

Administrative Officer's Report – for 2021 Spring board meeting (Zoom, née Middleton)

Submitted by Tracey Rudnick, May 16, 2021

Note: AO may amend any errors this report after submission, using strikeout or brackets.

Board Action Required: none requested. All items have been referred to the Finance Committee.

For Discussion: any topics in this report for which board members have questions, concerns, or desire review.

See: AO_i_BalanceSheet_FY21_to_2021.05.06.xlsx
AO_ii_Budget_vs_Actual_FY21_to_2021.05.06.xlsx
AO_iii_InvestmentsReport_CY2021_Q1_Jan-Mar-2021.xlsx
AO_iv_Membership Report 2021.05.06 by Cribbs.xlsx
Other reports available upon request.

BUDGET REPORT FY2021 (YTD through May 6, 2021)

Accountings below are selective, not comprehensive.

INCOME

As of May 6, 2021, total income was \$321,529.14 which is 115.57% of the budgeted income of \$278,205.10. (Previous reports showed the budgeted amount as \$323,339.00, but the board voted to adjust the budget after a substantial item was booked back to FY20 by the auditors. This did not impact actual income.)

Dues (1.0) and Membership – MLA and IAML

Due to COVID's anticipated economic impact (and the low-cost Emergency Circumstances membership rate), the board budgeted for lower dues income this year. As of May 6, 2021, FY21 dues income was \$134,791.00, which is 110.27% of the budgeted \$122,235.00. This includes MLA and IAML dues. (Last year MLA had budgeted \$148,605.00.)

MLA dues alone are at \$122,666.00, or 108.28% of the budgeted \$113,285.00. Most individual categories are at 112% to 140% of their budgeted amounts. Institutional memberships are at 98.08% of budgeted amounts. Corporate renewals are down, at 73.4% of budgeted amounts. For FY21, 28 people selected the Emergency Circumstances Membership rate, all at the suggested \$24 (one joined twice and declined a refund). Their total \$696.00 only reached 48.33% of the budgeted \$1,440.00.

IAML CY2021 YTD dues income is at \$12,125.00, or 135.47% of the budgeted \$8,950.00. (Note: the last AO report showed a different budgeted amount that was subsequently corrected.) By comparison, last year, final CY2020 income was \$14,155.00. Individual memberships for IAML CY2021 YTD are comparable to this time last year YTD, but institutional memberships are down by about 22%.

MLA Paid Memberships FY21 YTD through May 6, 2021 (excluding IAML)

	<u>No.</u>	<u>Income</u>	
Individual	569	\$ 77,731.00	or 568 (one is a duplicate Emergency Circ membership; refund declined by member)
Student	82	\$ 5,330.00	
Corporate	7	\$ 4,630.00	
Institutional	197	\$ 35,085.00	or 196 (one is a duplicate membership, for which refund may not be cashed)
	855	\$ 122,776.00	or 853

MLA Paid Memberships	FY18	FY19	FY20	FY21 YTD*	
Regular Member US	419	417	362	334	(or 135)
Regular Member non-US	23	24	18		
Institutional Member US	182	163	152	136	
Institutional Member non-US	69	67	72	61	
Student Member US	65	62	68	82	
Student Member non-US	1	5	2		
Retired Member US	35	36	41	54	
Retired Member non-US	1	3	3		
Sustaining Member US	50	56	50	57	
Sustaining Member non-US	0	0	0		
Associate Member US	1	N/A	N/A	N/A	
Associate Member non-US	0	N/A	N/A		
Corporate Patron US	5	6	6	4	
Corporate Patron non-US	1	1	1		
Corporate Member US	5	5	4	3	
Corporate Member non-US	0	0	0		
Paraprofessional US	47	51	39	45	
Paraprofessional non-US	0	2	3		
Early Career Member (new FY20)	N/A	N/A	44	50	
Early Career Member non-US	N/A	N/A	0		
Emergency Circumstances (new FY21)	N/A	N/A	N/A	29	(or 28)
Total	904	898	865	855	(or 853)

US and Non-US categories merged starting FY21, except for institutional.

Figures include FY21 gratis for 10 Individual, 10 Sustaining (\$140 gratis, paid \$140), and 1 student (\$65) Total counts may not match income when multiplied out, due to refunds in progress, or other accounting adjustments.

