

SWAN Budget Information & Guidelines

Fiscal Year 2021 (July 1, 2020 – June 30, 2021)

Approved March 5, 2020

Introduction

New Chart of Accounts

This budget reflects a new chart of accounts. The conversion of the prior fiscal year 2020 (FY20) budget is included for comparison with the fiscal year 2021 (FY21) budget.

Budget Highlights

Three Libraries Joining SWAN

The libraries Glenside, Roselle, and Warrenville have expressed interest in becoming full members of SWAN. The one-time expenses are included in the budget, along with expected membership fee revenue and increases to the software maintenance from EBSCO, OCLC, and SirsiDynix.

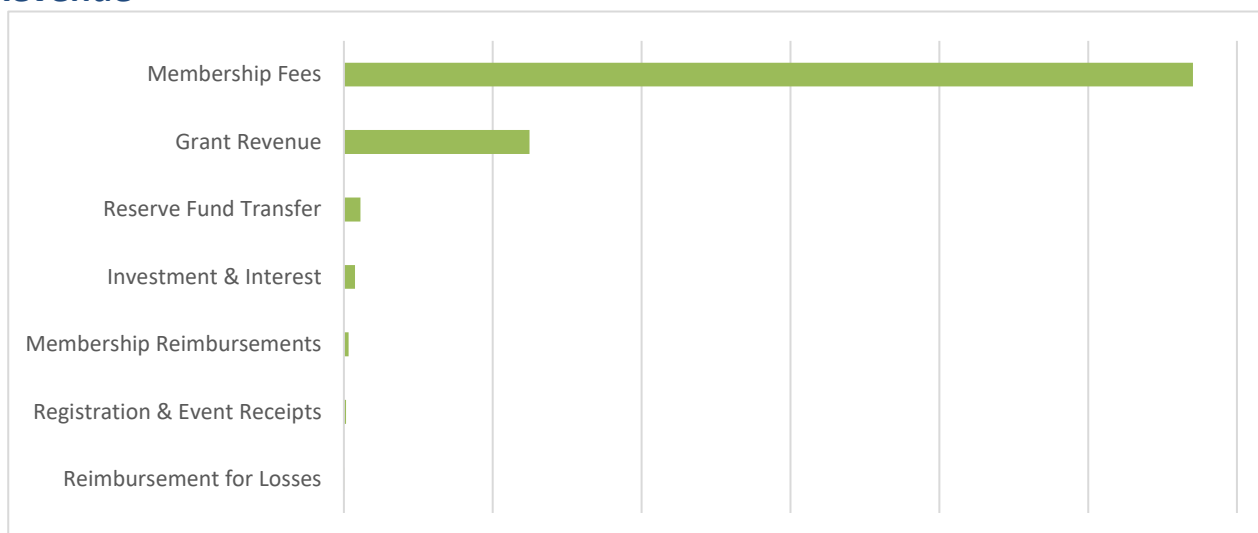
SWAN Laptops, Training Lab, EMV Swipes

The cash reserves will be used to replace SWAN employee laptops which are now reaching the end of warranty. These laptops will be repurposed for a SWAN training lab. The reserves will also be used to help fund the EMV chip readers to replace 1 magnetic swipe should ProPay announce the devices are available.

Mobile App

The BLUEcloud Mobile app is funded within the FY21 budget. The year 1 subscription and one-time costs were paid from reserves in the previous budget.

Revenue



Membership Fees

4010 SWAN Full Membership Fees \$2,851,863

SWAN assesses membership fees based on academic, school, special, and public library. The formulas used for each are detailed on the SWAN support site under About > Board > Budget & Fees. FY21 membership fee revenue on average does not increase. There are exceptions however, based on the formula, particularly for public libraries undergoing property tax or debt service changes within a given year. SWAN's FY21 membership fees are based on the 2017 tax year.

4011 SWAN Internet Access Membership Fees \$0

The Internet Access level service for school libraries continues through this fiscal year, but the fees collected are left out of the budget as this service possibly will end pending a final decision by the SWAN Board.

