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Raising Revenue for Ohio's Public Libraries **By Lynda Murray, Director of Government and Legal Services,** **Ohio Library Council**

The State Library has asked me to write an article on fundraising for public libraries. This seems to be a topic that is not only important, but one that is evolving. I think that I would take this opportunity to suggest that there is a difference between fundraising and raising revenue. I think that this difference is now more than just a semantic difference.

In years gone by, we have viewed fundraising for public libraries as a way to generate extra cash that allows public libraries to do "special" things in their libraries. State funding for public libraries has, for the most part, provided libraries with the resources to provide at least a basic level of service. Fundraising has allowed libraries to add more Summer Reading Program incentives, attention to special collections, additional artwork for the library, some capital improvements, attention to landscaping, and a wide range of other important, but usually not day-to-day, operational costs.

There have been a number of successful library development or fundraising programs in Ohio. Let me outline just a few.

1. Community events – Some libraries have had success with developing a community event that raises money for the library. These events can be fairs, music, evening with authors, etc. The success of most of these events is that people support the library and are willing to donate money. They expect little in return at the actual event since they know they get so much in return in library service.
2. Bequests – Libraries have been successful at developing a program that advises local attorneys of the opportunity for those preparing their wills and/or taxes. Normally, we recommend that libraries establish a foundation to accept these gifts.
3. Library events – Libraries have also seen success with events at the library; mystery/dinner at the library, movie nights, etc. all bring people to the library and also raise money.
4. Friends groups – Friends groups are usually very helpful through their book sales, bake sales, and other fundraising approaches.

The evolving area for public libraries is the area of raising revenue. I view this as the expanding responsibility of libraries to raise their operating revenue. Hard economic times in Ohio have certainly diminished the state financial support for public libraries, as well as most other state-funded agencies and programs. Below are a few ways libraries can actually raise revenue for their day-to-day operations.

1. Local property tax levies – Five years ago, only about 30% of the public libraries in Ohio had local property tax levies. Now that number is about 63%. These new levies have, for the most part, only replaced money lost in the state PLF, but they have given these libraries some budget breathing room.
2. Grants – Grant money has also dried up in this economy, even as more and more organizations appeal for grant support. However, public libraries have been successful in securing grants for some specific programs. Pay special attention to the grants that are available from LSTA through the State Library of Ohio.
3. Collaboration – Although this does not raise actual revenue, it certainly can save dollars and therefore allow you to shift revenue to other purposes. Look at ways you can partner on health insurance, purchasing, combining personnel costs, etc. Leave no collaborative stone unturned; this is an area where you can save money and state government will be watching very carefully.

Finally, there are really just a few things that libraries can't do to raise money (besides the obvious list of things that you know are illegal). Libraries, Friends groups, and Foundations cannot hold raffles or games of chance. According to OLC legal counsel, Jon Iten, **"We can no longer recommend that libraries, library foundations and friends groups hold raffles or conduct charitable fundraising games and schemes of chance.** Revised Code Section 2915.01 defines 'charitable organization' as '**any tax exempt religious, educational, veterans, fraternal, service, nonprofit medical, volunteer rescue service, volunteer firefighters, senior citizens, youth athletic, amateur athletic, or youth athletic park organization.**'" Ohio Rev. Code §2915.01 (H) [emphasis added]. In general, Library Groups qualify for exemption from taxation under Section 501(c)(3) under the standard that they are "advancing education" and are thus within the broad category of tax exempt "educational" organizations under Federal law. Under Revised Code Section 2915.01, however, the term "educational organizations" is narrowly defined as **"any organization within this state that is not organized for profit, the exclusive purpose of which is to educate and develop the capabilities of individuals through instruction, and that operates or contributes to the support of a school, academy, college, or university."**

These have been financially challenging times, and looking for other revenue sources and spending your money wisely will be critical in weathering the storm.