

CONNECTICUT LIBRARY ASSOCIATION FINANCIAL PLAN

Reviewed by the Sustainability Committee Financial Planning Task Force
(2023-2024)

Note: This is a revision of the same titled document that was adopted by the Executive Board of the Connecticut Library Association (CLA) in June 2018. The document was reviewed 6/01, 6/02, and 6/03, 8/10, 6/18 and during the 2023-2024 fiscal year.

I. Background (mission statement)

The Connecticut Library Association, founded in 1891 and incorporated in 1960, is a private, non-profit organization according to Section 501(c)(4).

Its purpose is:

- To advance the interest of library personnel and librarianship;
- To foster communication among librarians and those interested in libraries;
- To work for the improvement of library services to the people of the State of Connecticut.

Program Assumptions

CLA, working through its members, provides a diverse program of advocacy for librarians and libraries, continuing education, ongoing legislative activities, annual conference, and communications. In support of these activities, CLA will:

- Sponsor an annual conference.
- Each CLA section will offer yearly continuing education programs in addition to those held during the conference.
- Actively support networking with other organizations interested in access to information, literacy, economic development of libraries, and related interests.
- Work for the adoption of an annual legislative agenda in support of libraries and related issues of public concern.
- Support continuing education for individual members through grants and scholarships.
- Support other activities as determined by the Executive Board.

The Connecticut Library Association contracts for administrative services including maintenance of membership records, financial records, bookkeeping, and routine tasks such as responding to inquiries about CLA, keeping the CLA calendar, and other duties.

II. Investments

The Executive Committee is responsible for reviewing the investment policy each year and recommending changes to the Executive Board for approval. Changes in the investment policy during the fiscal year will only be considered under extraordinary circumstances. All endowments will be subject to any conditions attached thereto by the donor and approved by the Executive Board. Only the interest income from said endowments may be used to support CLA activities, not the original principal.

A. Investment Policy

The Connecticut Library Association Executive Board has established this policy to serve as a

guideline in investing the Association's non-operating, investable funds. In general, the Association shall maintain a conservative investment philosophy, with preservation of capital, protection of purchasing power of capital, and generation of income to support the goals and projects of the Association as its primary objectives. Not until the Association has funds in excess of two years' worth operating expenses will the Association move funds into any investment vehicles. The Executive Board of the Association shall establish specific long-term and short-term objectives for designated funds from time to time. As a general principle, only the income from investments may be used, not the original principal. When appropriate, growth in the value of the principal can become a source of income to the Association. The choice of investment advisors and the correct mix of investment vehicles are at the discretion of the Executive Board.

B. Retained Earnings Account (the balance from previous fiscal year)

Financial stability is a function of adequate and dependable revenues from diverse sources. While some fund balance is appropriate to cover unexpected revenue shortfall or unbudgeted expenses, as a membership organization, most of CLA's resources should be used to provide services to its members.

C. Distribution of Funds

Funds should be distributed in the following manner:

- Checking account, earning interest if possible, for current operating expenses
 - The account should have three months' worth of operating expenses at all times.
- Savings Account
 - All other funds not in checking should be moved into a savings account in which some funds may be earmarked for reserves of the following:
 - Emergency
 - Stabilization
 - Conference

III. Financial Plan

A. Executive Committee

The Executive Committee consists of the President, Vice President (President Elect), Secretary, Treasurer, and the Past President. This committee will prepare an annual working budget for submission to the Executive Board for action. This budget will provide for the operation of sections, committees and roundtables. The committee will investigate and evaluate sources of funding for the support of the regular and special activities of the Association. This committee will review the organization's financial plan on an annual basis.

B. Budget

The Executive Committee must make every effort to present a balanced budget to the Executive Board for its approval at the July meeting. The balanced budget includes estimated annual income, expense, and transferred funds from investments only if it is necessary. The investment funds may be transferred from the fund balance to income in order to balance the budget as long as the value of the remaining fund balance does not fall below 10% of projected operating expenses.

1. Income:

CLA is a not-for-profit association. Its income is derived from membership dues, annual conference revenues, donations, special promotions and services, sections and committee activities, and other programs endorsed by the Executive Board.

The CLA treasurer is responsible for oversight of the financial matters of the Association and, in conjunction with the Executive Committee, recommends to the Executive Board for:

- Any excess annually generated income which is not immediately needed for the current operations and services of the Association, should transfer to the savings account.
- Membership Dues rates shall be reviewed by the Outreach Committee. These shall be presented to the Board and voted on before being set in place.
- Income from CLA activities, including dues, annual conference, promotions, programs, etc., shall be sent to the CLA office and deposited in the CLA checking account.