Membership Reimbursements

4110 Member One-Time Project Receipts \$14,000

This budget line would be used if a library needed to reimburse SWAN for one-time expenses incurred. For example, if the RAILS Catalog Grant were no longer available, a library joining SWAN would pay SWAN for the one-time expenses for the vendor expenses. No one-time projects are anticipated for the FY21 budget.

4190 Member Group Purchase Receipts \$420,673

Libraries that reimburse SWAN for group purchases are indicated in this budget line. The FY21 budget includes \$14,000 for a group purchase of ProPay chip and PIN devices (specifically called EMV devices) that would replace existing magnetic swipes. ProPay has not announced the release of these devices, but this budget anticipates their release.

Reimbursement for Losses

4220 Reimbursement Losses for Resource Sharing \$0

Revenue associated with reimbursement for ILL or reciprocal borrowing with libraries outside of the SWAN consortium, e.g. Chicago Public Library.

4230 Collection Agency Fees \$900

SWAN will collect a modest fee for administering services within the Unique Management collection of unpaid reciprocal borrower invoices.

Grant Revenue

4310 RAILS Support to SWAN \$562,018

RAILS provides support to SWAN through an annual grant to support regional resource sharing. The grant amount for FY21 increased due to metrics SWAN provided to RAILS. This support from RAILS is translated directly to the public libraries in SWAN as an LLSAP support discount. The discount for each public library in SWAN increased to \$6,109 from \$5,703 within the FY21 SWAN Membership Fees.

4320 Other Grant Revenue \$61,500

The one-time grant revenue from adding three new libraries via the RAILS Catalog Grant are recorded in this budget line. For the FY21 budget, the \$61,500 in revenue are based on the add-on costs for migrating data from the library standalone systems into SWAN's SirsiDynix software.

Registration & Event Receipts

4499 Annual Conference Receipts \$7,600

Any revenue collected as part of the SWAN Expo are recorded in this budget line. This includes vendor table fees or libraries invoices for the event to offset event catering.

Investment & Interest

4510 Interest Income \$37,000

SWAN interest income continues to grow beyond expectations. The FY21 budget is based on the FY19 actual budget total.

4520 Investment Income \$0

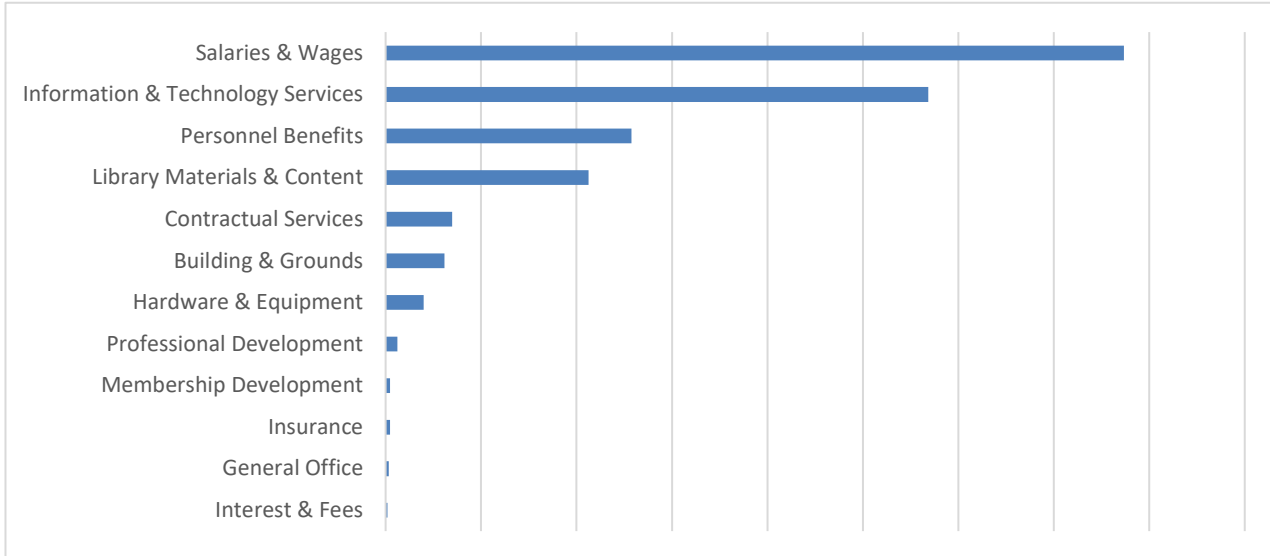
SWAN currently does not invest reserve funds. Should the organization decide to invest, the annual income would be recorded in this budget revenue line.

