers to restricted funds, such as the endowment, must be requested as part of a Division's budget package for the coming fiscal year. In other words, Divisions have to ask ahead of time to transfer the funds. Each year in March the Executive Director could examine mid-year projections and determine whether or not YALSA is likely to have more than one year's worth of expenses on hand at the end of the fiscal year, then report to information to the Board for consideration. If 'surplus' funds are likely to exist, the Board can then deliberate how much funds to transfer and to which account, based on current funding priorities derived from key documents including the Business Plan and Strategic Plan. If the Board agrees to transfer funds, the Executive Director will include that request in the latest budget package.

**Proposed Action:** The Board directs the Executive Director to examine mid-year projections each year and determine whether or not YALSA is likely to have more than one year's worth of expenses on hand at the end of the fiscal year, then report to information to the Board for consideration.