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CHAPTER 69.

 SCHOOL FUNDS GENERALLY

ARTICLE 1.

 HOLDING OF CERTAIN FUNDS

**SECTION 59‑69‑10.** State Treasurer may invest certain fund received from United States Government.

The State Treasurer may invest the fund received by him pursuant to an act entitled “An Act to Authorize the State Treasurer to Receive from the United States Government a Certain Fund and to Hold the Same Subject to the Uses Declared by an Act of Congress,” approved February 20, 1907, as amended by an act approved February 25, 1908, in bonds or stocks of the State, in loans secured by like bonds or stock of the State or in bonds of any county, school district or municipality within the State and shall hold the same subject to the trust and uses in said act of Congress designated, and the State Treasurer may, in making such investments, pay the market value for bonds, whether the same be above par or not.

**SECTION 59‑69‑20.** State Treasurer shall hold certain property and moneys for educational purposes.

The State Treasurer shall take and hold in trust for the State any grant or devise of lands and any gift or bequest of money or other personal property made to him for educational purposes, all gifts to the State when the purpose is not designated, all escheated property, the net assets or funds of all estates or copartnerships in the hands of the courts of the State when there have been no claimants for the same within the last seventy years and other money that came into the State Treasury by reason of the twelfth section of an act entitled “An Act to Provide a Mode of Distribution of the Moneys as Collected as Direct Tax from the Citizens of this State by the United States, and Turned Over in Trust to the State of South Carolina,” approved December 24, 1891 (Acts 1891, p. 1067), together with such other means as the General Assembly may provide. For faithful management of all property so received the State Treasurer shall be responsible upon his bond to the State as for other funds received by him in his official capacity.

**SECTION 59‑69‑30.** Investment of such fund.

The State Treasurer shall from time to time invest in bonds of this State or of the United States or in bonds of any county, school district or municipality within the State all such money in the name of the State as a permanent State school fund and shall pay out the income derived therefrom to the counties of the State as the same may be apportioned among the counties by the State Board of Education. But no disposition shall be made of any property, grant, devise, gift or bequest inconsistent with the purposes, conditions or terms thereof.

**SECTION 59‑69‑40.** Funds given to State Superintendent for educational purposes.

The State Superintendent of Education shall take and hold in trust for the State any grant or devise of lands and any gift or bequest of money or other personal property made to him for educational purposes and he shall pay into the State Treasury, for safekeeping and investment, all moneys and incomes from property so received. The State Treasurer shall, from time to time, invest all such moneys in the name of the State and shall pay to the State Superintendent of Education, on the warrant of the Comptroller General, the income or principal thereof as he may, from time to time, require; provided, that no disposition shall be made of any grant, devise, gift or bequest inconsistent with the conditions or terms thereof. For all such property the State Treasurer shall be responsible on his bond as for other funds received by him in his official capacity.

ARTICLE 3.

 RESERVE FUND

**SECTION 59‑69‑110.** Authorization for creation of reserve fund to place schools on cash basis.

In any county in this State in which the schools have not funds sufficient to pay all claims in cash the county board of education may, at its discretion, direct the county superintendent of education to set aside from the school funds of the county, or any of the school districts, an amount annually not in excess of ten per cent of such funds, for so many years as may be necessary to create a sufficient fund to put the schools of such county or any of the school districts on a cash basis.

**SECTION 59‑69‑120.** Use of reserve fund.

Whenever any such reserve fund reaches an amount sufficient to put the county or school district, as the case may be, on a cash basis, the fund may be used for said purpose. And in each year during the time necessary to create such reserve fund, the county superintendent of education shall use the fund accumulated as a loan, without interest, to pay claims held by teachers to whom pay certificates were originally issued, the funds so used to be replaced annually from taxes collected for school purposes.

ARTICLE 5.

 CLAIMS AGAINST SCHOOL FUNDS

**SECTION 59‑69‑210.** Prerequisites to payment of claims.

Every claim which is chargeable against the fund raised for the support of the free public schools of the State, except such as is otherwise provided for by law, must be signed by at least a majority of the board of trustees of the school district against which the claim is chargeable, and the correctness and legality of the same shall be sworn to and subscribed by the person presenting such claim before it shall be approved by the person or persons authorized by law to give such approval. The oath required by this section may be administered by any person authorized to administer oaths either within or without the State. School trustees and county superintendents of education shall, free of charge, administer oaths to persons presenting claims under this section.