Reserve Fund Transfer

4600 Reserve Fund Transfer \$62,379

Based on budget need, the fiscal year may rely on funds allocated from the SWAN reserves. The SWAN FY21 budget will utilize reserves for a SWAN employee laptop replacement of \$44,219 and \$14,000 to replace library ProPay magnetic swipes with a single EMV chip reader per library with an existing swipe. SWAN is also dedicating \$5,000 from the reserves in a book rental trial with Baker & Taylor to supplement popular titles to reduce hold queue wait times.

Expenses



Salaries & Wages

5000	Salaries & Wages	\$1,546,800
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SWAN has left positions unfilled to remain flexible within the strategic plan. The FY21 budget has no increases from the prior year's budget.

Personnel Benefits

5021	Social Security Taxes	\$118,400
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Payroll taxes and fringe benefits-- employer's share only. Social Security taxes (FICA). No change from the prior budget.

5022	State Unemployment Insurance	-
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Organization pays unemployment directly should it be required.

5023	Worker's Compensation	\$3,000
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Organization insurance provided by insurance vendor.

5024	Retirement Benefits	\$140,900
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SWAN provides its employees a 401a retirement plan through ICMA-RC. The organization does not provide a defined benefit plan or participate in Illinois Municipal Retirement Fund (IMRF).

5025	Health, Dental, Life And Disability Insurance	\$246,300
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Employee health insurance is provided by LIMRiCC Purchase of Health Insurance Program (PHIP). For FY21 there is an anticipated increase overall to the plan expense of 10%.

5026	Tuition Reimbursements	\$2,500
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Tuition reimbursement benefit for employees.

5085 Staff Wellness \$5,100

Benefit offered to SWAN employees for participation within the employee Wellness Plan which includes incentives for breaktimes for walking, pedometers, exercise, and healthy lifestyles. No change from the prior budget.

Building & Grounds

SWAN headquarters located at 800 Quail Ridge Drive in Westmont, Illinois includes expenses for the lease and operations of the headquarters.

5110 Rent/Lease \$105,904

SWAN has an 8-year lease for the headquarters at 800 Quail Ridge. The General Accounting Standards Board (GASB) requires SWAN to record total rent for the entirety of the lease, and then expense each month of the 8-year lease term. This results in \$70,155.72 being recorded for each year for FY18 – FY24, and \$17,539.38 for FY25, the final year of the lease. Additional expenses vary each year, including charges for property taxes, facility operating expenses, and lease insurance. No change from the prior year budget.

5120 Utilities \$6,400

Facility electricity and natural gas expenses are recorded in this line. No change from the prior budget year.

5130 Property Insurance \$1,500

The FY21 budget includes the 800 Quail Ridge furniture and equipment, and the RAILS 125 Tower Drive data center equipment. SWAN will retain some equipment in the RAILS data center related to the voice notification (SVA) system in the RAILS data center, but all other SWAN servers are no longer there.

5140 Repairs & Maintenance \$1,300

Used for facility repairs including door fob security maintenance and repairs.

5150 Custodial Service & Supplies \$8,100

SWAN's cleaning service for two days per week was changed and the FY21 budget reflects a lower cost service.

5190 Other Building Maintenance \$100

Used for alarms and security cameras related to facility expense. No change from the prior budget.

Professional Development

SWAN's 2019-2023 five-year strategic plan places emphasis on delivering solutions to libraries using the talent of the SWAN employees. Prior budgets mixed the staff professional development and efforts to provide membership development. The FY21 budget is our first opportunity to ensure expenses associated with each category are understood and budgeted appropriately, as they have at times made it difficult to understand mid-year expenses properly.

