

451.901 to 451.917

Repealed

Section 451.902, which defined administrator, affiliate, associate, equity security and issuer, was derived from:

- P.A.1976, No. 179, § 2.
- C.L.1970, § 451.902.
- C.L.1979, § 451.902.

Section 451.903, which defined offeree, offeror, person, and target company, was derived from:

- P.A.1976, No. 179, § 3.
- C.L.1970, § 451.903.
- C.L.1979, § 451.903.

Section 451.904, which defined take-over offer, was derived from:

- P.A.1976, No. 179, § 4.
- C.L.1970, § 451.904.
- C.L.1979, § 451.904.

Section 451.905, which related to take-over offer requirements, the period offers were open for acceptance, increases in offering prices as new offers, etc., was derived from:

- P.A.1976, No. 179, § 5.
- C.L.1970, § 451.905.
- C.L.1979, § 451.905.

Section 451.906, which related to the inapplicability of the act to public utilities and insurance companies, was derived from:

- P.A.1976, No. 179, § 6.
- C.L.1970, § 451.906.
- C.L.1979, § 451.906.

Section 451.907, which related to hearings for violations, summary determinations, attendance at prehearing conferences, ordering offers effective, requirements when a state chartered bank or savings and loan was targeted, was derived from:

- P.A.1976, No. 179, § 7.
- C.L.1970, § 451.907.
- C.L.1979, § 451.907.

Section 451.908, which related to filing and contents of registration statements, was derived from:

- P.A.1976, No. 179, § 8.
- C.L.1970, § 451.908.
- C.L.1979, § 451.908.

Section 451.909, which related to the filing of amendments for material changes in registration statements, was derived from:

- P.A.1976, No. 179, § 9.
- C.L.1970, § 451.909.
- C.L.1979, § 451.909.

SECURITIES, REAL ESTATE, ETC.

Section 451.910, which related to solicitation materials and manipulative acts or practices, was derived from:

- P.A.1976, No. 179, § 10.
- C.L.1970, § 451.910.
- C.L.1979, § 451.910.

Section 451.911, which related to prohibited conduct by offerors, was derived from:

- P.A.1976, No. 179, § 11.
- C.L.1970, § 451.911.
- C.L.1979, § 451.911.

Section 451.912, which related to the exemption of offers and persons and the promulgation, amendment, and rescission of rules, was derived from:

- P.A.1976, No. 179, § 12.
- C.L.1970, § 451.912.
- C.L.1979, § 451.912.

Section 451.913, which related to filing fees and hearing expenses, was derived from:

- P.A.1976, No. 179, § 13.
- C.L.1970, § 451.913.
- C.L.1979, § 451.913.

Section 451.914, which related to cease and desist orders, injunctions, restraining orders, actions to enforce compliance, etc., was derived from:

- P.A.1976, No. 179, § 14.
- C.L.1970, § 451.914.
- C.L.1979, § 451.914.

Section 451.915, which related to the applicability of § 451.807, was derived from:

- P.A.1976, No. 179, § 15.
- C.L.1970, § 451.915.
- C.L.1979, § 451.915.

Section 451.916, which related to the public inspection of documents, certified copies as evidence and certificates of nonexistence as evidence, was derived from:

- P.A.1976, No. 179, § 16.
- C.L.1970, § 451.916.
- C.L.1979, § 451.916.

Section 451.917, which related to the purchase of equity securities not in compliance with the act, the liability of purchasers, actions to recover, actions to enjoin violations or enforce compliance and limitations of actions, was derived from:

- P.A.1976, No. 179, § 17.
- C.L.1970, § 451.917.
- C.L.1979, § 451.917.

See, § 450.1790 et seq.

