ALA-APA FINANCE & AUDIT SUBCOMMITTEE  
2003 ALA Midwinter Meeting  
Philadelphia, PA  

Draft Minutes

Present:  Liz Bishoff – Chair, Camila Alire, Kathleen Bethel, Barbara Stripling,  
Pat Smith – BARC Chair  
Staff:     Greg Calloway, Keith Brown  
Other:    Rick Schwieterman – Senior Endowment Trustee

Approval of Minutes EBD #4.8  
The subcommittee members were asked to review the previously distributed ALA-APA minutes and highlight any changes. No changes were made and the following action was taken:  
Motion: C. Alire, seconded by K. Bethel  
To accept the 2002 fall meeting minutes as written.  
Motion passed.

ALA-APA Budgetary Ceiling  
L. Bishoff reviewed the conference call discussion of 1-8-03 regarding the approval of $250,000 from the ALA and the need to establish a budgetary ceiling for year 0. Also, as a result of the development and approval of the ALA-APA business plan Finance & Audit will bring forward a recommendation for approval of the budgetary ceiling. Both Finance & Audit and BARC have analyzed the business plan, budget projections and assumptions and provided a significant amount of input leading to the final document i.e. business plan. Finance and Audit confirmed by phone vote the budgetary ceiling in January 2003 for FY 03. G. Calloway summarized the development of the budgetary ceiling. It was noted that $48,750 in revenue would be generated, primarily from voluntary contributions. Expenses were projected at $60,584. These expenses were primarily in salary and rent. The result was a negative net asset balance of $11,834. This deficit will be covered by a draw down on the $250,000 loan. It was emphasized here that the budgetary ceiling is essentially a limit on the amount of spending that can take place i.e. it equals expenses. As such, the proposed budgetary ceiling is $60,584. The following action was taken:  
The ALA/APA F&A confirmed its phone vote and recommends to the ALA/APA Executive Board approval of the ALA/APA budgetary ceiling of $60,584.
Accounting and Budgeting Support

G. Calloway continued the discussion by emphasizing to the subcommittee members that the ALA-APA will be established as a separate entity. Being set up in this fashion will require a separate accounting of all transactions related to the activities of the 501(c)6. The accounting staff will establish a separate fund and sub fund (8)-(0) for the tracking of revenue and expense transactions related to the ALA-APA. Separate projects will be set up in order to capture accounting data related to Administration, Certification, Consulting and Statistical Reporting and an Electronic Newsletter. The budget director will develop the FY 2004 budget worksheets for the ALA-APA projects.

Because the ALA-APA has an interlocking board and their decisions will determine how the funds are expended, the ALA-APA financial results will be consolidated with the ALA audit. However, a separate Statement of Financial Activity and Statement of Position will be developed to reflect the year-end assets and liabilities as well as revenue and expense activity. Also, once staff has received the final Articles of Incorporation, ALA staff will set up a separate bank account with corresponding check stock for payment of bills. A separate lock box for income (donations, subscriptions, fees, etc) will not be set up at this time. Staff will be responsible for crediting the income to the proper ALA-APA accounts as incurred.

In closing, L. Bishoff noted that there needed to be some follow-up on the issues of insurance for the ALA-APA and what, if any, potential liabilities ALA might incur if the ALA-APA is dissolved. An example for potential liabilities – under CE what happens if someone views the exam as unfair. A discussion with the ALA attorney was suggested.

With no further business the meeting was adjourned.