

**UNIFORM PRUDENT MANAGEMENT OF
INSTITUTIONAL FUNDS ACT**

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: Stephen H. Urquhart

LONG TITLE

General Description:

This bill modifies a provision in the Uniform Prudent Management of Institutional Funds Act.

Highlighted Provisions:

This bill:

► changes a definition to allow for management of institutional funds, rather than only endowment funds.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

51-8-102, as enacted by Laws of Utah 2007, Chapter 59

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **51-8-102** is amended to read:

51-8-102. Definitions.

As used in this chapter:



28 (1) "Charitable purpose" means the relief of poverty, the advancement of education or
29 religion, the promotion of health, the promotion of governmental purposes, and any other
30 purpose the achievement of which is beneficial to the community.

31 (2) (a) "Endowment fund" means an institutional fund, or any part of an institutional
32 fund, not wholly expendable by the institution on a current basis under the terms of a gift
33 instrument.

34 (b) "Endowment fund" does not include assets of an institution designated by the
35 institution as an endowment fund for its own use.

36 (3) "Gift instrument" means a record or records, including an institutional solicitation,
37 under which property is granted to, transferred to, or held by an institution as an institutional
38 fund.

39 (4) (a) "Governing board" means the body responsible for the management of an
40 institution or of an institutional fund.

41 (b) "Governing board" means, for a higher education institution, the board of trustees
42 of the higher education institution.

43 (5) "Higher education institution" means the institutions specified in Section
44 53B-1-102.

45 (6) "Institution" means:

46 (a) a person, other than an individual, organized and operated exclusively for charitable
47 purposes;

48 (b) a government or a governmental subdivision, agency, or instrumentality to the
49 extent that it holds funds exclusively for a charitable purpose; and

50 (c) a trust that had both charitable and noncharitable interests, after all noncharitable
51 interests have terminated.

52 (7) (a) "Institutional fund" means a fund held by an institution exclusively for
53 charitable purposes.

54 (b) "Institutional fund" does not include:

55 (i) program-related assets;

56 (ii) a fund held for an institution by a trustee that is not an institution;

57 (iii) a fund in which a beneficiary that is not an institution has an interest, other than an
58 interest that could arise upon violation or failure of the purposes of the fund; or

- 59 (iv) operating funds.
- 60 (8) "Manager" means either:
- 61 (a) the state treasurer; or
- 62 (b) a higher education institution that accepts the responsibility for the management of
- 63 ~~[the endowment]~~ institutional funds of a different higher education institution.
- 64 (9) "Operating funds" means monies used for the general operation of a higher
- 65 education institution that are received by the higher education institution from:
- 66 (a) state appropriations;
- 67 (b) government contracts;
- 68 (c) government grants; or
- 69 (d) tuition and fees collected from students.
- 70 (10) "Person" means an individual, corporation, business trust, estate, trust,
- 71 partnership, limited liability company, association, joint venture, public corporation,
- 72 government or governmental subdivision, agency, instrumentality, or any other legal or
- 73 commercial entity.
- 74 (11) "Program-related asset" means an asset held by an institution primarily to
- 75 accomplish a charitable purpose of the institution and not primarily for appreciation or the
- 76 production of income.
- 77 (12) "Record" means information that is inscribed on a tangible medium or that is
- 78 stored in an electronic or other medium and is retrievable in perceivable form.

Legislative Review Note
as of 1-28-09 10:12 AM

Office of Legislative Research and General Counsel

H.B. 279 - Uniform Prudent Management of Institutional Funds Act

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
