

## CHAPTER 2

LIBRARY BOARD OF TRUSTEESBOARD MEMBERSCompensation

All members of the board serve without compensation and may not serve as paid employees of the public library. [IC 36-12-2-21] The only exception is the treasurer, who may receive compensation. [IC 36-12-2-22] This compensation should be set by board policy.

Liability

IC 34-6-2-127 and IC 34-30-4 provide that board members are immune from civil liability arising from negligent performance of duties. "Performance" is defined as acts pertaining to the setting of policy and the controlling or overseeing of the activities or functional responsibilities of the library.

Oaths of Office

IC 5-4-1 and IC 36-12-2-19 require each board member to take an oath of office before entering on the member's duties and to file such oath with the circuit court clerk in the county containing the greatest percentage of the population of the library not later than thirty (30) days after beginning the term of office.

BOARD MEETINGS

The library board shall meet at least monthly and at any other time a meeting is necessary. Meetings may be called by the president or any two board members. A majority of the members is necessary to establish a quorum for the transaction of business. All meetings, except executive sessions, are open to the public. [IC 36-12-2-23 and IC 5-14-1.5-3]

The secretary of the library board shall keep a record of the proceedings of the meetings of the library board. The proceedings and determinations of the board shall be recorded in a book to be kept for that purpose. This book is a public record of the library.

Indiana Open Door Law

Public library board meetings are governed by the Open Door Law, IC 5-14-1.5, as well as by general provisions in the Public Library Law. Under the open door law all meetings of governing boards must be open to the public except for Executive Sessions.

TREASURERElected by Library Board

The "library board shall annually elect a treasurer of the public library. The treasurer may be either a member of the library board or an employee of the library. However, the library director may not also be treasurer." The library board may fix the rate of compensation for the treasurer.

### Duties

The following duties are assigned to the treasurer. The treasurer:

1. is the official custodian of all library funds;
2. is responsible for the proper safeguarding and accounting for all library funds;
3. shall issue warrants approved by the library board in payment of expenses lawfully incurred in behalf of the public library; and,
4. shall make financial reports of library funds and present the reports to the library board every month.

Other powers and duties may be prescribed by the library board. [IC 36-12-2-22]

### OFFICIAL BOND OF TREASURER AND EMPLOYEES

#### Treasurer

The Treasurer shall give a surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:

1. written by an insurance company licensed to do business in Indiana;
2. for the term of office of the treasurer; (The term of office is one year)
3. in an amount determined by the library board;
4. paid for with the money from the library fund;
5. payable to the State of Indiana;
6. approved by the library board; and
7. deposited in the office of the recorder of the county in which the library district is located.  
[IC 36-12-2-22]

#### Other Employees

It is recommended that employees of the library who handle money also be bonded. Bonds of employees must also be payable to the State of Indiana and be filed in the county recorder's office.

#### Amount of Coverage

The amount of bond coverage should be determined by the library board and recorded in the minutes.

### Payment of Premium and Other Fees

The general statutes on bonding provide that the bond may be paid from funds of the municipal corporation "without an appropriation having been previously made therefore, in such amount as may be necessary to pay the cost of such bond or obligation." [IC 5-4-5-3] However, it is recommended that a provision for payment of such premium be included in the annual budget.

No charge shall be made by the county recorder for the filing and recording of official bonds. [IC 36-2-7-10]

### ANNUAL LIBRARY REPORTS

Public libraries are required to file electronically an annual financial report with the State Board of Accounts pursuant to IC 5-11-1-4 not later than sixty (60) days after the end of each year. In addition, public libraries are required to file electronically Form 100R, Report of Names, Addresses, Duties and Compensation of Public Employees, in accordance with IC 5-11-13-1 during the month of January.

IC 5-3-1-3.5 requires all libraries with a total annual budget of at least three hundred thousand dollars (\$300,000) to publish the Cash and Investments Combined Statement of the annual financial report within sixty (60) days after the expiration of each calendar year.

