§ 702. Federal aid; custody and payment of funds. 1. The department of taxation and finance is designated as custodian of all federal-aid funds allotted to the state for the purposes of this article by the United States.

2. Such funds shall be payable only on the audit and warrant of the comptroller on the certificate of the commissioner as provided in section one hundred ten of the state finance law.

3. Subject to the rules and regulations of the commissioner, such funds may be allocated to any municipal corporation, including the city of New York, and to any health district for the use of such municipal corporation or local health district in carrying out the purposes of such act of the congress.