

# Building resources and relationships: Determining what and who you need

## Webinar Script, January 18, 2017

Joy

Hello! My name is Joy Banks, and I am the Project Coordinator for the CLIR Strategies for Advancing Hidden Collections six-part webinar series. Welcome to our second webinar, Building resources and relationships: Determining what and who you need. This series is offered through the generous support of The Andrew W. Mellon Foundation.

We have a few housekeeping items. Please use the chat box during our presentation to share thoughts on the topic of the webinar. If you have questions, please enter them in the Q&A box, and we will do our best to address them all. We will also have a time for questions at the end. If you have any technical issues during the event, please send a private message to Louise Gruenberg. If you are viewing this as a group, please send a private message to me with your name, email, and group count. You will be prompted to complete an evaluation when the webinar is done. Completion of the evaluation will make you eligible for a downloadable Certificate of Completion for your records. Please keep in mind that the webinar is being recorded, including the audio, slides, and chat. Recordings will be sent to the registered participants as soon as they are available.

[Joy will move everyone to Classroom]

It is my pleasure to introduce our speaker for today, Rosemary PI(ee)va Flynn. Rosemary is the Principal Librarian and Team Lead, Library and Information Services, at the **Energy & Environmental Research Center** at the University of North Dakota. Prior to working at the EERC, she was the Electronic Records Project Archivist for Phase II of the Indiana University Electronic Records Project. An active member of many professional organizations, Rosemary also currently chairs the Society of American Archivists Dictionary Working Group tasked with creating the new Dictionary of Archives Terminology. Rosemary has presented papers, been a panel participant, and moderated programs at several conferences. She is an instructor for several Society of American Archivists continuing education workshops. Rosemary holds an M.L.S. from Indiana University and an M.A. in Social Sciences and B.S. in History with a minor in American Studies from Ball State University. She attended the first Archives Leadership Institute in 2008 at the University of Wisconsin, Madison. Please welcome Rosemary.

[ Joy advance to slide 2 with objectives ]

[ Rosemary begins ]

Thank you Joy. And welcome to all. I am excited to be with you today. Since we updated the objectives a bit for this webinar, I would like to briefly state them in case you signed up before they changed.

By the end of the webinar today, you should:

- Know how to develop a budget to support goals
- Know what questions to ask in advance
- Know who to talk to about funding and support
- Know how to adjust the project message to various audiences

One caveat...We simply cannot cover all topics related to resources, budgets, and other aspects of financial management, or perhaps not go as deep as we might desire, during this webinar.

To ease us into the webinar and the topics we are going to cover, let's start with a couple of questions for you.

[ Rosemary advance to slide 3 ]

How would you describe your approach to your own fiscal resources?

- If you are risk averse, you will do whatever you can to decrease uncertainty.
- Risk seeking means that you are willing to take risks to get to a potential, but not certain, outcome.
- Risk neutral suggests some indifference to outcomes. No one is truly risk neutral but you may find yourself more toward the center mark or you may be more risk averse or risk seeking depending on the decision that needs to be made.

[ Joy turns on drawing tool ]

Please select the marker tool just turned on for you at the left side of your screen and scribble a line on the continuum. If you are a group watching, feel free to add a line for each person in the group.

Don't think too long about this. There are not right or wrong answers here. Go with your first gut reaction.

[ Joy clears screen and turns off tool ]

[ Rosemary advance to slide 4 ]

Next question...Are you fiscally liberal or conservative?

A person who is fiscally liberal generally supports higher levels of government spending.

While the definition of a fiscal conservative has been evolving in recent years, generally today it means that a person opposes tax increases and supports limited government spending.

[ Joy turns on drawing tool ]

Please mark where you are on the continuum. Again, there are not right or wrong answers here.

[ Joy clears screen and turns off tool]

[ Rosemary advance to slide 5 ]

We are not going to get into a discussion on political and economic theory, but what you need to understand is that your beliefs and your personal approaches to money and its management will influence the way you will approach developing budgets and seeking funding.

However, sometimes your attitude towards risk can be dictated by the circumstances you are currently in. For example, you may be a risk averse person but due to ongoing budget concerns, you may take riskier actions than you normally prefer in an effort to save your project or your organization.

[ Rosemary advance to slide 6 ]

While we are not going to discuss politics, we are going to discuss our current situations. Moving into our first discussion room, we are going to share about what you are doing now.

[ Rosemary switches to discussion room #1; Total time 5–7 minutes]

Discussion #1: Justifying Your Budget, Your Collection, and Your Organization: What Do You Do Now?

