I. DATE: January 29, 2021

II. NAME OF COMMITTEE: Finance Committee

III. MEMBERS: Susannah Cleveland (President); Elizabeth Hille Cribbs (Assistant Administrative Officer); Casey Mullin (Assistant Fiscal Officer); Tracey Rudnick (Administrative Officer); Anne Shelley (Fiscal Officer, Chair); Liza Vick (Vice President/President-Elect)

IV. BOARD ACTION REQUIRED:

   A. Honoraria for Authors and Editors

      BAR 1a: The Finance Committee recommends that when there are multiple authors for a monograph, the $500 honorarium will be split between them at the time of payment as specified in their individual book contract, or at the authors’ mutual discretion if a split is not specified.

      This policy codifies that honoraria are split, as opposed to each author receiving $500. The text in the BAR provisionally appears verbatim in the Fiscal Policies Handbook (FPH, 4a., p. 14).

      BAR 1b: The Finance Committee recommends adoption of the following policy related to splitting of monographic series editor honoraria:

      When there are multiple series editors for a book across the proposal, contract, and/or editing process, the $350 honorarium can be assigned to the editor who carried out the majority of the work, or it can be split between them at their discretion. Either way, their mutual agreement must be articulated for MLA via contract or by jointly notifying the Administrative Officer in writing before publication. In the absence of documentation at the time of publication, the series editor honorarium will be paid to the editor who is in that series’ office at the time of the book’s publication. The series editors are encouraged to reach written agreement at the time of transition between appointed editors. Disputes will be adjudicated by the Publications Committee chair in consultation with publisher A-R Editions and optionally the editors from the other monograph series.

   B. Corporate Credit Card

      BAR 2: The Finance Committee recommends adoption of the following policy related to MLA’s corporate credit card:

      Documentation (e.g., itemized receipts, itemized invoices) is required for all purchases made with the corporate card, including purchases that could be ordinarily reimbursed as per diem expenses. Documentation must be submitted to the AO promptly or by the AO’s specified deadlines. Only the named card holder may use the card. It cannot be loaned or transferred. Use of the corporate card for personal or unauthorized purchases or cash withdrawals is prohibited. MLA may seek reimbursement from a cardholder
in cases of undocumented purchases or for use of the corporate card that falls outside this policy. The AO and AAO, in consultation with the Finance Committee, may cancel an individual’s corporate card if the situation warrants. The AO may send additional requirements and guidelines to card holders. Statements are generally monitored and paid monthly by the AO or AAO.

Note that the credit card is jointly held by MLA and by the Basic Cardmember (the Administrative Officer, or alternative party designated by the board). Per American Express, the Basic Cardholder is subject to a personal credit check and assumes personal liability for any charges that MLA does not pay. Unpaid charges can impact the Basic Cardmember’s personal credit. This liability should be disclosed well before the person takes ownership of the card, so alternative arrangements can be made if needed. The Basic Cardholder should have chief control over bill monitoring and payment.

The policy provides clarification and greater transparency in cases of card misuse and responsibilities that fall on the Administrative Officer. The text in the BAR provisionally appears verbatim in the Fiscal Policies Handbook (FPH, 2j., p. 6).

C. Stopping Check Payments

BAR 3: The Finance Committee recommends adoption of the following policy related to stopping check payments:

If a signed or unsigned check is lost by MLA, during mail delivery, or by the recipient, or if it remains uncashed beyond its expiration day, it should be voided in QuickBooks, and the MLA Business Office is authorized and directed to stop payment with the bank if the amount of the check or total package is over $500; the AO is also authorized to stop payments. For amounts under $500, the Business Office and AO shall use their judgment, based on circumstances.

Voided checks in MLA’s possession that do not require stop payments with the bank (e.g., misprints, misfeeds, or those with errors) should be defaced so they cannot be re-used, and should be retained by the Business Office or AO; they should be marked in QuickBooks as voided; they should not be shredded or disposed of.

The policy provides guidance on stopping checks written by MLA. The text in the BAR provisionally appears verbatim in the Fiscal Policies Handbook (FPH, 2r., p. 10).

Additional information: as of 2020, the bank fee is nominal, $22 per check, and the process is online and simpler than in years past. Stopping most checks at
lower amounts (even $100 or $300) cumulatively incurs costs that exceed the value of the rare voided check that might get cashed.

D. Master Account and Comp Rooms

BAR 4: The Finance Committee recommends adding the following text to the Master Account and Complimentary Guest Rooms policy:

If an individual declines a room, or if two recipients room together, the value of any surplus complimentary rooms is to be applied to the hotel invoice to offset other meeting expenses, unless the board authorizes exceptions (e.g., for emergency circumstances or support of initiatives).

