

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1420

S.P. 446

In Senate, March 11, 1997

An Act to Amend the Uniform Management of Institutional Funds Act.

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator AMERO of Cumberland.
Cosponsored by Senator ABROMSON of Cumberland, Representative: BRENNAN of
Portland.

Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 13 MRSA §4106, first ¶, as enacted by PL 1993, c. 371,
4 §2, is amended to read:

6 In the administration of the powers to appropriate
8 appreciation, to make and retain investments and to delegate
10 investment management of institutional funds, members of a
12 governing board shall exercise ordinary business care and
14 prudence under the facts and circumstances prevailing at the time
16 of the action or decision. ~~In so doing~~ When exercising ordinary
18 business care and prudence, they shall consider long-term and
20 short-term needs of the institution in carrying out its
22 educational, religious, philanthropic or other charitable
24 purposes; its present and anticipated financial requirements;
26 expected total return on its investments; price-level trends; and
general economic conditions. Unless explicitly stated otherwise
by the donor, appreciation on investments of endowment funds,
until appropriated pursuant to proper governing board action,
must be considered a donor restricted asset.

SUMMARY

This bill amends the Uniform Management of Institutional Funds Act by considering appreciation on investments of endowment funds a donor restricted asset.