Annual statistics of public libraries are required by the Indiana State Library under the provisions of the Indiana Library and Historical Board. [IC 4-23-7.1-22]

### FINES AND FEES

#### Use of Library Facilities and Services

Residents or property taxpayers of the library district may use the facilities and services of the public library without charge for library or related purposes. However, the library board may fix and collect fees and rental charges, and assess fines, penalties, and damages for the loss of, damage to, or failure to return any library property or material. [IC 36-12-2-25(a)]

#### Library Cards

The board may issue local library cards to residents and real property taxpayers of the library district, and individuals who are not residents of the library district. [IC 36-12-2-25(b)]

The library board must set and charge a fee for a local library card issued to an individual who is not a resident of the library district. The minimum fee that the board may set under this subsection is the greater of the following:

1. The library district's operating fund expenditure per capita in the most recent year for which that information is available in the Indiana State Library's annual "Statistics of Indiana Libraries."
2. Twenty-five dollars (\$25). [IC 36-12-2-25]

A library board may issue a local library card without charge or for a reduced fee to an individual who is not a resident of the library district and who is:

1. a student enrolled in or a teacher in a public school corporation or nonpublic school:
  - A. that is located at least in part in the library district; and
  - B. in which students in any grade from preschool through grade 12 are educated;
2. a child receiving foster care services;
3. a library employee of the district; or
4. a student enrolled in a college or university that is located at least in part of the library district;

if the board adopts a resolution that is approved by an affirmative vote of a majority of the members appointed to the library board. [IC 36-12-2-25]

The board may assess a fee for the issuance of a statewide library card. [IC 4-23-7.1-5.1]

#### Written Policy

All fees, fines, and other charges should be set in a written policy of the board and adopted at an official meeting of the board.

#### Method of Collection

Pursuant to IC 36-1-8-11, any payments to a library may be made by any of the following financial instruments that the library board authorizes, by resolution, for use:

1. Cash.
2. Check.
3. Bank draft.
4. Money order.
5. Bank card or credit card.
6. Electronic funds transfer.
7. Any other financial instrument authorized by the fiscal body.

As used in this section "credit card" means a credit card, debit card, charge card or stored value card.

If there is a charge to the library for the use of a financial instrument, the library may collect a sum equal to the amount of the charge from the person who uses the financial instrument.

If authorized by the library board, the library may accept payments with a bank card or credit card under the procedures set forth in IC 36-1-8-11(e). However, the procedure authorized for a particular type of payment must be uniformly applied to all payments of the same type.

The library may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards.

However, if there is a vendor transaction charge or discount fee, whether billed to the library or charged directly to the library's account, the library may collect from the person using the card **either or both of the following**:

1. An official fee that may not exceed the transaction charge or discount fee charged to the political subdivision or municipally owned utility by bank or credit card vendors.
2. A reasonable convenience fee:
  - A. that may not exceed three dollars (\$3); and
  - B. that must be uniform regardless of the bank card or credit card used.

The fees described in subdivisions 1. and 2. may be collected regardless of retail merchant agreements between the bank and credit card vendors that may prohibit such fees. These fees are permitted additional charges under IC 24-4.5-3-202.

The library may pay any applicable bank card or credit card service charge associated with the use of a bank card or credit card.

## STATEWIDE LIBRARY CARD PROGRAM

### Participation

IC 36-12-3-2 requires the library board to comply with and participate in the statewide library card program described in IC 4-23-7.1-5.1. However, the library board may enter into a reciprocal borrowing agreement with another library board under IC 36-12-3-7 or IC 36-1-7 to provide library service to or receive library service from the other library board.

### Program

The state library shall develop and implement a statewide library card program to enable individuals who hold a valid statewide library card to present the statewide library card to borrow:

1. library books; or
2. other items available for public borrowing from public libraries as established by rules adopted by the Indiana Library and Historical Board under subsection 4-23-7.1-5.1(d);

from any public library in Indiana. The statewide library card program is in addition to any reciprocal borrowing agreement entered into between public libraries under IC 36-12-3-7 or IC 36-1-7.

### Requirements

The statewide library card program must provide for at least the following:

1. To be an eligible cardholder of a statewide library card or to renew a statewide library card, the individual must:
  - A. be a resident of Indiana;
  - B. ask to receive or renew the statewide library card; and
  - C. hold a valid resident or nonresident local library card issued to an individual by a public library under IC 36-12-2-25.