MANAGEMENT OF INSTITUTIONAL FUNDS

Jurisdiction	Laws	Effective Date	Statutory Citation
Alabama	1993, 1st Ex. Sess. No. 93-899	8-31-1993	Code 1975, §§ 16-61A-1 to 16-61A-8.
Arkansas	1992, No. 70	3-20-1992	A.C.A. §§ 28-69-601 to 28-69-611.
California	1973, c. 950	9-30-1973	West's Ann.Cal.Probate Code, §§ 18500 to 18509.
Colorado	1973, c. 126		West's C.R.S.A. §§ 15-1-1101 to 15-1-1109.
Connecticut	1973, P.A. 73-548	7-1-1973	C.G.S.A. §§ 45a-526 to 45a-534.
Delaware	1974, c. 572	7-29-1974	12 Del.C. § 4701 to 4708.
District of Columbia	D.C.Laws No. 1-103	4-6-1977	D.C. Official Code, 2001 Ed. §§ 44-1601 to 44-1609.
Florida	1990, c. 90-297	10-1-1990	West's F.S.A. § 240.127.
Georgia	1984, p. 831	3-28-1984	O.C.G.A. §§ 44-15-1 to 44-15-9.
Hawaii	1995, Act 46	4-25-1995	H R S §§ 517D-1 to 517D-11.
Idaho	1996, c. 405	7-1-1996	I.C. §§ 33-5001 to 33-5008.
Illinois	1973, P.A. 78-866	10-1-1973	S.H.A. 760 ILCS 50/1 to 50/10.
Indiana	P.L. 268-1989	4-26-1989 *	West's A.I.C. 30-2-12-1 to 30-2-12-13.
Iowa	1990, S.F. 2350	3-29-1990 *	I.C.A. §§ 540A.1 to 540A.9.
Kansas	1973, c. 226	7-1-1973	K.S.A. 58-3601 to 58-3610.
Kentucky	1976, c. 115	6-19-1976	KRS 273.510 to 273.590.
Louisiana	1976, No. 410	7-31-1976 *	LSA-R.S. 9:2337.1 to 9:2337.8.
Maine	1993, c. 371	6-16-1993 *	13 M.R.S.A. §§ 4100 to 4110.
Maryland	1973, c. 838	7-1-1973	Code, Estates and Trusts, §§ 15-401 to 15-409.
Massachusetts	1975, c. 886	1-17-1976 *	M.G.L.A. c. 180A, §§ 1 to 11.
Michigan	1976, P.A. 157	6-17-1976	M.C.L.A. § 451.1201 to 451.1210.
Minnesota	1973, c. 313	8-1-1973 *	M.S.A. § 309.62 to 309.71.
Mississippi	1998, c. 417	7-1-1998	Code 1972, §§ 79-11-601 to 79-11-617.
Missouri	1976, p. 745		V.A.M.S. §§ 402.010 to 402.060.
Montana	1973, c. 389	3-20-1973 *	MCA 72-30-101 to 72-30-207.
Nebraska	1996, L.B. 973	3-19-1996 *	R.R.S. 1943, §§ 58-601 to 58-609.
Nevada	1997, c. 281	7-3-1997	N.R.S. 164.500 to 164.630.
New Hampshire	1973, c. 547:1	9-1-1973	RSA 292-B:1 to 292-B:9.
New Jersey	1975, c. 26	3-5-1975	N.J.S.A. 15:18-15 to 15:18-24.
New Mexico	1997, c. 199	7-1-1997	NMSA 1978, §§ 46-9-1 to 46-9-12.
New York	1978, c. 690	7-25-1978	McKinney's N-PCL, §§ 102, 512, 514, 522.
North Carolina	1985, c. 98	7-1-1985	G.S. §§ 36B-1 to 36B-10.
North Dakota	1975, c. 182	7-1-1975	NDCC 15-67-01 to 15-67-09.
Ohio	1975, p. 303	11-26-1975	R.C. § 1715.51 to 1715.59.
Oklahoma	1992, c. 131	9-1-1992	60 Okl.St. Ann. §§ 300.1 to 300.10.
Oregon	1975, c. 707	9-13-1975	ORS 128.310 to 128.355.
Rhode Island	1972, c. 260	5-4-1972	Gen.Laws 1956, §§ 18-12-1 to 18-12-9.
South Carolina	1990, Act No. 390	7-1-1990	Code 1976, §§ 34-6-10 to 34-6-80.
Tennessee	1973, c. 177	5-7-1973	T.C.A. §§ 35-10-101 to 35-10-109.
Texas	1989, c. 213	5-26-1989	V.T.C.A. Property Code, §§ 163.001 to 163.009.
Utah	1997, c. 242	5-5-1997	U.C.A. 1953, 13-29-1 to 13-29-8.
Vermont	1973, No. 59	7-1-1973	14 V.S.A. §§ 3401 to 3407.
Virginia	1973, c. 167	3-10-1973 *	Code 1950, §§ 55-268.1 to 55-268.10.

