

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
106TH LEGISLATURE

HOUSE AMENDMENT "A " to S.P. 285, L.D. 832, Bill, "AN ACT
Relating to Management of Endowment Funds of Educational, Religious
and Charitable Organizations."

Amend said Bill by striking out in the last line of that
part designated "§4002." of section 1, the underlined word
"character" and inserting in place thereof, the following: 'charter'

Further amend said Bill by inserting at the end before the
statement of fact, the following:

'§4004. Delegation of authority

Except as otherwise provided by the applicable gift instrument
or by applicable law relating to educational institutions or funds,
the governing board may delegate to its committees, officers or
employees of the institution or the fund, or agents, including
investment counsel, the authority to act in place of the board in
investment and reinvestment of institutional funds, or contract
with independent investment advisors, investment counsel or managers,
banks or trust companies, so to act, and authorize the payment of
compensation for investment advisory or management services.

§4005. Care and prudence

In the administration of the powers to appropriate appreciation,
to make and retain investments, and to delegate investment manage-
ment of institutional funds, members of a governing board shall
exercise ordinary business care and prudence under the facts and
circumstances prevailing at the time of the action or decision. In
so doing they shall consider long and short term needs of the
institution in carrying out its educational purposes, its present

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and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Statement of Fact

This amendment is for the purpose of curing a typographical error in the confusion of the word "character" with the word "charter" and further to allow educational institutions to engage the services of investment counsel as well as to be restricted to the "prudent man rule" of investment.

Filed by Mr. Carey of Waterville.

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4/23/73

(Filing No. H-269)