2. The individual's public library shall pay a fee to be established by rules adopted by the Indiana library and historical board under subsection (d) based on not less than forty percent (40%) of the current average operating fund expenditure per borrower by all eligible public libraries as reported annually by the state library in the state library's manual "Statistics of Indiana Libraries." The individual's public library may assess the individual a fee to cover all or part of the costs attributable to the fee required from the public library and the amount charged to all individuals by a public library under this subdivision may not exceed the amount the public library is required to pay under this subdivision.
3. Each statewide library card expires one year after issuance to an eligible cardholder.
4. Statewide library cards are renewable for additional one year periods to eligible cardholders.
5. Statewide library cards shall be available to eligible cardholders at all public libraries.
6. Each eligible cardholder using a statewide library card is responsible for the return of any borrowed item directly to the public library from which the cardholder borrowed the item.
7. All public libraries shall participate in the Statewide Library Card Program and shall permit an individual who holds a valid statewide library card to borrow items available for borrowing as established by rules adopted by the board.
8. A nonresident of a public library taxing district who requests a statewide library card shall pay a fee for that card that includes, but is not limited to, the sum of the following:
  - A. the statewide library card fee that a public library is required to pay.
  - B. The library taxing district's operating fund expenditure per capita in the most recent year for which that information is available in the state library's annual "Statistics of Indiana Libraries." This subdivision does not limit a library district's fee making ability or a library district's ability to enter into township contractual arrangements.

The Indiana library and historical board shall adopt rules under IC 4-22-2 to implement this section, including rules governing the following:

1. the amount and manner in which the public libraries shall remit the fee to the state library for the state library's use in conducting the statewide library card program.
2. The manner of distribution and payment to each eligible public library district of the funds generated by the statewide library card program based upon the loans made by each eligible public library. To be eligible for a payment, the public library district must also comply with the standards and rules established under IC 4-23-7.1-11 (library operating and automation standards).
3. The manner in which fines, penalties, or other damage assessments may be charged to eligible cardholders for items:
  - a. borrowed but not returned;
  - b. returned to the inappropriate public library;
  - c. returned after the items were otherwise due; or
  - d. damaged.

4. The dissemination of the statewide library cards to the public libraries.
5. Record keeping procedures for the statewide library card program.
6. Any other pertinent matter.

#### Distributions

A public library is eligible for a distribution of money from the fund if the State Library and Historical Board determines that the public library:

1. meets the standards for public libraries established by rules of the board or the board has granted the public library a waiver from these standards; and
2. charges a fee in the amount required under IC 36-12-2-25 for issuing a local library card to a nonresident of the public library district.

The State Library and Historical Board shall adopt rules under IC 4-22-2 to establish a formula for the distribution of money in the fund to eligible public libraries. The formula must base the amount of money paid to an eligible public library upon the number of net loans made by the eligible public library under the statewide library card program. [IC 4-23-7.1-5.2]

Distributions are to be deposited as a miscellaneous receipt to the general fund. After appropriation, funds may be used to cover library materials or expenses associated with the sharing of resources.

#### CALENDAR OF FINANCIAL REPORTS AND ACTIVITIES

##### General Duties of All Months

1. Post and balance ledgers.
2. Prepare monthly financial statement.
3. File Monthly Uploads in Gateway per State Examiner Directive 2018-1
4. Receive claims; review statutory authority for payment; and record approval or allowance by board.
5. Issue warrants for claims properly payable; verify that funds and appropriations are available before issuing warrants.
6. Make remittances of federal and state withholding taxes, Social Security taxes and other payroll deductions to appropriate agencies.

### January

1. Prepare Employer's Quarterly Federal Tax Return for fourth quarter of the preceding year to Internal Revenue Service - Due by January 31.

Note: State withholding tax is required to be reported and paid by the 15th of each month for preceding calendar month; no quarterly report is required.

2. Prepare withholding statements for employees (W-2) and make annual reports to Internal Revenue Service and Indiana Department of Revenue.
3. The local officers designated as members of the board of finance shall meet after the first Monday and on or before the last day of January for the following reasons:
  - A. to elect a president and secretary. [IC 5-13-7-6]
  - B. to receive and review the investment officer's report on investments, which is required under IC 5-13-7-7 and to review the overall investment policy of the library. [IC 5-13-7-7]
4. File Report of Names and Compensation of Officers and Employees (Form 100R) electronically on the Gateway. [IC 5-11-13-1]

### February

1. Publish Cash and Investments Combined Statement of the Library Annual Financial Report not later than sixty (60) days after the end of the year if the library has a total annual budget of at least three hundred thousand dollars (\$300,000). [IC 5-3-1-3.5]
2. File Gateway Annual Financial Report.
3. File Annual Uploads in Gateway per State Examiner Directive 2018-1.

