

NORTH CAROLINA GENERAL ASSEMBLY
1961 SESSION

CHAPTER 970
SENATE BILL 315

1 AN ACT TO ESTABLISH AN ENDOWMENT FUND FOR THE PUBLIC SCHOOLS OF
2 THE STATE WHICH SHALL CONSIST OF AND BE MAINTAINED BY
3 VOLUNTARY CONTRIBUTIONS AND TO PROVIDE FOR THE ADMINISTRATION
4 OF SUCH FUND.
5

6 The General Assembly of North Carolina do enact:

7 **Section 1.** Chapter 115 of the General Statutes, as amended, and as the same
8 appears in the 1959 Cumulative Supplement, is hereby amended by adding another Article to
9 said Chapter 115, which shall be designated as Article 37, and to read as follows:
10

11 "Article 37

12 "Establishment of a Voluntary Endowment Fund for Public Schools

13 **"Sec. 115-200. Creation of endowment fund and administration.** Any county or city board
14 of education is hereby authorized and empowered upon the passage of a resolution to create
15 and establish a permanent endowment fund which shall be financed by gifts, donations,
16 bequests or other forms of voluntary contributions. Any endowment fund established under the
17 provisions of this Article shall be administered by the members of such board of education
18 who, ex officio, shall constitute and be known as 'The Board of Trustees of the Endowment
19 Fund of the Public Schools of County or City or Town' (in which shall be inserted the name of
20 the county, city or town). The board of trustees so established shall determine its own
21 organization and methods of procedure.

22 **"Sec. 115-201. Board of trustees a public corporation or governmental agency or**
23 **instrumentality.** Any board of trustees created and organized under this Article shall be a body
24 politic, public corporation and instrumentality of government and as such may sue and be sued
25 in matters relating to the endowment fund and shall have the power and authority to acquire,
26 hold, purchase and invest in all forms of property, both real and personal, including, but not by
27 way of limitation, all types of stocks, bonds, securities, mortgages and all types, kinds and
28 subjects of investments of any nature and description. The board of trustees of said endowment
29 fund may receive pledges, gifts, donations, devises and bequests, and may in its discretion
30 retain such in the form in which they are made, and may use the same as a permanent
31 endowment fund. The board of trustees of any endowment fund created hereunder shall have
32 the power to sell any property, real, personal or choses in action, of the endowment fund, at
33 either public or private sale. The board of trustees shall be responsible for the prudent
34 investment of any funds or moneys belonging to the endowment fund in the exercise of its
35 sound discretion without regard to any statute or rule of law relating to the investment of funds
36 by fiduciaries.

37 **"Sec. 115-202. Expenditure of funds.** It is not the intent that such endowment fund created
38 hereunder shall take the place of State appropriations or any regular appropriations, tax funds
39 or other funds made available by counties, cities, towns or school administrative units for the
40 normal operation of the public schools. Any endowment fund created hereunder, or the income
41 from same, shall be used for the benefit of the public schools of the county, city or town
42 involved and to supplement regular and normal appropriations to the end that the public schools
43 may improve and increase their functions, may enlarge their areas of service and may become

1 more useful to a greater number of people. The board of trustees in its discretion shall
2 determine the objects and purposes for which the endowment fund shall be spent. Nothing
3 herein shall be construed to prevent the board of trustees of any such endowment fund
4 established hereunder from receiving pledges, gifts, donations, devises and bequests and from
5 using the same for such lawful school purposes as the donor or donors designate, provided,
6 always, that the administration of any such pledges, gifts, donations, devises and bequests, or
7 the expenditure of funds from same, will not impose any financial burden or obligation on the
8 State of North Carolina or any subdivisions of government of the State. The board of trustees
9 may with the consent of the donor of any pledges, transfer and assign such pledges as security
10 for loans. This consent by the donor may be made at the time of the pledge or at any time
11 before said pledges are paid off in full. It is the purpose of this provision to enable the board of
12 trustees to have the immediate use of funds which the donor may desire to pledge as payable
13 over a period of years.

14 **"Sec. 115-203.** Where the donor or donors of said pledges, gifts, donations, devises and
15 bequests so provides, the board of trustees shall keep the principal of such gift or gifts intact
16 and only the income therefrom may be expended.

17 **"Sec. 115-204. Property and income of board of trustees exempt from State taxation.** All
18 property received, purchased, contributed or donated to the board of trustees for the benefit of
19 any endowment fund created hereunder and all donations, gifts and bequests received or
20 otherwise administered for the benefit of said endowment fund, as well as the principal and
21 income from said endowment fund, shall at all times be free from taxation, of any nature
22 whatsoever, within the State."

23 **Sec. 2.** All laws and clauses of laws in conflict with the provisions of this Act are
24 hereby repealed.

25 **Sec. 3.** This Act shall be in full force and effect from and after its ratification.

26 In the General Assembly read three times and ratified, this the 17th day of June,
27 1961.