

II. FINANCES

Library boards have the responsibility to provide the best possible library service to their communities. This requires taxing at a level sufficient to provide this service. Library boards are mandated to spend tax money and all other income for library service in the best interest of the community it serves

The annual public library tax is only one of several taxes which may be levied. The following special taxes may be levied when necessary without referendum:

Audit Tax: Chapter 24; 8-8-1 as to municipal libraries and Chapter 85: 701 et seq., as to townships and library districts.

Building and Maintenance Fund: (Subject to back-door referendum.) Chapter 81: 3-1, 3-4, or 1003-1.

Building Commission Rentals: Municipal libraries only. Chapter 85: 1031 et seq.

"Errors and Omissions" Insurance: Chapter 85; 1-101 et seq. Also known as officers and directors insurance.

Restoration Tax: Municipal libraries: Chapter 24: 11-70-1.

Retirement Tax: IMRF: Chapter 108-1/2: 7-101 et seq.

Risk Management Fund: Chapter 85: 9-105, et seq.

Social Security Tax: Employer's share. Chapter 108-1/2 7-10 et seq.

Tort Liability Insurance Premiums: Chapter 85: 9-103.

Unemployment Compensation: Chapter 85: 9-107.

Worker's Compensation: Chapter 85: 9-107.

Working Cash Fund: (Subject to back-door referendum.) Chapter 81: 4-13 or 1003-1.

1. On an annual basis, library boards shall determine if the tax rate is sufficient to meet the standards set forth in this document, and to accomplish the objectives in the library's long-range plan.

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2. On an ongoing basis library boards shall monitor their levy process and other funding sources.

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If libraries are currently unable to provide an adequate level of support for their locally chosen roles, alternatives such as the following should be explored:

- a. Utilizing the special taxes as outlined above when appropriate.
- b. Initiating a referendum either to raise the tax rate or issue bonds.
- c. Forming a larger unit of service, either by combining with other small community libraries, or contracting for some services with other libraries, or expanding current boundaries to include untaxed areas.
- d. Considering fund raising activities and encouraging gifts and bequests.