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February 11, 1980

OPINION LETTER NO. 36

Honorable Harry Hill
Representative, District 2
R. R. #1
Novinger, Missouri 63559

Dear Representative Hill:

This letter is in response to your request for an official opinion on the question of whether idle funds of state universities may be deposited in savings and loan associations in Missouri. You further specify that your request relates to funds held by Northeast Missouri State University which were donated to the university by private citizens.

Section 369.194, RSMo 1978, appears to relate to the above question. That section provides inter alia:

Savings accounts in insured associations are legal and proper investments or depositories for fiduciaries of every kind and nature, all political subdivisions or instrumentalities of this state [emphasis added] . . . and each and all of them may invest funds in savings accounts in such associations.

This section makes savings and loan associations "legal depositories" for "instrumentalities of this state." Therefore, if the university can be deemed an "instrumentality" of the state, the section is applicable.

In State ex rel. Thompson v. Board of Regents For Northeast Missouri State Teachers' College, 305 Mo. 57, 264 S.W. 698, 700 (banc 1924) the court specifically found that the Board of Regents of Northeast Missouri State Teachers' College was an instrumentality of the state. Thus, due to the university's status as an instrumentality of the state, § 369.194 makes savings accounts in insured savings and loan associations legal and proper investments or depositories for the university.

Honorable Harry Hill

We are enclosing for your reference Op. No. 62, Mallory, March 19, 1975, a portion of which deals with the question of the necessary security for investments in savings and loan associations.

Very truly yours,

A handwritten signature in cursive script that reads "John Ashcroft". The signature is written in black ink and is positioned above the typed name.

JOHN ASHCROFT
Attorney General

Enc. Op. No. 62