

TITLE 590 INDIANA LIBRARY AND HISTORICAL BOARD

Proposed Rule LSA Document #12-113

DIGEST

Adds 590 IAC 7 to create public library fund balance standards with regard to the Library Improvement Reserve Fund, Operating/General Fund, Rainy Day Fund, and Gift Fund. Effective January 1, 2013.

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

590 IAC 7

SECTION 1. 590 IAC 7 IS ADDED TO READ AS FOLLOWS:

ARTICLE 7. FINANCIAL PROVISIONS

Rule 1. Public Library Fund Balance Standard

590 IAC 7-1-1 Purpose of rule

Authority: IC 4-23-7.1-24

Affected: IC 4-23-7.1-11

Sec. 1. Standards for public libraries are established to:

(1) encourage libraries to maintain a minimum level of service; and

(2) establish criteria for eligibility to receive state and federal appropriations.

(Indiana Library and Historical Board; 590 IAC 7-1-1)

590 IAC 7-1-2 Eligibility to receive state funds; determination

Authority: IC 4-23-7.1-24

Affected: IC 4-23-7.1-11;

Sec. 2. The eligibility of a public library to receive state or federal funds and services under the provisions of any program for which the Indiana state library is the administrator shall be determined by compliance with the following:

(1) Any requirements that may be set forth in state legislation providing for such funds.

(2) Indiana law.

(3) The standards promulgated by the Indiana library and historical board.

(Indiana Library and Historical Board; 590 IAC 7-1-2)

590 IAC 7-1-3 Definitions

Authority: IC 4-23-7.1-24

Affected: IC 4-23-7.1-11; IC 36-12-1-5; IC 36-12-2; IC 36-12-4; IC 36-12-6; IC 36-12-7; IC 36-12-3-11; IC 36-1-8-5.1

Sec. 3 The following definitions apply throughout this article:

- (1) “Public Library” means a municipal corporation that provides library services and is organized in accordance with IC 36-12-1-5.**
- (2) “Library board of trustees” means the fiscal and administrative body of a public library.**
- (3) “Operating fund” and “general fund” mean the fund authorized by IC 36-12-3-11(a)(1).**
- (4) “Library improvement reserve fund” means the fund authorized by IC 36-12-3-11(a)(4).**
- (5) “Rainy day fund” means the fund authorized by IC 36-1-8-5.1.**
- (6) “Gift fund” means the fund authorized by IC 36-12-3-11(a)(5).**

(Indiana Library and Historical Board; 590 IAC 7-1-3)

590 IAC 7-1-4 Public Library fund Balance Standard

Authority: IC 4-23-7.1-24

Affected: IC 4-23-7.1-11; IC 36-12-3-12;

Sec. 4 Effective January 1, 2013, public libraries in Indiana shall be required to meet the following financial guidelines to meet public library standards per IC 4-23-7.1-11 and IC 4-23-7.1-24.

- (1) A public library shall not carry a balance of more than fifty percent (50%) of its previous year’s operating expenditures in the library improvement reserve fund unless the public library’s board of trustees has affirmatively adopted a library improvement reserve fund plan and has both made the plan available to the public and posted the plan on the library’s website.**
- (2) A public library shall not carry an operating fund (or general fund) balance in excess of one hundred percent (100%) of its operating expenditures as measured at the end of the fiscal year, excluding any early tax draws.**
- (3) A public library shall not carry a rainy day fund balance in excess of one hundred percent (100%) of its operating expenditures as measured at the end of the fiscal year.**
- (4) Gifts and grants to the library may be deposited into the public library gift fund. A public library may not transfer other library funds into a gift fund.**
- (5) The combined balances of the library improvement reserve fund when no adopted plan exists, the operating fund balance, and the rainy day fund balance may not cumulatively exceed two hundred percent (200%) of the previous year’s operating expenditures.**
- (6) Should a fund (or combined balances of the funds listed in subdivision (5) of this section) exceed the balance requirements set forth in this rule; the levy and tax rate for the library district shall be reduced until the library district’s balances meet these regulations. These reductions in levies will not result in any permanent impairment to the levy tax.**
- (7) The provisions of this rule shall be under the oversight of the Indiana State Board of Accounts and the Indiana State Library.**

(Indiana Library and Historical Board; 590 IAC 7-1-3)

SECTION 2. SECTION 1 of this document takes effect January 1, 2013.