

**Budget—School Districts—Transfers—Reserve Funds.**

No transfer can be made from item 14 of budget to supplement other items. Item 14 is reserve cash provided for under section 1203 and required to be held under subsection 5 of section 1213 for school purposes for succeeding year.

Miss Elizabeth Ireland,  
Superintendent of Public Instruction,  
Helena, Montana.

September 30, 1931.

My dear Miss Ireland:

You wish to be advised whether a transfer can be made from item 14 of the budget form to supplement other items of the budget. Item 14 is designated "Reserve Cash to Maintain School from July 1st to December 1st of the Following Year." This item is provided for under the following portion of section 1203, to-wit:

" \* \* \* the trustees of each school district shall at the same time in addition to the foregoing separately certify the amount of money needed to maintain the schools of the district, to furnish additional facilities, appliances and apparatus as may be needed to maintain the schools of the district from July 1st to November 30th of the next succeeding year; providing no part of said additional funds shall be used by the district for any school purpose during the year in which the certification is made, \* \* \*."

The amount so certified under item 14 is at the beginning of the next school year required to be transferred by the county treasurer to the general fund. Subsection 5 of section 1213 requires the treasurer to keep in a separate fund the proceeds of any levy made to cover expenses of schools for any part of the succeeding school year and no warrant shall be paid out of such funds for the preceding school year either before or after the fund is transferred. At the beginning of the school year for which the fund is raised it shall be transferred to the general fund of the district.

The fund designated under item 14 becomes cash on hand at the end of the succeeding school year in the general fund. It is then taken into account for the purpose of determining what additional levy will be

necessary to maintain the schools for the remainder of the school year from November 30th to June 30th and at the same time make provision for such item for the part of the succeeding school year from July 1st to November 30th. It is not an item that can be used to supplement any other item in the budget for the year in which it occurs. It is merely a provision or estimate of the amount of money that will be needed to conduct school for the succeeding year from July 1st to November 30th. It is not anything for which money can be spent. It is merely cash held in reserve to be spent in the succeeding school year. The amount of cash or money on hand has nothing whatever to do with the budget. The budget designates the amount of cash that can be spent for any single purpose or for all purposes. Item 14 does not represent any purpose for which money can be spent. No transfer, therefore, can be made from it to any other item in the budget.

Very truly yours,  
L. A. FOOT,  
Attorney General.