UNIFORM MANAGEMENT OF INSTITUTIONAL FUNDS ACT

UNIFORM MANAGEMENT OF INSTITUTIONAL FUNDS ACT

Table of Jurisdictions Wherein Act Has Been Adopted

For text of Uniform Act and variation notes and annotation materials for adopting jurisdictions, see Uniform Laws Annotated, Master Edition, Volume 7A, Part II.

Jurisdiction	Laws	Effective Date	Statutory Citation
Washington	1973, c. 17	6-7-1973*	West's RCWA 24.44.010 to 24.44.900.
West Virginia	1979, c. 60	6-8-1979	Code, 44-6A-1 to 44-6A-8.
Wisconsin	1975, c. 247	5-15-1976	W.S.A. 112.10.
Wyoming	1991, c. 75	7-1-1991	Wyo.Stat. Ann. §§ 17-7-201 to 17-7-205.

\* Date of approval.

**P.A.1976, No. 157, Imd. Eff. June 17**

AN ACT to establish guidelines for the management and use of investments held by eleemosynary institutions and funds.

*The People of the State of Michigan enact:*

**451.1201. Short title**

Sec. 1. This act shall be known and may be cited as the "uniform management of institutional funds act".

**Historical and Statutory Notes**

**Source:** 7A, Part II, Uniform Laws Annotated, Master Edition.  
P.A.1976, No. 157, § 1, Imd. Eff. June 17.  
C.L.1970, § 451.1201.

**Uniform Law:**

This section is similar to § 10 of the Uniform Management of Institutional Funds Act, see vol.

**Library References**

**Westlaw Electronic Research**

See Westlaw Electronic Research Guide following the Preface.

**451.1202. Definitions**

Sec. 2. As used in this act:

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

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

"governing board" means the body responsible for the management of an institution or of an institutional fund.

"historic dollar value" means the aggregate fair value in dollars of an endowment fund at the time it became an endowment fund, each subsequent addition to the fund at the time it is made, and each accumulation made to the fund in a direction in the applicable gift instrument at the time the addition is added to the fund. The determination of historic dollar value shall be made in good faith by the institution is conclusive.

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law (Title 17 U.S.C. Code).

(e) "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.

(f) "Institutional fund" means a fund held by an institution for its exclusive use, benefit, or purposes, but does not include a fund held for an institution by a trustee that is not an institution or a fund in which a beneficiary that is not an institution has an interest, other than possible rights that could arise upon violation or failure of the purposes of the fund.

**Historical and Statutory Notes**

**Source:** 7A, Part II, Uniform Laws Annotated, Master Edition.  
P.A.1976, No. 157, § 2, Imd. Eff. June 17.  
C.L.1970, § 451.1202.

**Uniform Law:**

This section is similar to § 1 of the Uniform Management of Institutional Funds Act, see vol.

**451.1203. Endowment funds; appropriation of net appreciation for expenditure**

Sec. 3. The governing board may appropriate for expenditure for the uses and purposes for which an endowment fund is established so much of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment fund over the historic dollar value of the fund as is prudent under the standard established by section 7.<sup>1</sup> This section does not limit the authority of the governing board to expend funds as permitted under other law, the terms of the applicable gift instrument, or the charter of the institution.

