

1982 WL 189422 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

September 10, 1982

*1 James H. Windham
Deputy State Treasurer
Wade Hampton Office Building
Post Office Drawer 11778
Columbia, South Carolina 29211

Dear Jim:

We have examined the letter and grant documents which you forwarded to us concerning grants made by the Federal Government under Title 16 USC Code 500 which authorizes certain grants to the States for use in maintenance of public roads in national forest areas, which funds are received by the State Treasurer and disbursed to appropriate counties or political subdivisions who expend the funds.

From our examination it appears obvious that the appropriate State official for executing these grant documents is the State Treasurer, not only from the language of the Act itself and the grant document, but also because the funds are actually first received by the State Treasurer. I discussed this matter briefly with Mr. Patterson and he is in agreement with the previous discussions between you and me. That is, the real problem is not the execution of the document but the lack of a practical means to follow-up and assure that the grant funds are expended in accordance with the Act. While such arrangement would not be foolproof, we would suggest that you might require of the counties and other agencies receiving the funds through your office that they submit an annual accounting for the use and expenditure of the funds to you for your files. Section 7 CFR 3015, Appendix A and OMB circulars, particularly the requirements of OMB Circular A-102, provide a clear basis for requiring that the recipients make an accounting.

We believe that your office requiring such annual accounting would have two positive effects. First, the recipients would be much more conscious of the importance of proper expenditure and accounting; and second, in event of future Federal audits your office would have a file which might well be relied upon to prevent some future back-charge against the State for any disallowed items turned up in Federal audits.

Please call me if you have any questions.

Sincerely,

Frank K. Sloan
Deputy Attorney General

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