

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 68

Short Title: Comm. Foundation Endowment Funds.

(Public)

Sponsors: Representative Rhodes.

Referred to: Judiciary II.

February 13, 1991

A BILL TO BE ENTITLED

AN ACT TO MAKE THE UNIFORM MANAGEMENT OF INSTITUTIONAL FUNDS ACT APPLICABLE TO COMMUNITY FOUNDATION ENDOWMENT FUNDS ADMINISTERED BY BANKS OR TRUST COMPANIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 36B-1 reads as rewritten:

§ 36B-1. Definitions.

As used in this Chapter, the following terms have the meanings specified:

(1) 'Institution' means an incorporated or unincorporated organization organized and operated exclusively for educational, religious, charitable, or other eleemosynary purposes, or a governmental organization to the extent that it holds funds exclusively for any of these purposes;

(2) 'Institutional fund' means a fund held by an institution for its exclusive use, benefit, or purposes, but does not include (i) a fund held for an institution by a trustee that is not an ~~institution~~-institution, unless the fund is held exclusively for the benefit of either a community foundation or community trust, deemed to be 'publicly supported' under the Code, as defined in G.S. 105-134.1(1), and held by:

a. A bank;

b. A trust company; or

c. Another fiduciary

that is a trustee of the community foundation or community trust or (ii) a fund in which a beneficiary that is not an institution has an interest,

- 1 other than possible rights that could arise upon violation or failure of
2 the purposes of the fund or (iii) funds other than endowment funds
3 held by a governmental organization;
- 4 (3) 'Endowment fund' means an institutional fund, or any part thereof, not
5 wholly expendable by the institution on a current basis under the terms
6 of the applicable gift instrument;
- 7 (4) 'Governing board' means the body responsible for the management of
8 an institution or of an institutional fund;
- 9 (5) 'Historic dollar value' means the aggregate fair value in dollars of (i) an
10 endowment fund at the time it became an endowment fund, (ii) each
11 subsequent donation to the fund at the time it is made, and (iii) each
12 accumulation made pursuant to a direction in the applicable gift
13 instrument at the time the accumulation is added to the fund. The
14 determination of historic dollar value made in good faith by the
15 institution is conclusive.
- 16 (6) 'Gift instrument' means a will, deed, trust, grant, conveyance,
17 agreement, memorandum, writing, or other governing document
18 (including the terms of any institutional solicitations from which an
19 institutional fund resulted) under which property is transferred to or
20 held by an institution as an institutional fund."
- 21 Sec. 2. This act becomes effective October 1, 1991.