2. Expenses:

a) Non-program expenses:

i. Association Activities Expenses

The Association Expenses category of the operating budget covers expenditures related to CLA's organizational relationships such as memberships and cooperative activities. These include dues and gifts in kind to other organizations and expenses of the ALA and NELA chapter representatives.

ii. Memberships

- Friends of Connecticut Libraries (FOCL)
- Association of Connecticut Library Boards (ACLB)
- New England Library Association (NELA)
- American Library Association (ALA)
- Freedom to Read Foundation

iii. Cooperative Activities

Nutmeg Children's Book Award Co-Sponsor (with Connecticut Association of School Librarians)

iv. ALA Chapter Councilor

Attendance at semi-annual conferences, travel and accommodations will be funded based on the Association's current sustainability (projected expense budgets should be

submitted and pre-approved by the Executive Committee).

v. NELA Representative

Attendance at the annual conference, travel and accommodations will be funded based on the Association's current sustainability (projected expense budgets should be submitted and pre-approved by the Executive Budget Committee).

vi. Legislative Committee

The Legislative Committee should submit an annual projected budget of anticipated expenses and receive pre-approval from the Executive Committee. The budget includes member education activities and lobbying activities. Expenses related to lobbying must be clearly identified in the financial records.

vii. Contracted Services and Employees

The Executive Committee is responsible for reviewing the contracts annually and making recommendations to the CLA Executive Board.

viii. PEG Budget

The PEG Committee will recommend an amount for PEG grants to the Executive Committee and receive pre-approval from the Executive Committee.

ix. Awards Committee

The Awards Committee will recommend an estimated budget and receive pre-approval from the Budget committee.

x. Career Development Committee

The Career Development Committee will recommend an estimated budget and receive pre-approval from the Executive Committee. The regular annual budget request will include estimated expenses for a salary study as needed.

b) Program expenses:

i. Sections and Standing Committees

Sections and Standing Committees should submit annual projected budgets of anticipated expenses and revenues for non-conference programs by April 30 and receive pre-approval from the Executive Committee in June.

Workshops and programs sponsored by sections and/or committees must be self-supporting and any profits will go to CLA as income.

ii. Conference Committee

The Conference Committee should submit the conference draft budget of anticipated expenses and revenues to the Executive Budget Committee by April 30. The annual conference must be self-supporting (income must cover expenses) and any profits will go to CLA as income. This may be revised in June before the Executive Board votes on approval.

IV. Fiscal Procedure & Policies

The Secretary/Treasurer is responsible for making monthly financial reports to the Executive Board. All financial records are maintained and kept in the CLA office. Financial records and supporting documents will be kept for seven years. Supporting documents, canceled checks, receipts, invoices and so on, may be discarded after seven years. All tax and employment records must be kept permanently.

The following documents should be transferred to the CLA archivist at the end of seven years:

- Treasurer's reports (the June report is sufficient if it cumulates for the fiscal year)
- Budget
- Audit and related correspondence
- IRS-990 report
- Annual Report to the state Public Charities department filed annually as required
- Financial Plan

A. Audit/Review:

A bi-annual (even years) audit will be conducted. Each year the Treasurer working with our Administrative Office will recommend an auditor for approval by the Executive Board and will submit the audit for the previous fiscal year during which she/he was Treasurer. The following files will be maintained for audit in the CLA office:

- Monthly Treasurer's Reports
- Check register
- Monthly category reports
- A list of outstanding checks
- Accounts payable and accounts receivable at end of fiscal year
- Minutes
- Board of Directors chart
- Copies of signed contracts

B. Contracts:

All contracts must be authorized by the Executive Board and signed by the President and/or their designees.

C. Fees:

1. Conference Fees

Conference registration fees are recommended by the Conference Committee and approved by the Executive Board. Conference registration fees for non-members will be set at least 25% more than the corresponding category for CLA members. Conference fees are not refundable. Conference registration may be transferred to another person, by the person who originally registered. The agreement must include a cancellation clause so that CLA will not be liable for the speaker's fee, site charge, or deposit if the event must be canceled before an agreed upon date.

Conference receipts and record keeping are maintained in the CLA Office. At the end of the conference a report must be submitted to the Treasurer showing the number of registrations in each category with the total amount collected. The Conference Committee with Treasurer adheres strictly to the budget it develops and pre-approves and manages all conference expenses with the administrative staff . Sections are required to comply with established procedures. Pre-approved requests for reimbursement for conference activities may be made no later than 30 business days after the conference date.

2. Section and Round Table Program Fees:

Written agreements with speakers and program sites are required. The agreement must include a cancellation clause so that CLA will not be liable for the speaker's fee, site charge, or deposit if the event must be canceled before an agreed upon date.

Registration fees are not refundable. Registration may be transferred to another person, by the person who originally registered. Fees for non-members will be set at least \$10 more than the corresponding fee for CLA members.

Revenues generated by section, committee and round table activities become part of the association's operating funds. Pre-approved requests for reimbursement for section/roundtable activities may be made no later than 30 business days after the event.