### April

1. Prepare Employer's Quarterly Federal Tax Return for first quarter of year to Internal Revenue Service - Due by April 30.

### May

1. First installment of taxes due County Treasurer May 10. [IC 6-1.1-22-9] County Auditor verifies collections with Treasurer's Certificate of Collections and makes settlement and distribution to governmental units including public libraries. [IC 6-1.1-27-2]
2. Annual Budget Workshops for Library Directors and Trustees sponsored by Department of Local Government Finance, State Board of Accounts, and Indiana State Library.

### June

1. Deadline for certifying names and addresses of every library employee to the county treasurer for the county where the employee works. - Due by June 1. [IC 6-1.1-22-14]
2. Distribution of funds due library made by County Auditor on or before June 30. [IC 6-1.1-27-1]

July

1. Prepare Employer's Quarterly Federal Tax Return for second quarter of year to Internal Revenue Service - Due by July 31.

October

1. Prepare Employer Quarterly Federal Tax Return for third quarter of year to Internal Revenue Services – Due by October 31.

November

1. Second installment of property taxes is due by November 10. [IC 6-1.1-22-9] After the County Treasurer has entered all credits for collection in the tax duplicate and special assessment duplicated County Auditor makes settlement and distribution.

December

1. Deadline for certifying names and addresses of every library employee to the County Treasurer for the county where the employee works - Due by December 1. [IC 6-1.1-22-14]
2. County Auditor makes distribution of funds to library - Due by December 31. [IC 6-1.1-27-3]

OTHER ADMINISTRATIVE RESPONSIBILITIESNew Hire Reporting

Federal and State law requires employers to report newly hired and re-hired employees in Indiana to the Indiana New Hire Reporting Center. Please visit [www.in-newhire.com](http://www.in-newhire.com) for more information about reporting new hires including reporting online and other reporting options.

Filing of Mining Inspection Reports

IC 14-34-15-4 requires that mine inspection reports be filed at a public library in the county in which the surface mining operation is located rather than with the county recorder. These reports should be treated as public records and retained for a minimum of three (3) years.

IC 14-34-3-6 requires a copy of a surface coal mine permit application to be filed in the main public library in the county in which the proposed mining will take place or in an appropriate public office in that county as approved by the Director of the Department Natural Resources.

Audit Reports

IC 5-11-5-8 allows one public library in each county to receive copies of audit reports from the State Board of Accounts of all public entities located in the same county upon written request. Copies of reports are to be open to public inspection. A library may continue to receive the audit reports by filing an annual renewal request in writing with the State Board of Accounts before January 15 of each year.

Voter Registration Forms

IC 3-7-24-5 designates each public library or county contractual library established under IC 36-12 as a distribution site for registration by mail forms.

Each office with a distribution site for registration forms under this chapter shall post a notice in a prominent location easily visible to members of the public. The notice must state substantially the following:

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"VOTER REGISTRATION FORMS AVAILABLE HERE

This office has forms that you can fill out to register to vote in Indiana.

If you live in Indiana and are not registered to vote where you live now, and you want to register (or change your registration record), please take one of the forms.

If you cannot find a blank voter registration form in this office, ask us to give you a form.

You must take the form with you and mail or deliver the form to the voter registration office.

Applying to register or declining to register to vote will not affect the assistance or service that you will be provided by this office" [IC 3-7-24-17]

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A library with a distribution site for registration forms under this chapter is not required to do the following:

1. Accept registration forms when completed.
2. Mail or deliver the forms to a circuit court clerk or board of registration. [IC 3-7-24-16]

Child Support Withholdings

IC 31-16-15-16 requires an employer who is required to withhold child support from more than one (1) obligor and employs more than fifty (50) employees to make payments of such withholdings to the Indiana State Central Collection Unit. More information is available at [www.insccu.com](http://www.insccu.com).