

## No. 209

**WELFARE DEPARTMENT—FOOD STAMPS, issuing  
officer of—RESPONSIBILITY BONDS**

**Held:** The State Department of Public Welfare is under contract obligation to reimburse County Treasurers for any loss of food stamps or money received from their sale, while said food stamps or money so received is in the custody of the Food Stamp Issuing Officer in the County.

Food Stamp Agreement follows opinion.

August 30, 1941.

Mr. B. L. McFerran, Director  
Division of Purchasing & Service  
Department of Public Welfare  
Helena, Montana

Dear Mr. McFerran:

You have inquired regarding the responsibility of the State Department of Public Welfare for losses sustained by the Food Stamp Issuing Officer of the County. In particular, your inquiry is as follows:

“Is the State of Montana Department of Public Welfare under obligation to reimburse county treasurers for any loss of food stamps or money received from their sale while said food stamps or money so received is in the custody of the Food Stamp Issuing Officer in the County?”

Your attention is directed to the contract between the State Department of Public Welfare and the respective counties, a copy of which contract is attached to this opinion.

In paragraph 5 of the contract between the State Department of Public Welfare and the County, the State Department “agrees to be responsible for the proper use of all fund received from the County Treasurer of the County.” In paragraph 2 of the contract the State Department passes on the qualifications of the Issuing Officer selected to distribute food stamps, and requires a bond be furnished to the State of Montana for the faithful performance and discharge of his duties in such amount as the State Department of Public Welfare may determine. In this contract it will be noted there are corresponding responsibilities on the part of the County Welfare Department to protect itself by requiring an additional bond to be posted by the County Treasurer, payable to the county, for the faithful and honest discharge of his duties.

The State Department of Public Welfare, in the aforementioned paragraph 5, contracts to be responsible for the proper use of all funds received from the County Treasurer of the county for the purchase of food stamps. This is a condition precedent to the entering of a contract with the Federal Surplus Commodities Corporation by the State Department of Public Welfare wherein the State Department of Public Welfare is designated as the Issuing Officer of Food Stamps, in accordance with the rules and regulations with the Federal Surplus Commodities Corporation. It necessarily follows the State Department of Public Welfare is

responsible by contract to the Federal Surplus Commodities Corporation for the faithful and honest distribution and handling of food stamps in the county.

The State Board of Public Welfare carries out its obligations and responsibilities in conformity with Chapter 82 of the 1937 Session Laws, as amended by Chapter 129, Laws of 1939, and Chapter 117, Laws of 1941, and must protect itself from losses that possibly might be sustained in funds and food stamps in which they have direct joint responsibility.

It is, therefore, my opinion the contracts by the State Department of Public Welfare with the respective counties, together with the contract with the Federal Surplus Commodities Corporation, definitely establish the obligation of the State Department of Public Welfare to reimburse the County Treasurer for any losses of food stamps or money received from their sale, while said food stamps or money so received is in the custody of the Food Stamp Issuing Officer in the County.

Sincerely yours,

JOHN W. BONNER  
Attorney General

STATE OF MONTANA  
AGREEMENT BETWEEN THE STATE DEPARTMENT OF  
PUBLIC WELFARE  
AND COUNTY  
DEALING WITH  
THE INAUGURATION AND OPERATION OF THE  
FOOD STAMP PLAN

In consideration of mutual benefits, the State Department of Public Welfare of the State of Montana, hereinafter in this agreement designated as "the State Department," and County, hereinafter in this agreement designated as "the County," do hereby enter into the following agreement and contract:

1. It is the mutual understanding and plan between the parties hereto that what is commonly known as the "Food Stamp Plan" will be inaugurated and placed in operation in County, Montana, in accordance with the terms of this agreement, beginning on or about

2. By agreement between the State Department and the County Welfare Department, a person in the employ of the County Department, qualified under the merit system, shall be designated as issuing officer of food stamps in the County. The person so designated as issuing officer shall have charge of the issuing of food stamps to the people in the County duly certified to be entitled to receive such food stamps. This person shall serve under the welfare department in the County and the State Department, and shall be paid from state and county funds in the same manner as the other employees in the welfare department of the county. The issuing officer shall be and is hereby required to pay over to the County Treasurer of the County on each business day, the total amount of money he has received from the sale of such food stamps and not previously paid to the County Treasurer, except a small amount reasonably required for making change at the beginning of the next business day. He shall furnish a bond to the State of Montana, conditioned for the faithful and honest discharge of his duties in such amount as the State Department may determine, and the State Department shall pay the premium on this bond. The State Department may also furnish theft, robbery and burglary insurance covering the food stamps and money to be handled by him in the performance of his duties.

3. The Board of County Commissioners of the County does hereby agree to authorize and request the County Treasurer of the County to receive, keep and safely preserve in his vault the food stamps delivered to the

County by the State Department and to deliver such food stamps to the person designated as issuing officer of food stamps as requested and needed. The Board of County Commissioners also agrees to authorize and request its County Treasurer to accept the money received from the sale of food stamps in the county and safely keep such money in a separate account and from time to time, as more food stamps are required, to remit such money to the State Department for the purchase of additional stamps from the officer representing the Surplus Market Administration in the State of Montana. The Board of County Commissioners also agrees that the County Treasurer of the County shall furnish a separate surety company bond conditioned for the faithful discharge of all his duties in the handling of food stamps and all money coming into his hands in connection with the food stamp plan; to pay the cost of such bond and to furnish the state department with a certified copy thereof before the inauguration of the food stamp plan in the said county.

The Board of County Commissioners hereby undertakes to have all the matters and things enumerated in this Section done and performed.

4. The Board of County Commissioners shall make available to the State Department the funds necessary for providing a revolving fund to be used for the purchase of food stamps from the Surplus Marketing Administration.

5. The State Department agrees to be responsible for the proper use of all funds received from the County Treasurer of the County for the purchase of food stamps; and to purchase promptly from the officer furnishing food stamps on behalf of the Surplus Marketing Administration in the State of Montana the food stamps for which funds have from time to time been made available by the County and to forward the food stamps so purchased promptly and safely to the Treasurer of the County.

6. It is understood and agreed by and between the parties to this agreement that the State Department is acting as the agent of the Surplus Marketing Administration in the distribution of food stamps and in all activities in connection with the food stamp plan; and that the agreement between the Surplus Marketing Administration and the State Department, and all rules and regulations now or hereinafter issued by or on behalf of the Surplus Marketing Administration relating to the food stamp plan, shall be binding upon both parties to this agreement.

7. This agreement may be terminated upon ten (10) days' written notice on the part of either party hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers as of the day of

THE STATE DEPARTMENT OF  
PUBLIC WELFARE OF THE  
STATE OF MONTANA  
BY: THE STATE BOARD OF PUBLIC WELFARE  
BY: ..... County  
Chairman, and BY: THE BOARD OF COUNTY COMMISSIONERS OF COUNTY  
BY: ..... BY: .....  
I. M. Brandjord, State Administrator of Public Welfare and ex-Officio Secretary of the State Board of Public Welfare. Chairman

ATTEST: .....  
County Clerk and Recorder of .....County.

(SEAL)