5210 Conference Travel \$11,000

SWAN staff attend various conferences annually such as ILA, COSUGI, ALA, or the COSUGI Consortia Special Interest Group meeting. This includes expenditures for overnight lodging, fares for airfare, planes, trains, taxicabs, auto rental, meals, etc.

5220 Staff Meetings \$600

Expenses related to SWAN staff meetings, mostly food and a holiday luncheon, are recorded in this line.

5230 Staff Professional Development \$5,400

SWAN employees participate in presentations at ILA, ALA, COSUGI and other professional organization events. Attending the annual COSUGI conference is a must for SWAN staff as it allows the organization to plan for upcoming library software features and functions.

5240 Professional Association Membership Dues \$2,500

SWAN employees participate in ALA, ILA, and COSUGI activities, often presenting at conferences. Individual

5250 Educational Material \$800

SWAN employees will need to purchase reading and course material on US design, and agile development in FY21.

5260 Online Learning \$4,500

SWAN employees will participate in online learning with companies Coursera, OS Training, and Microsoft in FY21.

Membership Development

This budget category focuses on providing professional development for the member libraries within SWAN. This includes SWAN staff consulting, leading meetings, and facilitating membership networking events.

5310 Travel Reimbursement \$2,800

The SWAN organization has no vehicles and reimburses employees for mileage attending the 50+ membership meetings held annually.

5440 Library Services Platform \$927,200

The heart of SWAN's resource sharing software platform expenses is recorded in this budget line, including expenses from SirsiDynix, OCLC, and EBSCO Discovery Services, and OpenAthens. For FY21, SirsiDynix expenses are budgeted for \$508,278, OCLC at \$254,927, and the Article Search integration through EBSCO Discovery Services and OpenAthens is \$167,577 total. This line includes licensing three libraries to SWAN full membership for the second half of FY21.

5450 Data Management Services \$27,500

Expenses related to maintaining bibliographic and user data within the SWAN library services platform. This includes software provided to cataloging libraries to maintain bibliographic standards of the consortium. Vendors expenses include: ALA RDA Toolkit for Cataloging Libraries, WebDewey (OCLC negotiated directly with SWAN), MARCIVE (ongoing authority updates), The MARC of Quality (TMQ), and Unique Management Services National Change of Address (NCOA) patron database update expense at \$10,000 annually.

5460 Information Subscription Service \$74,600

SWAN's discovery platform includes multiple add-on services to add cover artwork and reading recommendations. Vendor expenses include: ProQuest Syndetic Solutions (book jackets, enhanced content), EBSCO Novelist Select (reviews content). The addition of three libraries to SWAN increase the licensing for Novelist in FY21.

5470 Subscription Support Services \$10,100

SWAN's support platform includes remote desktop assistance to library staff, online training, and remote monitoring of systems for SWAN on-call staff. New to FY21 is the TalentLMS learning management system. This service will be used to create library staff coursework and classes provided through SWAN, SirsiDynix, EBSCO, and OCLC depending on library role. Expenses associated with this budget line include: Citrix GoToAssist, Citrix GoToMeeting (Plus for 100 attendees), Learning Management System through TalentLMS, StatusCake (for site monitoring and alerting SWAN staff to outages), and the volume email service through SendGrid (patron notification plus library notification).

5480 Telecommunications \$19,400

Expenses associated with SWAN facility connection to the internet and phone support.

5490 Group Purchases - Services \$600

SWAN will periodically arrange a software group purchase. Those expenses are recorded here if libraries are invoiced back for the expense, which would be recorded as revenue in the budget line 4190. The budget is supporting an Envisionware software group purchase for a self-check system, which has annual maintenance for support.

General Office

This category is primarily the expenses associated with running the organization's headquarters at 800 Quail Ridge Drive.

5510 Office Supplies \$4,000

Expenses associated with routine office work including paper, staff supplies, and anything costing less than \$5,000.

5520 Postage \$900

Expenses associated with shipping printed material are recorded in this line. SWAN staff make best attempts to control shipping costs through bringing printed material to membership events.

5550 Furniture \$0

If SWAN needs to add any training or collaboration furniture for the facility conference room or work areas, this is the budget and expense is recorded.