Totals do not include an additional minimum 15 Honorary Members (gratis) known to be living, and a few more of uncertain status.

(Sources: QuickBooks report pulled by AAO Liz Cribbs from QB backup 5/6/2021 and amended by Rudnick; list of honorary members.)

IAML	CY18	CY19	CY20	CY21 YTD
Individual	79	90	72	61
Institutional	86	80	73	57
Total	165	170	145	118

Dues (1.2) – Chapters

As noted in the fall 2020 AO report, MLA remitted \$4,990.00 collected chapter dues back to all ten chapters. (MLA does not take any deductions.) Since then, \$2,756.00 additional dues have been received, and will be remitted in the late spring, along with any additional dues.

Sales (2.0)

Notes advertising income through May 6, 2021, has been \$14,246.00, which is 113.97% of the budgeted \$12,500.00. (At this time last year, the income was \$20,732. Less was budgeted in FY21 due to COVID.) Online advertising (2.06) has generated \$8,580.00 in sales, or 238.33% of the budgeted \$3,600.00. (Last year at this time income was \$10,990.)

A total of \$96,790.76 has been received from *Notes* e-vendors YTD and applied to FY21. This includes a Project MUSE revenue payment of \$74,499.24 (for CY2020) received April 2021, with \$40,000.00 applied backward to FY20 (Jan-Jun 2020) and the balance (\$34,499.24) applied to FY21 (July-Dec 2020). An Ithaka (JSTOR) revenue payment of \$15,043.01 (for CY2020) was received March 2021 with \$7,500.00 applied backward to FY20 (Jan-Jun 2020) and the balance (\$7,543.01) applied to FY21 (July-Dec 2020). Revenue from some providers may be lower (3% to 5% in one case) for CY2021, due to relief efforts provided to libraries during the COVID pandemic.

As of May 13, 2021, *Music Cataloging Bulletin* (MCB) subscriptions yielded \$5,425.00 in income (90.4% of the budgeted \$6,000). Last year by this time we had received \$6,300.00. This 16% drop is unusual for MCB, and may be COVID/financial-related cancellations rather than COVID-related renewal delays.

MLA received \$3,146.20 CY2020 royalties (\$2,500.00 budgeted, 125.85%) from MLA's joint publications with A-R Editions, and received \$191.46 CY2019 royalties (\$250.00 budgeted, 76.58%) from Scarecrow (Rowman); Scarecrow CY2020 royalties have not been received. James Zychowicz of A-R Editions noted that this year's monograph sales are very much reduced (presumably due to the economic impacts of COVID), and that CY2021 revenues may be far lower than usual. It may be prudent to do extra advertising in the fall, if or when libraries have acquisitions funds again.

MLA has received \$9,288.69 in royalties from ALA in FY21 YTD, which is 105.6% of the budgeted \$8,800. \$9,084.87 is for ALA/MLA ecourse revenues (plus developer fees); another \$1,855 is expected before the end of FY21. There were no webinars in FY21, so there will be no income. The remaining income is \$203.82 in *Basic Music Library* sales (v. 1 and 2), which is 13.59% of the budgeted \$1,500.00 (3 volumes).

Meetings (3.0)

MLA's 2021 meeting was held virtually in 2021 for the first time in MLA's history, in lieu of Cincinnati during COVID, and was held jointly with the Theatre Library Association. Final total meeting income was \$43,816.00, which was 174.68% of the budgeted \$25,083.00. The income covered all expenses (see 10.0 below), including the hotel penalty. No income will be remitted to TLA.

Here are some income highlights. Rates and budgeted amounts were far lower than usual. Registration income (including TLA attendees) totaled \$23,370.00, or 146.75% of the budgeted \$15,925.00. Exhibit fees brought in \$3,025.00, or 56.99% of the budgeted \$5,308.00 (exhibits were offered via the online platform, Remo). There were \$9,101.00 in donations from individuals and MLA chapters to offset the conference hotel penalty, along with MOUG's generous \$3,000.00 subvention during the COVID crisis. Program advertising, email lists, and web advertising brought in \$1,100.00 of \$1,050.00 budgeted. The workshop was postponed to possibly summer 2021, so had no income or expenses for FY21.