As you might remember from the first webinar, we will be utilizing the chat box on the left side of your screen to facilitate discussion. We will be capturing the chat comments as part of the recording in case there is something you want to refer back to.

So, our first question here is How do you currently justify the existence of your organization? If someone would ask you what your organization does and why it needs funding, what do you say?

...

A second question is What metrics do you gather? Do you put numbers into your justifications?

These are great responses and I can tell that many/most of you have been spending a lot of time thinking about what you are doing.

[ Rosemary switches back to Classroom]

## Classroom Environment

[ Rosemary advance to slide 7 ]

I will be honest with you. Even though there has been a recovery in many sectors of the economy, for cultural institutions, the political and business environment continues to necessitate the frugal use of budget resources. It is a dollar and cents world, and we are in the uncomfortable position of often needing to justify our existence by boiling its value down into dollar terms. This is difficult to do because statements of cashflow usually underestimate the social return of an organization's existence.

[ Rosemary advance to slide 8 ]

Some of you may already be very experienced with budget creation and monitoring while others of you may be using this webinar series to help you prepare all elements of your very first project. All of us will benefit from reviewing the basic steps for creating a budget.

Whether it is for a project to catalog a hidden collection or for your entire department or unit, developing a budget is as much about forecasting as anything else... with some prioritization thrown in. During the planning and preparation phases, you must predict changes in future funding levels, wage increases, and price inflation for goods and services. The more information you have, the better your forecast will be. What we will be doing today is giving you some tools to help you in this process.

Creating a Budget:

[ Rosemary advance to slide 9 ]

Let's begin with a review of the basic steps for creating a budget.

The number of steps, and the detail of any sub-steps, in the budget process depends on your organization's funding sources and, sometimes, what is required by law. The basic steps we will be discussing today are

- Assess needs and goals in terms of the organization's overall mission and goals
- Forecast anticipated revenues and expenses
- Analyze data from inside and outside the organization
- Prepare the budget
- Present the budget
- Adopt the budget

Because of the length of the webinar, we are not going to be math-intensive or talk about specific formats for budgets but there are a number of resources that can help you listed in the wiki that was created to accompany the the webinar series.

Let's look at some of these steps a little more from the perspective of preparing a budget for a hidden collections project.

[ **Rosemary** advance to slide 10 ]

*Assess needs and goals in terms of the organization's overall mission and goals*

You think you have identified the perfect collection for a grant-funded project. But, before moving forward with your budget preparation activities and your grant application, be sure that the collection and your ultimate goals for it fit with your organization's mission and goals. When a collection was accessioned, the organization may have had a different focus. While it may be a cool collection, if it does not fit with the organization now, you will have a hard time getting approval to even do the project.

As a funded budget is a statement of priorities, awareness of your organization's missions and goals and how the collections and your projects impact them is also extremely important when discussing sustainability.

[ **Rosemary** advance to slide 11 ]

*Forecast anticipated revenues and expenses*

A common misconception about the budget planning process is that it is only about the money going out.

During this step, you will need to anticipate where the money is coming from to do your project and what your expenses will be.

Revenue is the money coming in that you have to work with. The questions you are asking here as part of the budget planning process are...

- What are your current revenue sources?

- What other sources are available to you for funding?

We will discuss identifying funding sources later in the webinar.

[ Rosemary advance to slide 12 ]

Your project expenses may involve more than you think. You need to know things like:

- Who is working on this project and how much time will they need to complete the project? Do you need to hire additional staff?
  - You also need to be thinking about what the staff will be paid and will they be long term staff members or on staff just for the duration of the project.
- Will you need to work with other departments? How much will they charge for their time or services?
- What equipment and/or supplies do we need and how much will they cost?
  - Some funding sources may not pay for major equipment purchases.
- Will we need to travel?
  - Many times, a stipulation of federal grant funding is presentation of your project findings. If this is to be done at conferences or other professional meetings, you should be planning travel money into your budget.
- What metrics do we need to use to put together the budget and to advocate with potential funders?

If your collection is going to need ongoing funds for maintenance activities related to keeping the collections available, you need to identify this early on in the budget process and decide if it is part of this particular budget or part of the organization's total budget and discussion on long-term sustainability.

[ Rosemary advance to slide 13 ]

When thinking about a cataloging project, what do you think is the biggest expense? Please enter some thoughts on this in the chat window here. [Pause]

These are some great additions to the list.

