

SCHOOLS: Directors cannot invest surplus funds in United States Bonds.

May 4, 1943

5-5



Mr. D. D. Thomas, Jr.  
Prosecuting Attorney  
Carrollton, Missouri

Dear Sir:

We have your letter of recent date, which reads, as follows:

"I respectfully request an opinion upon the proposition of whether or not the Board of Directors of a School District can invest surplus money, now in the incidental and teachers' fund, in United States Bonds."

The method of loaning surplus funds of a school district is governed by Sections 10434 and 10435, R. S. Missouri, 1939, which read as follows:

"Sec. 10434. Whenever it shall be found that any school district has any surplus funds in the county treasury, the directors of such school district may make application, in writing, to the county court, setting forth that school funds are accumulating beyond the wants or necessities of such district. Upon such application, it shall be the duty of the county court to cause such funds to be loaned for the use and benefit of such school district."

May 4, 1943

"Sec. 10435. Such school funds shall be loaned at the same rate of interest and in the same manner as township school funds are loaned: Provided, that no school tax shall be levied in such district other than for incidental expenses during the time for which such surplus fund is sought to be loaned; and provided further, that a free public school shall be maintained in such school district for at least eight months in each year."

It will be seen from the foregoing that if there is a surplus of funds belonging to any district, the directors may request the county court to loan such funds, and the county court may loan said funds in the same manner as township school funds are loaned. This office has ruled that the county court cannot invest surplus school funds in Defense Bonds. Said ruling was contained in an opinion dated January 14, 1942, and addressed to Honorable David A. Dyer, Prosecuting Attorney, St. Charles, Missouri, a copy of which is enclosed herewith.

CONCLUSION

It is, therefore, the opinion of this department that the board of directors of a school district cannot invest surplus money of the incidental and teachers' fund in United States Bonds.

Respectfully submitted

HARRY H. KAY  
Assistant Attorney General

APPROVED:

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ROY McKITTRICK  
Attorney General

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