1   UNIFORM PRUDENT MANAGEMENT OF

2   INSTITUTIONAL FUNDS ACT

3   2009 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Bradley G. Last**

6   Senate Sponsor: Stephen H. Urquhart

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8   **LONG TITLE**

9   **General Description:**

10   This bill modifies a provision in the Uniform Prudent Management of Institutional

11   Funds Act.

12   **Highlighted Provisions:**

13   This bill:

14   ▸   changes a definition to allow for management of institutional funds, rather than

15   only endowment funds.

16   **Monies Appropriated in this Bill:**

17   None

18   **Other Special Clauses:**

19   None

20   **Utah Code Sections Affected:**

21   AMENDS:

22   **51-8-102**, as enacted by Laws of Utah 2007, Chapter 59

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

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

26   **51-8-102. Definitions.**

27   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

47 charitable 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

58 an 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.