

**Abandoned School Districts—School Districts—Funds—
Budget—Expenditures—Transfers.**

Funds transferred from an abandoned district cannot be used to pay expenses of district to which transferred unless covered by budget.

Mr. C. L. Harris,
County Attorney,
Hysham, Montana.

September 12, 1931.

My dear Mr. Harris:

You have requested my opinion relative to controversies arising over the abandonment of two districts and the transfer of the funds and territory to other districts.

It appears that the principal controversy arises over the fact that the districts abandoned had money in the treasury at the time they were abandoned, which was transferred to the districts to which attached, and that the districts abandoned had in the past made provision for transporting their students, including high school students, to school in other districts.

I am not able to agree with your conclusion that by reason of the fact that there was money in the treasury of the districts abandoned the districts to which the abandoned territory was attached are required

to use the money for the purpose of paying transportation to high school students.

Under the budget act adopted by the last legislature every item for which any expense is to be made must be budgeted and the budget becomes an absolute limitation on the district to spend the money. The budget has nothing whatever to do with the fact that there is money in the treasury of the district. No money can be paid out of the treasury except upon warrants which show the purpose and this purpose must be provided for in the budget. When an item is exhausted the treasurer cannot pay out any more money on account of such item. If the school board of the district to which the territory was attached and to which the money of the district abandoned was transferred had made provision for transporting high school students by reason of the fact that it had money in the treasury and was not thereby required to make a levy then it could have done so, at least for the present year, but if it has not budgeted for this item then the fact that money was transferred to the district would have no bearing whatever upon the right of the district to spend it for transportation of high school students.

Very truly yours,

L. A. FOOT,

Attorney General.