

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003

# A Bill

SENATE BILL 890

4  
5 By: Senator Argue  
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## For An Act To Be Entitled

8  
9 AN ACT REGARDING THE MANAGEMENT, INVESTMENT, AND  
10 EXPENDITURE OF ENDOWMENT FUNDS OF INSTITUTIONS;  
11 AND FOR OTHER PURPOSES.  
12

## Subtitle

13  
14 REGARDING THE MANAGEMENT, INVESTMENT,  
15 AND EXPENDITURE OF ENDOWMENT FUNDS OF  
16 INSTITUTIONS.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 28-69-602 is amended to read as follows:  
22 28-69-602. Definitions.

23 As used in this subchapter:

24 (1) "Institution" means an incorporated or unincorporated  
25 organization organized and operated exclusively for educational, religious,  
26 charitable, or other eleemosynary purposes, or a governmental organization,  
27 including, without limitation, a public institution of higher education, to  
28 the extent that it holds funds exclusively for any of these purposes;

29 (2) "Institutional fund" means a fund held by an institution for  
30 its exclusive use, benefit, or purposes, but does not include (i) a fund held  
31 for an institution by a trustee that is not an institution or (ii) a fund in  
32 which a beneficiary that is not an institution has an interest, other than  
33 possible rights that could arise upon violation or failure of the purposes of  
34 the fund;

35 (3) "Endowment fund" means an institutional fund, or any part  
36 thereof, not wholly expendable by the institution on a current basis under



1 the terms of the applicable gift instrument;

2 (4) "Governing board" means the body responsible for the  
3 management of an institution or of an institutional fund;

4 ~~(5) "Historic dollar value" means the aggregate fair value in~~  
5 ~~dollars of (i) an endowment fund at the time it became an endowment fund,~~  
6 ~~(ii) each subsequent donation to the fund at the time it is made, and (iii)~~  
7 ~~each accumulation made pursuant to a direction in the applicable gift~~  
8 ~~instrument at the time the accumulation is added to the fund. The~~  
9 ~~determination of historic dollar value made in good faith by the institution~~  
10 ~~is conclusive;~~

11 ~~(6)~~(5) "Gift instrument" means a will, deed, grant, conveyance,  
12 agreement, memorandum, writing, or other governing document (including the  
13 terms of any institutional solicitations from which an institutional fund  
14 resulted) under which property is transferred to or held by an institution as  
15 an institutional fund.

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