<sup>1</sup> M.C.L.A. § 451.1207.

**Historical and Statutory Notes**

**Source:** 7A, Part II, Uniform Laws Annotated, Master Edition.  
P.A.1976, No. 157, § 3, Imd. Eff. June 17.  
C.L.1970, § 451.1203.

**Uniform Law:**

This section is similar to § 2 of the Uniform Management of Institutional Funds Act, see vol.

**Library References**

States ☞ 122.  
WESTLAW Topic No. 360.  
C.J.S. States § 224.

**451.1204. Net appreciation; restriction on expenditure**

Sec. 4. Section 3<sup>1</sup> does not apply if the applicable gift instrument indicates the donor's intention that net appreciation shall not be expended. A restriction upon the expenditure of net appreciation may not be implied from a designation of a gift as an endowment, or from a direction or authorization in the applicable gift instrument to use only income, interest, dividends, or rents,

issues or profits, or to preserve the principal intact, or a direction which contains other words of similar import. This rule of construction applies to gift instruments executed or in effect before or after the effective date of this act.

<sup>1</sup> M.C.L.A. § 451.1203.

#### Historical and Statutory Notes

**Source:** P.A.1976, No. 157, § 4, Imd. Eff. June 17. 7A, Part II, Uniform Laws Annotated, Master Edition.  
C.L.1970, § 451.1204.

#### Uniform Law:

This section is similar to § 3 of the Uniform Management of Institutional Funds Act, see vol.

#### 451.1205. Board; authority to invest and manage funds and property

Sec. 5. In addition to an investment otherwise authorized by law or by the applicable gift instrument, and without restriction to the type of investments a fiduciary may make, the governing board, subject to specific limitations set forth in the applicable gift instrument or in the applicable law other than the law relating to investments by a fiduciary, may:

(a) Invest and reinvest an institutional fund in real or personal property deemed advisable by the governing board, whether or not it produces a current return, including mortgages, stocks, bonds, debentures, and other securities of profit or nonprofit corporations, shares in or obligations of associations, partnerships, or individuals, and obligations of any government, or subdivision, or instrumentality thereof.

(b) Retain property contributed by a donor to an institutional fund for as long as the governing board deems advisable.

(c) Include all or any part of an institutional fund in a pooled or common fund maintained by the institution.

(d) Invest all or any part of an institutional fund in any other pooled or common fund available for investment, including shares or interest in regulated investment companies, mutual funds, common trust funds, investment partnerships, real estate investment trusts, or similar organizations in which funds are commingled and investment determinations are made by persons other than the governing board.

#### Historical and Statutory Notes

**Source:** P.A.1976, No. 157, § 5, Imd. Eff. June 17. 7A, Part II, Uniform Laws Annotated, Master Edition.  
C.L.1970, § 451.1205.

#### Uniform Law:

This section is similar to § 4 of the Uniform Management of Institutional Funds Act, see vol.

#### Library References

States ⇨124.  
WESTLAW Topic No. 360.  
C.J.S. States § 225.

#### 451.1206. Board; delegation of investment authority; contracts

Sec. 6. Except as otherwise provided by the applicable gift instrument or by the applicable law relating to governmental institutions or funds, the governing board may:

(a) Delegate to its committees, officers, or employees of the institution or the fund, or agents, including investment counsel, the authority to act in place of the board in investment and reinvestment of institutional funds.

(b) Contract with independent investment advisors, investment counsel or managers, banks, or trust companies to act in place of the board in investment and reinvestment of institutional funds.

(c) Authorize the payment of compensation for investment advisory or management services.

#### Historical and Statutory Notes

**Source:** P.A.1976, No. 157, § 6, Imd. Eff. June 17. 7A, Part II, Uniform Laws Annotated, Master Edition.  
C.L.1970, § 451.1206.

#### Uniform Law:

This section is similar to § 5 of the Uniform Management of Institutional Funds Act, see vol.

