

1981 WL 157984 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

September 28, 1981

***1 Re: Investment of Local and State-aid Library Funds**

Mr. Chapman J. Milling, Jr.
Librarian-Executive Secretary
Sumter County Library
111 North Harvin Street
Sumter, South Carolina 29150-4988

Dear Mr. Milling:

You have requested an opinion from this office as to whether county library funds may be invested in a NOW account and/or bank guaranteed securities and whether the library would be entitled to keep the interest made on State-aid funds. It has been the policy of this office to refer such questions to the county attorney, since he has primary responsibility for advising agencies of county government. Therefore, I have taken the liberty of forwarding your letter and a copy of this letter to G. Werber Bryan, Esquire, for his consideration.

The general authority for the investment of funds by local governments is contained in [Section 6-5-10 of the South Carolina Code of Laws \(1976\)](#) (Enclosure 1). The governing body of the county may delegate this investment authority to financial officers, fiscal agents or corporate trustees. [Section 6-5-20, 1976 Code](#). I do not know whether your county council has delegated such authority to the library, so I would suggest that you consult with Mr. Bryan in this regard. A similar provision dealing with the investment authority of the county treasurer is contained in [Section 12-45-220 of the 1976 Code](#) (Enclosure 2).

Under both statutes it would appear that investment of library funds in a NOW account or in treasury bills would be permitted but that investment in money market certificates would not. Of course, the investment would have to be made by county council or the county treasurer unless such investment authority had been delegated to the library.

Finally, I could find no requirement under South Carolina law that interest made on State-aid funds be repaid to the State. Although this requirement is often imposed with federal funds, no similar requirement is made by State law.

I hope this information will be of assistance to you.

Very truly yours,

Richard B. Kale, Jr.
Senior Assistant Attorney General

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