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purpose of erecting a wing to a county hospital, which wing would be used as a county home.

In view of the foregoing, I do not think a county home, even though it be built as a wing to a county hospital, could be located on real estate purchased under the Acts of 1917, Ch. 144, *supra*, for county hospital purposes.

However, county asylums may be established under 1 R. S. 1852, Ch. 81, § 25, p. 401, as found in Burns' Indiana Statutes (1951 Repl.), Section 52-201 *et seq.* and constructed and financed under the provisions and procedures authorized in said statute.

If the county hospital building extended to the property line of the real estate on which it was located, then it might be possible for the county to purchase the adjoining real estate and erect a county home thereon under 1 R. S. 1852, Ch. 81, § 25, p. 401, *supra*, and I can find nothing which would prevent such county home from being constructed physically as a wing or addition to the hospital. However, as indicated above, the tax levies, the proceeds thereof and other funds, and the real estate must be kept separate and the administration of the county hospital and the county home must be independent and separate and under the jurisdiction and control of the persons authorized by law to administer the respective organizations.

OFFICIAL OPINION NO. 31

June 26, 1956

Mr. Curtis E. Rardin
State Auditor
238 State House
Indianapolis 4, Indiana

Dear Mr. Rardin:

This is in reply to your letter which reads in part as follows:

"We submit to you the following question on which we respectfully request your official opinion:

"Can the Warehouse Revolving Fund established by Section 36, Chapter 279, Acts of 1947,

be legally increased to an amount in excess of one hundred thousand dollars (\$100,000) by the State Board of Finance?

“We would appreciate your early answer to this question.”

The Acts of 1947, Ch. 279, Sec. 36, as found in Burns' Indiana Statutes (1951 Repl.), Section 60-1834, provides as follows:

“There is hereby established a revolving fund to be known as the Warehouse Revolving Fund. Said revolving fund shall be in the total amount of one hundred thousand dollars [\$100,000] and shall be for the following specific purposes: (1) Director of public works and supply shall establish with the approval of the governor a central warehouse. Said warehouse may be located on some of the presently owned state property or if deemed advisable on property rented or leased for that purpose. (2) Whenever in the opinion of the director of public works and supply he shall determine that it is advantageous to purchase commodities, materials or supplies, which are used by several state agencies for their industries or for general operating purposes, he may do so and warehouse same in the state warehouse. The cost of such commodities and the expense incident thereto shall be paid for in the first instance from said revolving fund.

“The director of public works and supply shall keep all institutions and departments informed of the commodities, materials and supplies which are available in the warehouse.

“The same procedure for requisitioning articles from the warehouse shall be followed as in requisitioning for purchases except that said requisition shall be noted to be drawn from public warehouse. The director of public works and supply shall invoice to each institution and file his claim for reimbursement for any articles furnished and shall add to the actual cost a sufficient amount to pay for all warehouse and handling charges but shall not charge any amount in excess of

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the actual cost and expense so as to show a profit in operating this warehouse. Should at the end of any fiscal year the balance in said revolving fund show an amount in excess of one hundred thousand dollars [\$100,000], then said excess shall be transferred by the director of audits to the state general fund. Should the balance at the close of any fiscal year show a balance in said revolving fund of less than one hundred thousand dollars [\$100,000], then the department of public works and supply shall file with the director of audits an inventory of all articles held in the warehouse, setting out the cost and in such a manner show that the revolving fund is not being depleted. The revolving fund provided in this section shall be established when a plan for the establishment of a warehouse has been approved by the state budget committee created by this act. There is hereby appropriated from the general fund the sum of one hundred thousand dollars [\$100,000] for the purpose of establishing the warehouse revolving fund created by this section."

In my opinion, the foregoing statute is clear and unambiguous and the Revolving Fund established thereby cannot, under existing law, be permanently increased to an amount in excess of the \$100,000 statutory limit in the absence of further legislative action by way of appropriation, or otherwise. The intent of the Legislature in this regard is clearly evidenced by the requirement that the Auditor of State, who under the Acts of 1947, Ch. 279, Sec. 4, as found in Burns' Indiana Statutes (1951 Repl.), Section 60-1804, is also the Director of Audits, is required to transfer any amounts in the Warehouse Revolving Fund in excess of \$100,000 to the State General Fund at the end of each fiscal year.

However, the State Board of Finance is authorized to make transfers of money from one fund or appropriation to another by the Acts of 1941, Ch. 27, Sec. 5, as found in Burns' Indiana Statutes (1951 Repl.), Section 60-314, and the Acts of 1947, Ch. 279, Sec. 27, as found in Burns' Indiana Statutes (1951 Repl.), Section 60-1827. It is my understanding that, under and pursuant to its statutory authority, the State Board of Finance has transferred certain monies from various State Agency appropriations, as an advancement to the Warehouse

Revolving Fund account. It is my further understanding that said transfers were made, with the consent of such State Agencies, in order to enable the Department of Public Works and Supply to take advantage of certain opportunities to make bulk purchases at reduced prices of goods and commodities needed by the said State Agencies.

As stated above, these funds should not permanently remain in the Warehouse Revolving Fund account, as rotary funds, however, I do not believe that such a transfer, for the purposes stated above, would be unauthorized since it would appear to be merely an alternative method of using the Warehouse account to accomplish the same result that could be legally accomplished if a separate account were set up to handle the funds of the individual institutions for these purchases.

If these funds increase the balance in the Warehouse Revolving Fund to an amount in excess of \$100,000, then said funds would not remain in the Warehouse Revolving Fund account as rotary funds permanently increasing the amount thereof, since the Director of Auditing will transfer any such excess to the General Fund at the close of the fiscal year. In the meantime, if the purpose for which these funds were transferred had been fully accomplished; that is, the bulk purchase made, the goods and supplies requisitioned from the warehouse by the various State Agencies, and the Warehouse Revolving Fund account reimbursed for any commodities or articles so furnished, then it would be proper for the State Board of Finance to retransfer the funds involved to the fund or funds from which they were originally transferred; see Burns' 60-314, *supra*. If the fiscal year in which the transfer was made had ended, then it would be proper for the State Board of Finance to transfer such excess to the General Fund as these monies, if not used by the State Agency from which they were originally transferred, would have so reverted to the General Fund at the end of the fiscal year under the Acts of 1947, Ch. 279, Sec. 21, as found in Burns' Indiana Statutes (1951 Repl.), Section 60-1821, and in the absence of any such action by the State Board of Finance these monies should be treated as a lapsed appropriation under Burns' 60-1821, *supra*.

I hope the foregoing has fully answered your question.