5599 Annual Conference Supplies \$400

All supply expenses associated with the annual conference SWAN Expo which include envelopes, paper, and presentations.

Hardware & Equipment

SWAN utilizes a very light footprint for its headquarters, staff, and services to libraries.

5610 Equipment Rental/Maintenance \$3,700

All expenses associated with equipment leased at 800 Quail Ridge, including the single staff multi-use copier printer.

5620 Hardware \$63,200

SWAN FY21 expenses associated with SWAN employee peripherals for the replacement of SWAN staff laptops. The FY21 budget includes RFID equipment for inventory research & testing, self-check equipment, and a new network switch for the headquarters facility. This line has a large increase due to the cycle to replace SWAN staff laptops has come due after 5 years of use (the original purchase was made in 2016). A subset of these laptops will be repurposed for the laptop training cart for employees to provide membership instruction at the SWAN headquarters. The FY21 budget also includes the one-time expense for the EMV chip reader for BLUEcloud Commerce that SWAN pledged to provide libraries as a replacement of one EMV chip reader for one magnetic swipe. This replacement is a one-time expense in the FY21 budget totaling \$14,000.

5860 Notification & Collection \$35,300

SWAN has contracted with a vendor to print all user notices through Unique Management Services. The

5870 Recruitment \$900

Costs for personnel search, advertising of an open position at SWAN.

5899 Annual Conference Facility Contract \$12,000

SWAN Expo at Moraine Valley Community College Business and Conference Center has a one-day cost for the location plus food provided for the event. The FY21 budget anticipates \$12,000 for the event based on prior contracts.

Library Materials & Content

SWAN's chart of accounts includes budget lines for the organization to provide content to libraries—be it print, electronic, or as a group purchase pass-through.

5910 Print Materials \$5,000

This line is intended for print collections supplied to member libraries, either through a direct order through Baker & Taylor, or rental copies via the jobber. SWAN is also dedicating \$5,000 from the reserves in a book rental trial with Baker & Taylor to supplement popular titles to reduce hold queue wait times.

5920 Electronic Resources \$0

This line's purpose is for online content provided to all libraries as part of SWAN's membership fees. It may include eBook content, online databases subscriptions, or other e-content.

5990 Group Purchases - Content \$420,000

If SWAN negotiated and offered a group purchase for online subscriptions through EBSCO, Gale, ProQuest, or other vendors, it would be recorded in this budget line and the associated revenue offset in the revenue 4190 budget line.

Interest & Fees

6010 Bank Fees \$3,700

Expenses associated with bank fees for stopping checks or other services are recorded in this line. The lock box service will be added to this budget line at \$2,700 annually. This service was under the RAILS Finance department and is recommended by the accounting service provided under Lauterbach & Amen.

6020 Merchant Account Fees \$40
SWAN subscribes to ProPay as part of the BLUEcloud Commerce required for online Enterprise payments. SWAN pays \$40 annually, as do all member libraries within the ProPay service.

6030 Interest Payment \$0
Expenses for any loan or debt service payments would be recorded in this line. SWAN currently has no expenses for this line.

6099 Annual Conference Merchant Fees \$300
Expenses associated with any online transaction fees for processing annual conference SWAN Expo online payments are recorded in this line. SWAN's FY21 budget includes expenses associated with the Eventbrite online payment fee.

Asset Management

6110 Depreciation \$3,607
For proprietary funds and government-wide financial statements only. Depreciation charges are intended to allocate the cost of a fixed asset over the estimated useful life of the unit in a systematic and rational manner using the straight-line method. The number of physical assets depreciated has fallen dramatically since SWAN moved to an infrastructure-as-a-service model and no longer needs to purchase servers over \$5,000. SirsiDynix migration and operating system server migration expenses are in their final years of depreciation.

6120 (Gain)/Loss on Asset Disposal \$0

6130 Vacation Expense \$10,000
Per GASB, Vacation Expense is the account created to segregate the amount of the expense incurred by SWAN for the current years' addition or subtraction to the balance of earned but unused staff vacation time. The Balance Sheet reflects the fact that Compensated Absences has been adjusted for the year-end to show, as of June 30 of the given fiscal year, the current value of this earned but unused vacation. This is more a potential than actual liability as employees most likely will use most of their vacations while being employed.