[ Rosemary advance to slide 14 ]

### Computing Costs

Now that we have identified our expenses, how do we figure out how much our project will cost?

[ Rosemary advance to slide 15 ]

For our example today, let's look some of the equations from the technical pamphlet, "Computing the Total Costs of Archival Processing" by Thomas Wilsted, available in the

list of resources that accompanies this webinar.

The most simplistic equation is...

$$\frac{\textit{hours spent processing}}{\textit{cubic feet of archives}} = \textit{hours per cubic foot}$$

[ Rosemary advance to slide 16 ]

But we all know that there is more to processing a collection though.

This next equation takes into account labor costs and the cost of shelving and supplies.

$$\textit{cost per hour} \times \textit{hours spent processing} + \frac{\textit{cost of shelving \& supplies}}{\textit{cubic feet of archives}}$$
$$= \textit{cost per cubic foot}$$

[ Rosemary advance to slide 17 ]

Even though that equation includes a lot more, we still need to break it down even further. First, let's look at the Cost per hour.

You must remember to figure in

- Salary
- Social Security
- Taxes and other benefits
- Holidays
- Paid time off/sick leave

Also, you must remember to include all staff involved with the project

- Multiple employees in different positions
- Supervisory time
- Administrative time

And, rates will likely be different so you cannot just figure out one cost per hour and use that across all of your staff.

[ Rosemary advance to slide 18 ]

Let's move to looking at the cost for shelving, supplies, etc.

This part of the equation will vary greatly based on what your project is so I cannot tell you exactly what to include here.

But, make sure you are including all activities related to your project

- Collection care
- Computing resources
- Digitization
- etc.

[ Rosemary advance to slide 19 ]

Finally, let's look at the cubic feet of archives part of the equation. This equation was developed for processing archival collections 30 years ago. If you are processing physical collections, then it is still an accurate metric to be concerned about. If not, various other metrics should be used. For example, you could be using...

- Volumes cataloged
- Images scanned
- Records converted
- etc.

A final comment on the equations presented here...If you noticed, our final number is the cost per cubic foot. Is that a number that is going to resonate with your funders? For some, yes it will. They know what a cubic foot is and they can use it for comparison purposes.

Other funders will only want to know what is the bottom line number or the grand total. The cost per cubic foot may be exactly the same, but the bottom line will be vastly different between a 50 cubic foot project and a 500 cubic foot project.

A question you need to ask yourself is "What number does your funder want to hear?" and make sure that you can answer that.

For those of you who have done projects, what metrics have you utilized ? Let's create a brief list in the chat window. The list will give your colleagues who are just starting out some ideas about what to include. [Pause]

[ Rosemary advance to slide 20 ]

Now is a good time to make sure that you understand that free resources are not truly free. For example, a volunteer workforce still requires supervision and training. Or, open source software may come with less support. I'm not saying don't use these. You just need to make sure you are planning for any additional aspects.

[ Rosemary advance to slide 21 ]

*Analyze data from inside and outside the organization*

The next part of creating the budget is analyzing the data both from inside and outside your organization that you have been gathering.

The equations presented earlier may or may not be applicable for your situation but this gives you a place to start. Your answers to all of the expense questions, and any others applicable to your situation, will help you determine how much money you will need to complete the project and how your budget will need to be structured.

Sometimes you still will need information from other sources to help you better understand your budgeting needs. For example, if you need to contract for some of the work, knowing the average cost for potential contractors will help you create the line item for that service even if it is something that will not be determined until after you receive the grant.

I want to emphasize here that you have a tremendous amount of information available to you from your colleagues. Connect with your colleagues who have completed hidden collection projects and with others who are also in the planning phase. Your colleagues are one of your biggest resources.

[ Rosemary advance to slide 22 ]

*Prepare the budget*

Preparing the budget is about putting the information you have gathered along with your analysis into a format that best suits your needs. Be aware that sometimes a format is mandated by your organization or a funding source. If that format does not make sense to you or does not provide you with an overall picture because you are working with multiple funding sources, by all means, create a budget format that works for the situation. If you do need to do this, be sure that you are plan enough time to switch the information into any required format.

And, please, please, please, DO NOT wait for the last minute to see what the budget and format requirements are, especially if you are applying for grant funding. I will be really sad, but probably not as sad and disappointed as you, if you don't get the money you were hoping to get because you forgot to do something.

[ Rosemary advance to slide 23 ]

*Present the budget*

This step is about putting your final budget out to the potential funders.