Background: There is already a policy on who is placed on the master account and who has rooms covered by MLA (from the operating budget or by using complimentary rooms provided per hotel contract). This additional language provides guidance on how to manage surplus rooms if a designated party does not use their room. This policy was originally suggested by the Planning Committee and was largely agreed upon by the board in Denton 2019, and only needed a BAR. The idea was to remove the specter and hard feelings of who is deserving or well liked. The text in the BAR provisionally appears verbatim in the Fiscal Policies Handbook (FPH, 8h., p. 28).

E. Research Awards

BAR 5: The Finance committee recommends that the Gerboth/Bradley awards be funded at $2,200 for FY22 (2021-2022).

The FY21 award amount was $2,000.

BAR 6: The Finance Committee recommends that the Epstein award be funded at $8,200 for FY22 (2021-2022).

Note that this fund is different from the other awards, in that it requires use of 75% of the fund earnings from the year. The FY21 award amount was $5,700.

F. Publication Awards

BAR 7: The Finance Committee recommends that the Duckles award be funded at $1,000 for FY22 (2021-2022).

The FY21 award amount was $1,000.

BAR 8: The Finance Committee recommends that the Hill award be funded at $300 for FY22 (2021-2022).
The FY21 award amount was $300.

**BAR 9: The Finance Committee recommends that the O’Meara award be funded at $230 for FY22 (2021-2022).**

The FY21 award amount was $220.

G. Travel and Outreach Grants

**BAR 10: The Finance Committee recommends that the Kevin Freeman travel grant be funded at $2400 for FY22 (2021-2022).**

The FY21 award amount was $2,400.

**BAR 11: The Finance Committee recommends that the Diversity Scholarship be funded at $2,900 for FY22 (2021-2022).**

This award is calculated according to 4.5% of a four-year average of the fund. It will continue to be calculated according to the number of years of the scholarship’s existence from that year until FY22, when it will follow the standard five-year average formula. The FY21 award amount was $2,700.

**BAR 12: The Finance Committee recommends that the Paraprofessional/Public Librarian Travel Grant be funded at $2,500 for FY22 (2021-2022).**

This fund has now reached endowment and this grant will be offered in FY22 for the first time.

H. Achievement Awards

**BAR 13: The Finance Committee recommends that the Ralph Papakhian Special Achievement award be funded at $500 for FY22 (2021-2022).**

This award is funded from the operating budget, rather than an endowment. The FY21 budget includes $500 approved for this award. The FY20 award amount was $500.

I. Endowments

**BAR 14: The Finance Committee recommends use of the Wicker endowment not to exceed $800 for FY22 (2021-2022).**

This award partially funds the First-Time Attendees reception. The FY21 award amount was $800.
BAR 15: The Finance Committee recommends use of the Ochs/Notes endowment not to exceed $2,800 for FY22 (2021-2022).

This supports the Notes luncheon and other events subject to the discretion of the Notes editor. The FY21 award amount was $2,700.

BAR 16: The Finance Committee recommends use of the US RILM endowment not to exceed $2,600 for FY22 (2021-2022).

This endowment supports MLA’s $10,000 subsidy to RILM. FY21 award was $2,500.

BAR 17: The Finance Committee recommends use of the MLA Fund not to exceed $54,000 for FY22 (2021-2022).

This is the average of December 31 value of the fund over the past three calendar years. Up to 5% of that average or $25,000 (whichever is greater) may be used to support the operating budget if necessary. The FY21 approved amount was $49,000.

V. BRIEF SUMMARY OF ACTIVITIES:

- The MLA Board approved a FY2021 virtual convention budget in December 2020. The draft budget originated from the Convention Task Force, and the Finance Committee reviewed and suggested modifications to the budget before the Board voted on it.
- The Finance Committee met in October 2020 to discuss MLA investments and operating budget expenses/income/surplus. Administrative Officer Rudnick solicited thoughts from the Investments Subcommittee and shared relevant feedback with the Finance Committee.
- Assistant Fiscal Officer Mullin coordinated another periodic review of the Fiscal Policies Handbook, and substantial changes were made by the Fiscal Officers and Administrative Officers. After the Board votes on the above BARs that are related to policy changes that are documented in the FPH, the most recent version of the FPH will be submitted to the MLA Web Managers for posting online.
- AFO Mullin initiated meetings to help prepare for the upcoming officer transitions. Two meetings took place in January 2021, one with the three Fiscal Officers and another that included the Administrative Officers.

Respectfully submitted,

Anne Shelley, MLA Fiscal Officer, FY2021