Other Income (5.0):

The MLA Shop/Café Press and Amazon Smile have brought in \$117.41 and \$176.04 in FY21 YTD. This year, as part of the 2021 virtual conference, conference swag (e.g., t-shirts, mugs, hats, facemasks, and grocery bags) sold through Bonfire (another ecommerce site) brought in \$492.04.

EXPENSES

As of May 6, 2021, total expenses were \$237,765.04, which is 72.74% of the budgeted \$326,856.10. (Earlier reports showed the budgeted amount as \$371,990.00, but the board voted to adjust the budget after an item was rebooked back to FY20 by the auditors.)

Meeting (10.0)

Budgeted amounts were lower for a virtual conference (compared to in-person). Conference expenses as of May 6, 2021, total \$40,372.76, or 87.96% of the budgeted \$45,897.00. Some minor expenses are still being processed, but income should exceed expenses (with the help of generous donations). These expenses include the 2021 portion of the hotel cancellation penalty (\$30,507.20), approximately \$3,950 for technologies (e.g., Zoom, Remo, Rev captioning, Sched conference app), and \$2,250.00 for speaker honoraria (including Bootsy Collins). The PDF program was created by a volunteer, and there were no typesetting or printing costs this year. A-R Editions did not invoice MLA for the usual budgeted \$2,250 registration costs. There were no applicants for the Dependent Care awards, so no grants made.

Miscellaneous (11.0)

\$10,473.02 in investment fees have been paid, out of an estimated \$9,650.00. Amounts are higher since one payment was booked to FY21 rather than FY20. Bank and credit card fees are \$8,297.83 YTD, which is lower than usual, since the conference registration fees were lower, but there are also extra bank charges due to increased wire transfers and stopped payments on missing/expired checks during COVID.

Awards Issued (12.0)

Checks for the publications awards (Duckles, Hill, and O'Meara) totaling \$1,520.00 and the A. Ralph Papakhian Special Achievement Award (\$500.00) were mailed to recipients March 2021. Calligraphy and shipping for three MLA Citations totaled \$1,422.00. Freeman Travel Grants were offered to cover 2021 virtual meeting registration costs, or to offer tech microgrants to enhance applicants' ability to attend the meeting, but according to Freeman Awards Committee chair Carlos Peña, there were no applicants.

Since the winter 2021 AO report, one more MLA Emergency Relief Fund award was made. The amount raised as of May 6, 2021, included the board's seed \$10,000.00, plus \$9,070.00 in donations (total \$19,070.00). Eleven awards (\$9,185.00) have been paid out, leaving a balance of \$9,885.00.

Management Services (6.0)

For FY21, \$96,484.98 of the budgeted \$131,637.00 (73.3%) has been expended. Note: this year's budgeted amount is lower than usual, since the board did not budget for board meeting travel, both due to COVID, and also as a cost-saving measure. One FY20 cancelled flight was recently refunded (\$460.21).

The majority is for A-R Edition's monthly business office service fees (\$61,965.00 YTD out of a budgeted \$82,620.00, or 75%). There were additional expenses for A-R programming, shipping, and supplies. Shipping expenses are higher than usual during COVID, due to the unusual number of *Notes* issues being returned to the Business Office (each return incurs an expense), plus re-shipping (YTD \$2,966.01 of \$2,750.00 budgeted, or 107.86%)

For administrative web site support/development, \$8,510.92 out of a budgeted \$9,950.00 (89.59%) has been expended, the majority being the recent YM renewal (\$7,375.56). In May 2021, a new YM agreement was signed. YM now offers tiered pricing at a lower price point, but added a fee for a new REST API; the combined cost (\$6,990.00) will still be lower than before. A-R Editions anticipates charging MLA an additional one-time \$2,500.00 to \$3,000.00 for reprogramming YM/Access data transfers.

The final fee for IRS tax form 1099 filing by the accounting firm SVA was \$703.80 (see more on 1099s below, under Audit). There have been no invoiced legal expenses this fiscal year.

The donor reception (budget line 6.103) took place virtually March 2, 2021 on the Remo platform during MLA's annual meeting. Development Officer Lindsay Brown worked with President Susannah Cleveland to determine how to replicate an in-person catered reception, and offered eligible attendees a gift card to Harry & David. Eligibility was limited to those giving an annual gift equal or greater to \$500.00, membership in the planned giving society, or corporate members/patrons. Eligible parties who responded by the specified deadline received a gift card for \$100.00, with a total \$1,900.00 expended.