D. Insurance

CLA will purchase insurance that provides at least \$1,000,000 liability for the organization and \$10,000 coverage for office contents.

E. PEG (Proficiency Enhancement Grants)

PEG funds are pooled with all other CLA funds. The PEG Committee is responsible for reviewing and approving grant applications. Those applying for a PEG award must apply no less than 60 days prior to the event in order for the PEG committee to review and make a decision. The PEG Chair will report on those awards given out in the prior month at the monthly Executive Board meetings.

PEG funds are based on yearly budget requests made by the PEG committee for the annual budget as well as charitable restricted gifts.

G. Fiscal Controls

All cash or check deposits should be sent to and deposited by the CLA administrative staff. The administrative staff assigns categories to the deposits, fills out deposit slips, makes the deposit and submits detailed deposit reports to the CLA Treasurer to reflect the organization function.

1. Expense, Reimbursement and Payment:

All expense, reimbursement, and payment requirements incurred on behalf of CLA must be submitted using the expense form. A completed expense form, invoice(s), or receipt(s) and the W-9 form (when applicable) with appropriate authorization should be sent to the CLA Treasurer for processing. Each form must be signed by the person submitting it and authorized by the appropriate Committee/Section Chair/Officer.

Payment Requests for Association activities must be submitted *no later than 30 days* after the date of the event or when the expense incurred.

Expense and W-9 forms are available on the CLA website at <http://ctlibraryassociation.org>. Contact the CLA Treasurer or CLA administrative staff for questions. Bills will be paid within 30 business days post event or 30 days from when the expense incurred. . Checks for payments require the signature of the Treasurer.

Checklist for requesting payment:

- The expense form
- Copies of all original itemized receipts or invoices
- W-9 Form (when applicable)
- Appropriate signatures

Payment for other operating expenses as authorized in the budget (telephone, stationery, office support, etc.) will be made based on an invoice from the vendor.

The same procedure must be followed for expenses incurred by sections, round tables and committees.

- Payments to Sections, Round Tables, & Committee members and to vendors: Approved by the Chairperson.
- Payments to Section, Round Tables & Committee Chairpersons: Authorized by President.
- Payments to Officers: Authorized by the President or other Executive Board members in their absence.
- Payments to the President: Authorized by the Vice-President or other Executive Board members in their absence.

2. Bookkeeping Procedures:

Approved expense forms are forwarded to the CLA Administrative Office by the Treasurer. If the Expense Form is not properly authorized, it will be sent to the

appropriate person(s) for signature(s).

The CLA Treasurer will assign the budget line category before sending the form to the Administrative Office who will post the expenses before issuing the checks.

The CLA Administrative Office reconciles the bank statement. The reconciliation report and a selection of other financial reports delineated by the board are sent to the Treasurer so that the monthly Treasurer's Report can be prepared.

3. Conference Committee:

Checks for exhibit fees and vendor sponsorships are deposited by the CLA administrative staff and reported to the Treasurer. It is essential that this be done as soon as possible in order to reconcile the bank statement and prepare the Treasurer's report.

Expenditures related to the conference must be approved by the Conference Committee Event Coordinator, President or President-Elect and CLA Treasurer before being submitted to the CLA administrative staff for payment.

Payments to conference presenters will be mailed post-conference. The Conference Committee Event Coordinator must request checks from the CLA administrative staff at least 3 weeks in advance of the conference. Presenters should not be paid with personal checks.

4. Grants and Fundraising Committee (may be changed to Development if by-laws pass)

- Donations
 - This committee is in charge of securing donations and grants for the Association. These monies may be earmarked for specific accounts based on the donors request as it applies to the Association's mission, by-laws and financial plan, but must be communicated by the Committee Chair to the Treasurer and Administrative Office before it can be established for any account, committee or section to use.
- Payments
 - Payments for fundraising and donations will be handled by this committee. All payments will be documented and communicated to the Treasurer and Administrative Office after an event in which fundraising has occurred. Other committees, sections or members that wish to fundraise on behalf of the Association shall work with this Committee Chair to establish payment methods if a member of this committee cannot be onsite.

V. Financial Information:

Key financial information is held by the CLA Administrative Staff, including:

- State Tax Exempt Number

- Federal Employer Identification Number
- Bookkeeping records
- Insurance Policies
- Bank Accounts
- Financial Reports
- Secretary of State: Annual Corporation report. Filing fee required.
- Dept. of Public Charities report: Annual report, prepared by Administrative Office, filed in Spring. Filing fee required.

VI. Financial Plan and Procedures Review

The financial plan should be reviewed annually by the Executive Budget Committee.

Respectfully Submitted:

2023-2024 CLA Sustainability Committee Financial Planning Task Force:

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Approved by the Executive Board – 06/06/01; revised 06/2002; revised 06/2003; revised 07/2018; revised and approved 09/2024