Revenue & Expense Budget		FY20 Budget	FY21 Budget	Change
Revenue				
4000	Membership Fees			
4010	SWAN Full Membership Fees	\$2,740,626	\$2,851,863	\$111,237
4011	SWAN Internet Access Membership Fees	\$0	\$0	\$0
4100	Membership Reimbursements			
4110	Member One-Time Project Receipts		\$14,000	
4190	Member Group Purchase Receipts	\$721	\$421,394	\$420,673
4200	Reimbursement for Losses			
4220	Reimbursement Losses for Resource Sharing	\$0	\$0	
4230	Collection Agency Fees	\$900	\$900	\$0
4300	Grant Revenue			
4310	RAILS Support to SWAN	\$524,679	\$562,018	\$37,339
4320	Other Grant Revenue	\$5,000	\$61,500	\$56,500
4400	Registration & Event Receipts			
4499	Annual Conference Receipts	\$7,600	\$7,600	\$0
4500	Investment & Interest			
4510	Interest Income	\$22,000	\$37,000	\$15,000
4520	Investment Income	\$0	\$0	
4600	Reserve Fund Transfer	\$83,560	\$62,379	(\$21,182)
Total Revenue		\$3,385,086	\$4,018,654	\$633,568

Expenses				
5000	Salaries & Wages	\$1,546,800	\$1,546,800	\$0
5020	Personnel Benefits			
5021	Social Security Taxes	\$118,400	\$118,400	\$0
5022	State Unemployment Insurance	-	-	
5023	Worker's Compensation	\$2,200	\$3,000	\$800
5024	Retirement Benefits	\$140,900	\$140,900	\$0
5025	Health, Dental, Life And Disability Insurance	\$234,600	\$246,300	\$11,700
5026	Tuition Reimbursements	\$2,500	\$2,500	\$0
5085	Staff Wellness	\$5,100	\$5,100	\$0

Revenue & Expense Budget		FY20 Budget	FY21 Budget	Change
5100	Building & Grounds			
5110	Rent/Lease	\$105,904	\$105,904	\$0
5120	Utilities	\$6,400	\$6,400	\$0
5130	Property Insurance	\$1,500	\$1,500	\$0
5140	Repairs & Maintenance	\$1,180	\$1,300	\$120
5150	Custodial Service & Supplies	\$8,500	\$8,100	(\$400)
5190	Other Building Maintenance	\$100	\$100	\$0
5200	Professional Development			
5210	Conference Travel	\$11,000	\$11,000	\$0
5220	Staff Meetings		\$600	\$600
5230	Staff Professional Development		\$5,400	\$5,400
5240	Professional Association Membership Dues	\$400	\$2,500	\$2,100
5250	Educational Material		\$800	\$800
5260	Online Learning	\$500	\$4,500	\$4,000
5300	Membership Development			
5310	Travel Reimbursement	\$2,200	\$2,800	\$600
5320	Membership Meetings	\$2,900	\$2,900	\$0
5350	Marketing & Promotional Material	\$8,000	\$1,200	(\$6,800)
5399	Annual Conference	\$14,000	\$2,500	(\$11,500)
5400	Information & Technology Services			
5410	Infrastructure Licensing	\$36,700	\$42,000	\$5,300
5420	Application Software Licensing	\$16,500	\$18,400	\$1,900
5430	Server Software Licensing	\$12,900	\$13,900	\$1,000
5440	Library Services Platform	\$883,400	\$927,200	\$43,800
5450	Data Management Services	\$28,300	\$27,500	(\$800)
5460	Information Subscription Service	\$73,100	\$74,600	\$1,500
5470	Subscription Support Services	\$6,700	\$10,100	\$3,400
5480	Telecommunications	\$19,400	\$19,400	\$0
5490	Group Purchases - Services	\$500	\$600.00	
5500	General Office			
5510	Office Supplies	\$4,000	\$4,000	\$0
5520	Postage	\$900	\$900	\$0
5550	Furniture	\$0	\$0	\$0
5599	Annual Conference Supplies		\$400	