Program Expenses (7.0)

To date, \$13,049.55 out of a budgeted \$20,885.00 (62.48%) has been expended. There are no new expenses to report. Most savings were from cancelled CMC and Legislation Committee travel (COVID). A remaining FY20 cancelled CMC flight was recently refunded by the airline (\$390.48, minus \$100.00 fee).

Other Member Services (Including Organizational Dues) (8.0)

FY21 expenditures for Other Member Services are at \$4,120.00, or 44.18% of the budgeted \$9,325.00. FY21 gratis memberships for qualifying officers, editors, and scholarship recipients are at \$2,865.00. ALA dues (\$150.00) were paid in March. No new publicity and outreach expenses were paid. A \$6,877.13 check (not in the budget report) has been cut to remit final CY2020 and YTD CY2021 dues to IAML. This will bring Other Member Services expenditures to \$10,997.13, or 117.9% of budgeted amounts. (This is not an over-expenditure; IAML dues income was proportionately higher as well.)

Publications (9.0)

\$2,050.00 of the FY21 budgeted \$4,250.00 (48.2%) monograph honoraria have been paid. A \$350.00 honorarium was paid to Basic Manual Series editor Kathy Abromeit in March 2021 for Alice Carli's revised *The Binding and Care of Printed Music* (BM012); there is no author honorarium since the author will receive a percentage royalty, similar to the original edition. Remaining in-process monographs will likely be published in FY22.

Royalties for A-R Editions and Scarecrow (Rowman) are held until \$20 accumulates for eligible authors and editors. Sales were low CY2020 (during COVID), and no royalties were paid out to authors of A-R publications for CY2020 sales. \$63.30 was paid to authors from Scarecrow/Rowman CY2019 royalties in March 2021. (CY2020 royalties have not been received from Rowman.)

Notes typesetting, printing, and mailings have so far cost \$30,004.19, out of \$39,000.00 budgeted (76.9%), with one more payment expected in FY21; this line item is expected to remain within the budgeted amount.

Honoraria (\$500 per course) and course development fees (\$1,000 per course), for a total of \$6,000 (offset by income in 2.0 above) were paid out for four ALA/MLA eCourses in the *Getting Started with Music Librarianship* eCourse Bundle that ran January to April 2021. The courses were *Introduction to Music Librarianship* (Elizabeth Berndt Morris); *Introduction to Music Cataloging* (Keith Knop); *Introduction to Music Collection Development* (Lisa Hooper); and *Introduction to Music Reference* (Sara Manus and Liza Weisbrod). There will be no webinars in FY21.

OPEN ACCESS PROJECT(S)

As previously noted, the songbook has shipped to libraries and other donors. A few pledged donations are still expected from some institutions after receipt of their print volumes; otherwise, there is no further fundraising. See the *Public Domain Song Anthology* at <https://doi.org/10.32881/book2>.

Donations received (not just pledged):

FY19	\$ 33,500.00
FY20	\$ 10,610.83 (includes IndiGoGo)
FY21	\$ 8,725.00 (through May 13, 2021)
Total	\$ 52,835.83

Expenses:

\$ 40,000.00	Paid to arranger (contracted for up to \$50,000, depending on donations; is booked back to FY20)
\$ 3,502.10	Cost to print 125 copies (with Peabody covering shipping)
\$ 43,502.10	Expenses paid to date (with final payment to arranger anticipated FY21)

Balance: \$9,333.73 (which will go to the arranger; need \$666.27 to reach arranger's hoped-for final \$10,000; a \$750 donation is expected any day now at this writing).

INVESTMENTS

Patrick Wall (MLA Business Office) noted “the first calendar quarter of 2021 showed uneven results among our funds but overall market gains – total invested funds reached \$2,089,988” compared to \$2,036,126 at December 31, 2020. These amounts include gains and losses and MLA’s own added donations. Wall added that the Fidelity temporarily restricted Y94 conservative fund “was down \$100.73 while the Fidelity Y99 balanced fund [containing the MLA Fund] was up \$38,187, benefiting from its increased exposure to the equity market. Gains across all accounts (not counting our own donation deposits \$7,329) totaled \$46,532, well below the \$159,516 gain posted last quarter.” There were no withdrawals in the January-March 2021 quarter. (Email to Rudnick 4/5/2021.)