**SECTION 59‑69‑215.** Treasurer of county to disburse funds to school district.

Notwithstanding the provisions of this article, the treasurer of any county shall disburse to any school district within his county any funds which he may have on hand available for use in the operation of the school district; provided, the governing body of the school district requests disbursement to the school district funds as they become available and; provided, further, that the governing body of the county concurs in the request made by the district. Upon receipt of the school district funds, it may maintain its own bank account for the purpose of making disbursement for the payment of expenses approved by the governing body of the district. Funds received by the school district from the county treasurer which are not needed for immediate disbursement may be invested by the district in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this State or in securities issued by or guaranteed by the United States Government. Upon establishing the disbursement method from the county treasurer to the district, the disbursement by the county treasurer shall continue to the district as funds become available unless the procedure is rescinded by action of the governing body of the district or the county governing body.

**SECTION 59‑69‑220.** Approval of warrants by county superintendent of education or his agent.

No school warrants issued by any board of school trustees against any public school fund shall be paid by the county treasurer or other officer having the custody of such fund until the warrant has been approved by the county superintendent of education of the county in which such warrant is drawn or by such person in the office of such county superintendent as may be designated by him in writing, provided the person designated shall have furnished good and sufficient bond payable to the county for the faithful performance of his duties in the sum of one thousand dollars or in the sum of the bond of the county superintendent of education, whichever is higher.

**SECTION 59‑69‑230.** Payments from school funds.

All moneys disbursed by any county treasurer on account of school funds or taxes shall be paid on the order of the board of school trustees, countersigned by the county superintendent of education, or as otherwise directed by law.

**SECTION 59‑69‑240.** Treasurer required to report monthly to superintendent of education.

Each county treasurer shall report monthly, on the fifteenth day of each month, to the county superintendent of education of his county the amount of collections and disbursements made by him for the month on account of school tax and all other school funds. It shall be a misdemeanor on the part of any county treasurer to neglect, fail or refuse to make such report and, on conviction thereof, he shall pay a fine of not more than five hundred dollars to be used for school purposes in his county.

**SECTION 59‑69‑250.** Treasurer required to carry forward unexpended balances; report.

The county treasurer shall carry forward all sums in his hands collected for any previous year or years for school purposes and unexpended to the next fiscal year and credit the same to the school districts respectively, for which they were apportioned. He shall report such sums to the county superintendent of education.

**SECTION 59‑69‑260.** Officials shall not acquire interest in claims or contracts.

It is unlawful for any county treasurer, county auditor, member of a county board of education, or school trustee to buy, discount, or share, directly or indirectly, or be in any way interested in any teacher’s pay certificate or other order on a school fund, except those as are payable to him for his own services. If any of the above officers violate the provisions of this section, he is guilty of a misdemeanor and upon conviction must be fined not less than one hundred dollars nor more than five hundred dollars to be used for school purposes in his county or must be imprisoned not less than three months nor more than twelve months, or both. He shall also forfeit the amount of the claim or of his interest in the claim.

The provisions of this section do not prohibit a county board of education member, a school trustee, or a business with which he is associated from providing services or selling products to the district of which he is a board member or trustee as long as all these transactions are in accordance with the provisions of Chapter 13 of Title 8.

**SECTION 59‑69‑270.** Borrowing to pay school claims.

The county treasurer and the county supervisor or other managing officer of the several counties in this State shall, upon the application of the county boards of education of the respective counties, borrow from time to time during any fiscal year such sums of money as may be necessary to pay the school claims of such counties, not to exceed seventy‑five per cent of the amount reported by the county auditors for schools for such fiscal year. In addition thereto they may borrow not exceeding fifty per cent of the estimated receipts from the State for school aid or any other school fund that may be estimated to be paid to such county, at a rate of interest not exceeding the rate of six per cent per annum. They may pledge the taxes to be collected for that purpose or the funds to be paid therefor as security for the payment of the money so borrowed and the interest thereon. All money borrowed shall be held and paid out by the county treasurer as school funds and without extra commission.