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BOARD DOCUMENT

TO: Board of Directors
FROM: Finance Committee
DATE: 27 September 2006
RE: Goal-Setting and Budget Cycles

RECOMMENDATION: The Finance Committee recommends that the Board of Directors change the goal-setting and budget preparation cycles to align more closely with the new Association year. The general operations budget will be prepared by SLA management and reviewed by the Finance Committee by October for approval by the Board. The programmatic costs budget will be prepared by SLA management and reviewed by the Finance Committee by December in preparation for board action at the January meeting.

BACKGROUND: The Board of Directors has historically met each October to discuss and approve the Association's goals and objectives and the next year's budget. Effective January 1, 2007, the Association governance and fiscal years will coincide, January 1 to December 31, thereby eliminating the need to meet in October to discuss and approve goals and objectives and the budget. The Board may meet, via conference call, late in the year, to approve the General Operations budget which includes salary, benefits, building maintenance, technology, etc. for the next year. The Board will then meet in person to discuss and approve the programming budgets. The goals and budget process take approximately a half day of meeting and would be added to the January meeting period.

RATIONALE:

- Effective January 2007 the Association Governance and Fiscal Year will be the same.
- Eliminates need and expense for a full board of directors meeting in October. The Board may meet twice per year (January and June) and via monthly conference call.
- Management and board will have concrete information and details to plan year-end projections and following year budget. Management will have more than 6 months of data, which is what is currently available, for fiscal decision-making and planning.
- Staff currently work 12-18 months out without approved budgets for many projects (i.e., large deposits are made for annual conference expenses such as keynote speakers and projected convention expenses; speaker fees are paid in advance for Leadership Summit programming; marketing and membership materials are planned and produced and pre-paid well in advance of the Association year.)
- Allows for a July Annual Conference which would not impede the budgeting process.