ACCOUNTS, STATE BOARD OF: Stamp plan, whether initial cost to put in operation may be paid out of poor relief funds; costs of operation.

February 28, 1940.

Mr. E. P. Brennan,

State Examiner, Division of Accounting and Statistics,
State Board of Accounts,
Indianapolis, Indiana.

Dear Sir:

I have your letter wherein you state that the adoption of the Federal Surplus Commodities Corporation stamp plan is receiving consideration and that you desire an official opinion answering the following questions:

"1. May the initial cost of orange stamps to be obtained for purposes of resale, be paid for out of poor relief funds under Ch. 116, Acts 1935, and the money derived from such resale kept in a revolving fund for further purchases of orange stamps?

"2. May the township's poor relief funds be drawn upon for payment of the township's proportionate share of the expenses incurred in the operation of the foregoing stamp plan?"

Sections 5 and 30 of the Poor Relief Act of 1935 (Secs. 52-148 and 52-173, Burns' Ind. St., Supp. 1939) make the township trustee overseer of the poor and prescribe the procedure to be followed in the payment of poor relief claims and the raising of funds for that purpose.

By the proposed stamp plan, persons now on direct relief and those receiving public assistance in other forms than by direct relief, may obtain additional foods designated as "surplus commodities," by using blue stamps which would be furnished without charge by the Federal Surplus Commodities Corporation through a stamp agency of the township. To be entitled to blue stamps, persons receiving such public assistance, other than direct relief, would be required to buy orange stamps at the stamp agency, with which orange stamps any kind of food may be purchased. All stamps will be redeemed at face value for the food store accepting them. An initial
expenditure of poor relief funds would be required to obtain the orange stamps for resale, in order to start the stamp agency. Upon termination of the plan, orange stamps in the hands of the agency would be redeemed by the Corporation. The plan would permit the distribution of a large quantity of surplus commodity foods for which the township would not pay.

A consideration of Sections 5 and 30 only would compel the conclusion that they make no provision for an expenditure of money from funds available for poor relief to be used in purchasing a supply of orange food stamps to be re-sold to persons entitled to purchase same in accordance with the regulations and conditions controlling the Surplus Commodities Food Corporation.

However, Section 33 of the Poor Relief Law, supra, Sec. 52-176, Burns’, etc., 1939, provides that the purpose of the act is to provide “necessary and prompt relief to the citizens and residents of this state, and this act shall be liberally construed in order that its purposes may be accomplished as equitably and expeditiously as possible.”

Section 34 of the Poor Relief Law (Acts 1935, supra, Sec. 52-177, Burns’, etc., 1939) provides that “the overseers of the poor are hereby empowered to cooperate with the state and federal governments in the furnishing of poor relief in order that it shall be furnished adequately and economically.”

There can be no doubt but that more adequate poor relief would be available to persons receiving some form of public assistance and also to persons receiving direct relief. A plan that would furnish more adequate relief to persons in need of public assistance would meet the requirement of Sec. 34, supra, provided such relief were economically furnished.

It appears that the administrative expenses of such a plan should be small in comparison with the large amount of surplus commodity foods which would be made available.

The disbursement for orange stamps by which a revolving fund would be established would not in fact constitute an expense because there would be in the hands of the stamp agency at all times either cash or orange stamps salable or redeemable for cash, to the full amount originally paid for them.

Viewing Secs. 5 and 30, supra, in connection with other parts of the act, including Secs. 33 and 34, as we are required
to do by fundamental rules of statutory construction, it is apparent that the expenditure of funds raised by poor relief levy, by advancement from the county, or by sale of poor relief bonds, in payment of claims approved by the overseer for the township’s expense in administering the stamp plan and in payment of the initial supply of orange stamps would constitute legitimate disbursements for poor relief purposes.

Each of your questions is therefore answered in the affirmative.

HIGHWAY COMMISSION, STATE: Bonds submitted by bidders for road and bridge contracts must state penalty.

February 29, 1940.

Hon. M. R. Keefe, Chief Engineer,
State Highway Commission of Indiana,
State House Annex,
Indianapolis, Indiana.

Dear Mr. Keefe:

I have your letter of February 27th, 1940, in which you state:

"Bids were taken today, February 27, 1940, on road and bridge contracts, and among the proposals received on bridges were four from Harold Tharp, Fountain City, Indiana. The four proposal forms submitted by Mr. Tharp were accompanied by a bond properly signed, sealed and filled out, except that there was no penalty fixed in the bond.

"Will you kindly inform us whether or not this bond may be corrected by the execution of a bond wherein the amount of the penalty prescribed by statute is fixed therein."

Section 6 of Chapter 88, Acts of 1935, among other things, provides:

"Each bidder with his proposal shall submit his bond payable to the State of Indiana in the penal sum of one and one-half times the amount of his proposal, with