	June 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Dec. 31, 2020	Mar. 31, 2021
Fidelity	\$ 1,290,304	\$1,305,985	\$1,371,499	\$1,224,440	\$1,373,313	\$1,555,076	\$1,599,139
Calvert	\$ 383,738	\$389,538	\$410,235	\$359,485	\$416,564	\$481,050	\$490,849
Total	\$ 1,674,042	\$1,695,523	\$1,781,734	\$1,583,925	\$1,789,877	\$2,036,126	\$2,089,988

(See balance sheet for details.)

(COVID onset)

(post-election)

Award accounts at the end of CY2021 Q1 (including CY2021 Q1 donations):

Fund Totals (Fidelity + Calvert) As of 3/31/2021		Donations Jan-Mar 2021		Adjusted Totals
Temp Restricted Funds		Fidelity	Calvert	
Bradley	12,382.61	150.00		12,532.61
Diversity	82,768.21	1,120.00	848.00	84,736.21
Gerboth	48,253.13			48,253.13
Duckles	54,167.23			54,167.23
Hill/O'Meara	13,081.06			13,081.06
Epstein	79,398.89			79,398.89
Freeman	64,973.42	70.00	72.00	65,115.42
Wicker	21,638.60			21,638.60
Ochs	72,536.13			72,536.13
RILM	70,716.07	150.00	255.00	71,121.07
Ratliff	61,682.27			61,682.27
Coral Travel	25,918.63			25,918.63
PPL Travel	55,785.00	130.00	275.00	56,190.00
IAML-US Mtg Fund	24,299.00			24,299.00
Subtotal	687,600.25	1,620.00	1,450.00	690,670.25
MLA Fund (Unrestricted)	1,342,683.65	790.00	150.00	1,343,623.65
Austerity (Y99 acct)	59,703.76			59,703.76
Awards (money mkt)	0.08			0.08
TOTAL	2,089,987.74	2,410.00	1,600.00	2,093,997.74

(Total donations: \$4,010)

Note: the balances of award and other named funds are only updated after the quarter's end.
Excludes short-term donations not in Fidelity/Calvert, e.g., Relief Fund, OA Songbook.

Transfers:

- **FY21 awards funds:** \$15,120.00 is slated for transfer from the Fidelity Y94 Temporarily Restricted subaccounts to the Fidelity Z49 money market (then to checking). Formerly the amount was \$17,520.00, but Freeman awards are not being used. Fidelity/Calvert funds will then be rebalanced.
- \$5,500.00 designated by the board (Norfolk 2020) for the Paraprofessional/Public Libraries Travel Fund will be transferred from the MLA Fund to the PPL fund with the other awards.
- \$3,221.00 of known conference donations were rebooked from the MLA Fund to budget line 3.0142 (Conference Contributions), and funds will be transferred out of the MLA Fund to checking.

AUDIT and IRS 1099 TAX FORMS

IRS 1099 forms: this year, at a late date, SVA (the accounting firm that processes 1099 tax forms for MLA) implemented a new online system for receiving 1099 data from clients via Excel sheet upload (rather than keying in data sent by clients), and for emailing 1099 forms using Yearli (rather than sending paper copies to clients to mail). Rudnick submitted CY2020 IRS form 1099 data before SVA's specified deadline. Before and after IRS filing deadlines, Rudnick notified SVA of problems that seemed to be emerging (e.g., individual forms were missing from SVA's filing summary provided to MLA, and some recipients didn't have their 1099s). SVA acknowledged that they had not filed some of the forms, filed them, apologized, and indicated they would cover any penalties should MLA receive a notice. To date, Rudnick has not heard of any penalties.

Closing Comments

This is my final report as AO (and one more report than expected, since my term as AO was extended by four months, through the end of the fiscal year). I will step back into Assistant AO to assist and mentor Elizabeth Hille Cribbs, who becomes new AO on July 1. Thank you to Liz for her deep learning and assistance these past months. Many thanks to James Zychowicz and Pat Wall at A-R Editions for all they do for MLA and for their ongoing commitment. It has been quite run during these historic times.

Respectfully submitted,
Tracey Rudnick