10.i.

I. DATE: September 22, 2021
II. NAME OF COMMITTEE: Finance Committee
III. MEMBERS: Susannah Cleveland (Past President); Marci Cohen (Assistant Fiscal Officer); Elizabeth Hille Cribbs (Administrative Officer); Casey Mullin (Fiscal Officer, Chair); Tracey Rudnick (Assistant Administrative Officer); Liza Vick (President)

IV. BOARD ACTION REQUIRED:

1) Updated Fiscal Policies Handbook language for fundraising questions.

BAR 1: The Finance Committee recommends amending the text in the Fiscal Policies Handbook as follows (changes in red):

Current relevant texts:
FPH (3.e):
MLA’s development (fundraising) efforts are overseen by the Development Officer, in consultation with the Board of Directors and the Development Committee, which the Development Officer chairs.

Suggested revision for the FPH (3.e):

MLA’s development (fundraising) efforts are overseen by the Development Officer, in consultation coordination with the Board of Directors and the Development Committee, which the Development Officer chairs. If questions regarding the appropriateness of, desirability for, or intended end use of fundraising efforts arise, the Board of Directors shall have final approval.

Background: The strikethrough revision brings the FPH wording in line with the AH. The added sentence specifies that the Board has the ultimate decision-making powers.

2) Updated Administrative Handbook language for fundraising questions.

BAR 2: The Finance Committee recommends amending the text in the Administrative Handbook as follows (changes in red):

Suggested revision for Administrative Handbook section III.F.:

The Development Officer oversees the development/fund-raising functions of the Association, and works closely with MLA's Board of Directors, Administrative Officer, Business Office, and President to foster a culture of philanthropy that supports fund development and the organization's mission.
The Development Officer is responsible for providing general oversight of all the Association’s fund-raising activities, chairs the Development Committee and monitors its activities, and that of its subcommittees, through coordination with the Board, MLA Business Office, and other appropriate committees. In collaboration with the Board, the Development Officer charts the Association’s course of fund development, and acknowledges all contributions to the Association. If questions regarding the appropriateness of, desirability for, or intended end use of fundraising efforts arise, the Board of Directors shall have final approval.

Background: This added sentence to the AH harmonizes it with the suggested revision to the corresponding section in the FPH.

3) Update of the Approved Vendors List.

**BAR 3: The Finance Committee recommends approval of the recently updated Approved Vendors List.**

**Background:** AAO Tracey Rudnick has updated the Approved Vendors List, and the Finance Committee reviewed and approved the new list. This spreadsheet identifies individuals and other entities who receive recurring payments or reimbursements. The list will be available in the board meeting folder for October 2021. The AOs retain the most recent copy and the AAO will share a copy with the MLA Business Office.

**V. BRIEF SUMMARY OF ACTIVITIES:**

- **Budgeting activities:** The Finance Committee (FC) met virtually May 17-18, 2021, prior to the full Board meeting on May 19. During the meeting, the Committee discussed the proposed annual operating budget and examined ways to balance the budget.
  - A provisional convention budget was set, pending the recommendations of the MLA 2022 Annual Meeting Task Force; this budget reflects a hybrid modality, with some attendees in person and some streaming only.
  - The overall budget anticipates a ~$56,000 deficit¹, which will be mostly offset by approved funds from the MLA Fund for FY2022 ($54,000), should this deficit materialize. It should be noted that in recent years (FY2018 through FY2020) the Board has similarly relied on such potential use of the MLA Fund to balance the budget, though in the end, deficits have not materialized, and the MLA Fund has not been tapped. Last year (FY2021), in anticipation of a difficult financial year due to COVID, the Board balanced the budget, even excluding potential use of the MLA Fund.
  - Subsequent to the May meeting, Fiscal Officer Mullin contacted stakeholders for budget updates related to the FY2022 convention and operating budgets.

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¹ Major expenses for FY2022 that impact this bottom line include: an unusually large one-time expense associated with MLA’s current strategic planning efforts; subsidizing an MLA workshop focused on diversity, equity and inclusion (DEI) efforts; and funding a second Diversity Scholarship award.
In its June 3, 2021 report to the Board, the FC proposed several amendments to the FY2022 budget, to reflect late-breaking information on several budget lines.

Subsequent to the June Board meeting, the FC advanced BARs to formally approve the honorarium for the new Membership Management Officer position, and to amend the FY2022 budget to reflect this additional honorarium.

The FC discussed a proposal by the Convention Manager to change the virtual (streaming) rate structure for the 2022 Annual Meeting to a flat rate of $100. The FC determined that the rate structure it included in the budget approved by the Board in May is still preferred.

- The FC discussed the policy implications of combining of the Gerboth and Bradley Award funds, how this impacts how awards can be disbursed from the combined fund each year, and which body determines the respective amounts to be disbursed. Discussions are ongoing.
- The FC discussed a proposal by the Marketing Subcommittee to engage in targeted fundraising for the Marguerite J. Iskenderian Music Fund at the Walter W. Gerboth Music Library at Brooklyn College. Although MLA does raise money for external causes from time to time (e.g., the Open Access Songbook), the FC feels that this particular cause does not align sufficiently with MLA’s mission, since its beneficiary is a single library. The FC refers the question to the Board for further discussion and possible vote.

In the course of discussing this proposal, the FC explored whether the existing policy language on MLA development/fundraising is sufficiently clear on how such external causes should be treated. The outcome of that discussion is the two BARs printed above, for the Fiscal Policies Handbook (FPH) and the Administrative Handbook (AH), respectively.

Respectfully submitted,

Casey Mullin, MLA Fiscal Officer, FY2022

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2 For more detail, see the Finance Committee’s June 2021 report to the Board.