

Endowing the Future of NCLA

by Ross A. Holt

A recurring theme at each North Carolina Library Association Executive Board meeting during the 1996-1997 biennium was the financial predicament of the organization. A trend of declining memberships and increasing costs caused the treasurer's report frequently to lean toward the red end of the inkwell.

The Board itself and a special Financial Vitality Committee chaired by Robert Burgin put a lot of time and energy into addressing the shortfall. The measures ranged from defunding the grant-giving Special Projects Committee to reducing by one dollar the amount that each section or round table receives from each member's dues, and levying a five dollar surcharge on sections and round tables for each paid workshop or program registrant.

The picture is far rosier this biennium because of the highly profitable 1997 conference. All costs are covered and the Special Projects Committee is back in business. Nonetheless, the current budget still includes about \$18,000 in money from a couple of reserve funds.

NCLA can well afford to pull from the reserves now, but obviously this cannot become an annual practice. That is why part of the Executive Board's focus this year is to ensure a sound financial footing in future years.

The Membership Committee is implementing several dramatic but commonsense proposals aimed at recruiting and retaining members. Some of these ideas cost money (e.g., more aggressive pursuit of lapsed members and better breaks for library school students), but the efforts justify dipping into the reserves to build a foundation for the future.

The NCLA Development Committee, which I am presently coordinating, is creating the Endowment for *North Carolina Libraries* in order to protect the

association from the financial fallout of expected vicissitudes in membership and to enable the association to undertake major projects. Initially, the committee's goal is to raise enough principal so that the interest returned will fund one issue of *North Carolina Libraries* per year. With future growth the endowment might fund a major portion of NCLA's annual budget, as is the case in some other state library associations.

The committee elected the journal as its first goal because it is a project with a glowing track record and a tangible product. Donors often like to contribute to a particular project rather than to an operating fund, and what better selling point than a nationally recognized, award-winning publication with a hallowed tradition?

With an expected annual return of five percent, funding one issue of the journal means raising an endowment of \$160,000. This will offset the \$8,000 cost of a single issue. Once the goal is met, however, an annual \$8,000 weight is taken off the shoulders of NCLA budget writers and operating funds can go toward other projects.

At its January meeting, the Executive Board appropriated \$10,000 for start-up of the endowment to go along with \$5,000 already pledged by a donor who wishes to remain anonymous. The money will be invested with the North Carolina Community Foundation (NCCF), a Raleigh-based organization that manages investments for non-profit organizations statewide.

The main purpose of the NCCF is to promote giving aimed at rural development. It has as affiliates over 40 county-level community funds that draw from the overall endowment and make grants on the local level.

The NCCF also manages individual endowments for organizations such as the North Carolina Library Association.

Usually the return is five percent of the total value of the fund at the end of the year; the NCCF gets a one percent fee and any further gain is reinvested in the fund.

The NCCF can handle any kind of donation, including stocks, real estate, bequests and cash, and takes care of all reporting requirements. The Endowment for *North Carolina Libraries* will be promoted in all the NCCF's publicity material, raising NCLA's profile among the state's philanthropists. As a result NCCF staff can steer library-oriented givers to us.

As this column goes to press, the Development Committee is reviewing the association's proposed agreement with the NCCF in preparation for signing a contract. Soon, the committee will begin making contact with North Carolina's major foundation and corporate donors to begin building the endowment.

The committee also will be asking for the help of NCLA members and library supporters around the state. Once established, the endowment will become a great vehicle for recognizing people who are important to librarianship in North Carolina. The committee will set up a mechanism by which individuals can contribute to the endowment in honor or in memory of others, with a notice of the donation sent to the person honored or the family of the person being commemorated. The committee also intends to publicize all contributions to the endowment in *North Carolina Libraries*.

With this endowment, the Development Committee seeks to ensure the financial future of the North Carolina Library Association, and free its full power for North Carolina's libraries and librarians. Look for more information about the Endowment for *North Carolina Libraries* soon.