Revenue & Expense Budget		FY20 Budget	FY21 Budget	Change
5600	Hardware & Equipment			
5610	Equipment Rental/Maintenance	\$3,700	\$3,700	\$0
5620	Hardware	\$1,000	\$63,200	\$62,200
5690	Group Purchases - Hardware	\$0	\$14,800	\$14,800
5700	Insurance	\$8,900	\$9,200	\$300
5800	Contractual Services			
5810	Legal	\$5,000	\$5,000	\$0
5820	Accounting	\$21,555	\$20,610	(\$945)
5830	Consulting	\$2,000	\$5,000	\$3,000
5840	Payroll Service Fees	\$3,900	\$3,900	\$0
5850	Contractual Agreements	\$0	\$56,500	\$56,500
5860	Notification & Collection	\$45,300	\$35,300	(\$10,000)
5870	Recruitment	\$900	\$900	\$0
5899	Annual Conference Facility Contract	\$2,400	\$12,000	\$9,600
5900	Library Materials & Content			
5910	Print Materials	\$8,000	\$5,000	(\$3,000)
5920	Electronic Resources	\$0	\$0	\$0
5930	Reimbursement for Resource Sharing			
5990	Group Purchases - Content	\$0	\$420,000	\$420,000
6000	Interest & Fees			
6010	Bank Fees	\$1,000	\$3,700	\$2,700
6020	Merchant Account Fees	\$0	\$40	\$40
6030	Interest Payment	\$0	\$0	\$0
6099	Annual Conference Merchant Fees	\$0	\$300	\$300
Subtotal Expenses		\$3,399,139	\$4,018,654	\$619,015
6100	Asset Management			
6110	Depreciation	\$31,647	\$3,607	
6120	(Gain)/Loss on Asset Disposal			
6130	Vacation Expense	\$10,000	\$10,000	
Total Expenses		\$3,399,139	\$4,018,654	\$619,515
Total Revenue (from above)		\$3,385,086	\$4,018,654	
Excess of revenues over (under) estimated expenses		-\$14,053	\$0.00	

SWAN Reserves Plan: Updated for FY21 Budget

Capital Expenditures (anything over \$5,000)	FY20	FY21	FY22	FY23	FY24
	July 2019-June 2020	July 2020-June 2021	July 2021-June 2022	July 2022-June 2023	July 2023-June 2024
Prior Year Balance: End of fiscal year, final audit, see "Unrestricted" on Balance Sheet	\$1,832,719	\$1,758,521	\$1,721,585	\$1,721,585	\$1,721,585
Reserves collected & Impact Fee	\$9,362	\$26,283	\$0	\$0	\$0
Server replacement: no longer required with cloud-based Infrastructure-as-a-Service	\$0	\$0	\$0	\$0	\$0
Vendor services: estimated consulting for server OS upgrades, migrations, etc.	\$0	\$0	\$0	\$0	\$0
Firewall replacement: no longer required with cloud-based Infrastructure-as-a-Service	\$0	\$0	\$0	\$0	\$0
Funds for Accounting Service Year 1	(\$13,110)				
Funds for BLUEcloud Mobile Purchase + Year 1	(\$70,450)				
Funds for Popular Book Title Rental		(\$5,000)			
Funds for EMV commerce devices (chip & PIN)		(\$14,000)			
Funds for SWAN staff computer replacement		(\$44,219)			
Future ILS Migration Budget (\$465,740)					
Total	\$1,758,521	\$1,721,585	\$1,721,585	\$1,721,585	\$1,721,585
Maintain 4 months operating in reserve (policy)	(\$1,133,046)	(\$1,339,551)	(\$1,406,529)	(\$1,476,855)	(\$1,550,698)
Over/(Under) Reserve Policy	\$625,474	\$382,033	\$315,056	\$244,729	\$170,887
Operating Budget (5% increases each year after FY21)	\$3,399,139	\$4,018,654	\$4,219,586	\$4,430,566	\$4,652,094.01

* Cloud subscription: Infrastructure-as-a-Service (IaaS) is the recommended direction for SWAN for its future servers. IaaS