When you are presenting your budget, know your intended recipient and know what is the acceptable budget format. Certain grants will want very specific budget forms or formats. Others may just want a paragraph description with a short spreadsheet. And

others want that executive summary along with a ream of documentation that they will never look at. In some cases you may actually need to do a presentation about the key points. Read all of the submittal instructions and get clarification if there is something you don't understand.

It bears repeating here...Know your recipients. For example, a board will get a different budget scenario than a granting agency.

[ Rosemary advance to slide 24 ]

#### *Adopt the budget*

Adopting the budget is really out of your control in most cases. Your board...your potential funding source...others... are the ones who adopt the budget. And, they can make changes as part of their process.

When the final budget is adopted, you will need to examine your work plan to make sure that what you requested is there. If not, you will need to adjust your work plan.

[ Rosemary advance to slide 25 ]

#### Discussion #2: Justifying Your Budget, Your Collection, and Your Organization: What Would You Do Differently?

During our first discussion, you shared what you are currently doing to justify the existence of your organization. Now we are going to put you on the spot.

1. Based on what you learned so far in the webinar series, what you would do differently as you are trying to get funding for your project?
2. Are there things you would add to your justification that might help you get the budget you are requesting? Are there things you would remove?

[ Rosemary switches to discussion room #2; Total time 5–7 minutes ]

[ Rosemary switches to classroom ]

#### Classroom

That was a great discussion. It is really good to do some sharing and brainstorming with your colleagues

[ Rosemary advance to slide 26 ]

#### Funding Sources

Let's move into our discussion on funding sources.

Some sources of funding include:

- Grants

- Grants are one of the first things we think of when we are trying to fund a project. The money available through grants runs the gamut from very small to very large.
- Caution, do not spend more money or time on a grant application than what you will get out of it. There are some exceptions to this, but you must be a good steward of the resources you already have.
- Donations/Contributions
  - Donations and contributions can come from individuals and corporations. While great when you get it, don't think that the only donations and contributions you can take are money. One thing to note... Donors often make their contributions with the expectation that they will be able to deduct it on their taxes. You need to make sure that you are in compliance with all applicable federal and state laws.
- Endowments
  - Endowments are a specialized form of donations. There are variations for how endowments are set up but typically, you would only be getting funding from a set amount of any dividend earnings. Unless you have a sizeable endowment fund, you are unlikely to fund your entire project through the endowment.
- Appropriated funds
  - Appropriated funds are typically public funds that are set aside for a particular purpose through legislation. Your organization might automatically get these funds or you might need to apply for them.
- Membership fees
  - Membership fees are often unrestricted funds and income from them can be very stable revenue. Charging membership fees will not work for everyone or may even be prohibited.
- Fees for services/Contracts
  - Not likely a big source of income, charging fees for services can be part of an overall funding plan because multiple revenue streams are better for the overall financial health of an organization. Also, it could potentially free up other internal funds for your project.
- Internal reallocation
  - You are probably already doing this as part of your annual operations budget. A small project is often handled by switching an employee's job duties for a period of time. I have found this to be an effective way to fund small pilot projects that result in organization buy-in.

[ Rosemary advance to slide 27 ]

When you are at a smaller organization, you may feel like you don't stand a chance when competing with bigger organizations for funding.

[ Rosemary advance to slide 28 ]

I'm not going to lie. It is more difficult. But, it is doable. You may need to look at funding opportunities that are specifically directed to smaller entities or to collaborations. For

example, the National Endowment for the Humanities (NEH) recently announced a new grant program called “Creating Humanities Communities.” It will support “grassroots humanities programs by encouraging partnerships and collaborations between multiple institutions or organizations in a town, county, region, or area.”

Working in a partnership has its pros and cons. From the financial perspective, working in a partnership can give you access to more people and more resources. It can also lead to a more efficient use of existing resources. However, differences between organizational cultures, systems, and procedures may negate the positives of the partnership if they are not managed well. Role delineation and careful monitoring of the budget and work plans are also very important.

[ Rosemary advance to slide 29 ]

#### Advocacy

Approaching potential funders is really about advocacy. One of the biggest challenges with advocacy is identifying who you hope to influence and then delivering the right message to them. Without effective advocacy, commanding resources is more difficult. Budget numbers are only numbers until you explain how they relate to the business of your archives and what it will mean for the funder.

[ Rosemary advance to slide 20 ]

#### Discussion #3: Approaching Funding Sources

During our final discussion, we are going to talk about how to approach potential funding sources. Many of you attending the session today have successfully received funding from external sources.

