

OPINION
64-34

May 21, 1964 (OPINION)

BOARD OF ADMINISTRATION

RE: Transfer of Funds

This letter is in response to the inquiries of May 5 and 6, 1964, from your office.

You wish to know whether it is legal to transfer \$51,000.00 from the current State Hospital appropriation line item "Improvements and Repairs" to the State Office of Vocational Rehabilitation for the purpose of matching federal funds. (70 percent federal and 30 percent state). The estimated costs of this project for remodeling basement areas at the hospital into shop areas for industrial and occupational therapy is \$171,000.00. You also submitted a petition which you propose to submit to the Emergency Commission for its action. The purpose of this segregation of funds is to guarantee the federal government that state funds will be available as promised.

It would not appear that this is an area in which the Emergency Commission is authorized to act. The Emergency Commission can only approve transfers from the State Contingency Fund or transfers within the department. This remodeling and construction project at the State Hospital would fall within the purposes of the line item appropriation of "Improvements and Repairs."

It would seem federal requirements would be met if the board passed a motion approving this project and directing the Director of Accounts and Purchases to establish a special fund earmarked for this project. As you know, it is difficult, if not impossible, to take money from the state treasury when the services have not been rendered. There is no law authorizing one state agency to make a transfer of funds to another agency unless goods or services have actually been rendered.