

Columbia, South Carolina
May 24, 1949

The Budget Commission met in the office of the Governor at 4:30 P.M. on May 24, 1949. All members of the Commission were present.

Colonel Manning, Superintendent of the Penitentiary, appeared before the Commission to discuss a question which had been raised by the State Auditor, concerning the handling of the Penitentiary's revenue from the Tag Plant.

It was brought out that, although the operating appropriation of the Penitentiary for this fiscal year included a sum of \$50,000.00 for the purchase of Tag Plant materials and supplies, the Superintendent had sent such invoices amounting to \$47,577.72, to the Highway Department, with the request that they be paid and charged against the revenue accruing to the Penitentiary for license plates and road signs purchased by the Highway Department. This procedure would reduce the revenue (on a net basis) from the tag plant, which revenue belongs to the State's General Fund, and would release a like amount of the appropriation of the Penitentiary for other purposes. The State Auditor contended that this procedure was at least a technical violation of Section 1 of the General Appropriations Act.

Colonel Manning contended that the procedure had been followed because of the need for certain new equipment for the Tag Plant, for which no funds had been provided by the General Assembly.

The Budget Commission agreed with Colonel Manning as to the need for the additional funds, but concluded that its approval should not be given as to the manner in which the transaction was being handled. It was agreed that the Commission would sponsor a supplemental appropriation to the Penitentiary for the amount involved, in order that the Penitentiary could reimburse the Highway Department and remit the gross amount of the Tag Plant revenue to the State's General Fund.

The following allotments from the Civil Contingent Fund were approved by the Commission:

<u>S C Penitentiary</u> To Complete Payment for Book Binding Machinery and initial supplies therefor.	\$23,769.11
<u>S C Sinking Fund Commission</u> For Insurance Premium for Catawba Indian School	\$ 13.45

The Commission then adjourned.

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