1. How did you identify potential sources?
2. Did any of you have a non-traditional funding source for a project?
3. What was your experience with the external funders and the application process?

[ Rosemary switches to discussion room #3; Total time approximately 10 minutes ]

[ Rosemary switches to classroom ]

#### Classroom

[ Rosemary advance to slide 31 ]

A few last points before we open things up for questions. First a note about monitoring budgets.

## Monitoring Budgets

Monitoring your budget is as important as creating it. Throughout the budget year, you must be ready to meet challenges like budget cuts. There are a few forms or reports that you can use to help you monitor your budgets.

Particularly important is the statement of cashflow or monthly summary report. These are an excellent way to monitor your budget. When you get your statement or report, review it against your purchase requests to make sure that the statement is accurate (just like reconciling your checkbook). Mistakes do happen and they must be caught quickly as to not cause problems in future account audits.

A monthly report can also help you spot revenue and expense trends. For example, a sharp increase in photocopier fees or scan requests during the month of June could signal increased reading room usage during that month. Ask yourself “Is this because people are hearing about the new collection we made available?” If you can honestly say “YES!” you can use that as a talking point to get more funding.

Always remember that the reports you are looking at are only a reflection of a moment in time. Maybe you had more expenses that month or quarter because you got the bill from a vendor you hired. Or, maybe you are waiting for someone to pay you for some prints you produced.

[ Rosemary advance to slide 32 ]

## What if You Lose Funding for Your Project or Need to Make Budget Cuts?

This is never an easy time, even if you know it is coming. But, having a solid budget plan, monthly reports, and excellent project documentation, you will be able to respond to the situation in the most appropriate manner.

Have an idea of the “must have” and “would be nice” in your budget plan. It makes it easier to cope with cuts or stand your ground if you feel your project becomes meaningless because of them.

[ Rosemary advance to slide 33 ]

## Sustainability

A brief note about sustainability. Like so many other topics we have covered in this webinar, sustainability can easily be a class of its own.

The basic components of sustainability have you combine your finances with impact and your mission to determine what actions you need to take, or not take.

We will typically see three areas of concern related to sustainability.

- Financial sustainability is measuring the resources it takes to provide support. This is often talked about in a “not profitable” to a “profitable” continuum. But you

can also think in terms of the resources needed when you are looking at starting something new so that your continuum is a low amount of resources to a higher amount of resources.

- Programmatic sustainability is concerned with how your project or program fits within the overall mission of your organization and the impact that it has on it. Typically it follows a “low impact” to “high impact” continuum.
- Environmental sustainability mean different things to different organizations. There could be climate, location, or functionality considerations to name a few. These environmental factors could affect your project or program. For example, if you do not have sufficient climate-controlled storage locations for a collection, you may need to think about what new resources are needed to get them in place before you start.

[ Rosemary advance to slide 34 ]

A good way to analyze the sustainability of your overall department or organization is to map your multiple projects and programs. To do this, create the map with four quadrants. The two axes will be two of the areas of sustainability. For today, the x-axis will be financial sustainability and the y-axis will be programmatic sustainability. If you are looking at a project to catalog one of your hidden collections but it will have low impact and involve a lot of resources, you should more likely want to turn your focus to a project that would have a higher impact for the same or less resources. Mapping each of your projects and programs can help you identify your priorities and how to direct funding. Be sure to involve multiple perspectives in this process to get the most complete picture. Those on the board and in executive positions may have a very different view from the rest of the staff.

[ Rosemary advance to slide 35 ]

Now it's time for your questions.

This is also the opportunity to give us as the organizers and speakers of this webinar series feedback about what to improve in the future. What elements should we use more? Which were confusing? It's your turn!

[ Rosemary ] Thank you for all of the great questions. Before I like to hand everything back over to Joy, I wanted to thank you for spending time with me today. Also, do not be afraid to think outside of the box when it comes to building resources and relationships. Unconventional funding sources and rethinking your approach to creating budgets may be just the thing you need to get the resources you need to open up your hidden collections.

[Joy says] Thank you Rosemary and everyone for a great session. Please be sure to complete the webinar evaluation while the content is fresh in your mind. You can access the evaluation using the link visible on the screen or wait to be redirected when the webinar is ended. The evaluation link will also be available on the website with the

recordings. Live participants will also receive the link with their email containing the access link for next week's session. Please join us at the same time and place next week for the third webinar in our series: Making the most of people: Recruitment, retention, and recognition. Have a great day!