

PUBLIC SCHOOL RETIREMENT SYSTEM:

May use money collected to maintain office and incidental expenses.

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Mr. G. L. Donahoe  
Executive Secretary  
Public School Retirement System  
Department of Public Schools  
Jefferson City, Missouri

Dear Sir:

General Taylor wishes to acknowledge receipt of your request for an opinion, which reads as follows:

"Our Board of Trustees would appreciate an opinion on this question concerning House Bill 151: 'Does the Board have the right to spend money collected for the maintenance of the office and incidental expenses.'"

It is expressed in the title of House Bill 151 as one of its purposes that it is an Act " \* \* to provide for the creation, maintenance, and administration of a retirement system for public school teachers, to be known as the Public School Retirement System of Missouri, \* \* \*"

In furtherance of that purpose, we direct your attention to sub-section (1), Section 3, regarding the income of the Public School Retirement System, wherein it is provided:

"The funds required for the operation of the retirement system created by this Act shall come from contributions made in equal amounts by members of the system and their employers, and from such interest as may be derived from the investment of any part of such contributions. All contributions shall be transmitted to the board of trustees by employers in such manner and at such times as the board by rule shall require."

Regarding the funds arising from this section, sub-section (1) of Section 4 of House Bill 151, thereafter provides:

"All funds arising from the operation of this Act shall belong to the retirement system herein created and shall be controlled by the board of trustees of that system, which board shall provide for the collection of said funds, shall see that they are safely preserved, and shall permit their disbursement only for the purposes herein authorized. All funds when collected shall be deposited with the custodian. The said funds and all other funds received by the retirement system are declared and shall be deemed to be the monies and funds of the retirement system and not revenue collected or moneys received by the State and shall not be commingled with State funds."  
(Underscoring ours.)

The purposes authorized for the disbursement of these funds are found in sub-section (2) of Section 4, which provides:

"The board shall invest all funds under its control, in excess of a safe operating balance; but investments shall be made only in the following classes of securities; bonds, or other obligations of the United States, bonds guaranteed by the United States, bonds of the State of Missouri, bonds of a county of the State of Missouri, bonds of a city of the State of Missouri, bonds of a school district of the State of Missouri. No investment transaction authorized by the board shall be handled by any company or firm in which a member of the board has an interest, nor shall any member of the board profit directly or indirectly from any such investment. All investments shall be made in the name of the retirement system." (Underscoring ours.)

Provision is made for an office, which will house the headquarters of the system, by sub-section (19) of Section 2, which reads as follows:

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"The headquarters of the retirement system shall be in Jefferson City, where office space suitable for the operation of the system shall be provided by the Board of Permanent Seat of Government."

In the discharge of its statutory duties, the Public School Retirement System will necessarily encounter some expenses from time to time. The maintenance of the office provided by virtue of sub-section (19), Section 2, supra, and incidental expenses connected therewith are examples of such expenses.

The expenses referred to in your letter are necessarily acquired in the carrying out of the purposes of House Bill 151 and merely incidental to the operation thereof, and may be accounted for as part of the operating balance set aside by sub-section (2) of Section 4, supra.

#### Conclusion

It is, therefore, the opinion of this department that the Board of Trustees of the Public School Retirement System may use such part of the funds it collects for the purpose of maintaining its office and necessary expenses incidental thereto.

Respectfully submitted,

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Assistant Attorney General

APPROVED:

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