#### Cross References

Additional powers of board, see § 450.2501.

#### Library References

States ⇨67.  
WESTLAW Topic No. 360.  
C.J.S. States §§ 120 to 121, 136 to 138, 140.

#### 451.1207. Standard of care; considerations

Sec. 7. (1) In the administration of the powers to appropriate appreciation, to make and retain investments, and to delegate investment management of institutional funds, members of a governing board shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision. Persons to whom the governing board has delegated authority, or with whom the governing board has contracted, to act in its place in investment and reinvestment of institutional funds shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision.

(2) In exercising ordinary business care and prudence pursuant to subsection (1), the governing board or person to whom investment or reinvestment authority is delegated or with whom such authority is contracted shall consider the long- and short-term needs of the institution in carrying out its educational, religious, charitable, or other eleemosynary purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

**Historical and Statutory Notes****Source:**

P.A.1976, No. 157, § 7, Imd. Eff. June 17.  
C.L.1970, § 451.1207.

7A, Part II, Uniform Laws Annotated, Master Edition.

**Uniform Law:**

This section is similar to § 6 of the Uniform Management of Institutional Funds Act, see vol.

**Cross References**

Directors or officers of corporation subject to this act, compliance with this section as discharge of duties, see § 450.2541.

**Library References**

States ⇐75.  
WESTLAW Topic No. 360.  
C.J.S. States §§ 134 to 136.

**Notes of Decisions****Delegation of authority 1****1. Delegation of authority**

The governing board of a state institution of higher education empowered to grant baccalaureate degrees may delegate its investment au-

thority to investment counsel, however the board of governors may not agree that the investment council shall be free from liability for losses resulting from any good faith action taken by council, and the standard of a prudent man dealing with the property of another must be observed. Op.Atty.Gen.1980, No. 5807, p. 1057.

**451.1208. Release of restriction on use or investment by gift instrument**

Sec. 8. (1) With the written consent of the donor, the governing board may release, in whole or in part, a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund.

(2) If written consent of the donor cannot be obtained by reason of his death, disability or legal incapacity, unavailability, or impossibility of identification, the governing board may apply in the name of the institution to a court of competent jurisdiction for release of a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund. The attorney general shall be notified of the application and shall be given an opportunity to be heard. If the court finds that the restriction is obsolete, inappropriate, or impracticable, it may by order release the restriction in whole or in part. A release under this subsection shall not change an endowment fund to a fund that is not an endowment fund.

(3) A release under this section shall not allow a fund to be used for purposes other than the educational, religious, charitable, or other eleemosynary purposes of the institution affected.

(4) This section does not limit the application of the doctrine of cy pres.

**Historical and Statutory Notes****Source:**

P.A.1976, No. 157, § 8, Imd. Eff. June 17.  
C.L.1970, § 451.1208.

**Uniform Law:**

This section is similar to § 7 of the Uniform Management of Institutional Funds Act, see vol.

7A, Part II, Uniform Laws Annotated, Master Edition.

**Notes of Decisions****In general 1****1. In general**

Restriction in charitable trust limiting use of funds solely for purpose of building new building was not obsolete, impracticable, or inappropriate, as needed to release restriction under Uniform Management of Institutional Funds Act

21 years after trust was created; larger church was no longer needed, church had been declared historic site, major renovations and repairs had been made to existing building, and congregation expressed no desire for new church and, thus, trial court clearly erred in releasing restriction. In re Estes Estate (1994) 523 N.W.2d 863, 207 Mich.App. 194, appeal denied 534 N.W.2d 524, 448 Mich. 940.

**451.1209. Application and construction of act**

Sec. 9. This act shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this act among those states which enact it.

**Historical and Statutory Notes****Source:**

P.A.1976, No. 157, § 9, Imd. Eff. June 17.  
C.L.1970, § 451.1209.

7A, Part II, Uniform Laws Annotated, Master Edition.

**Uniform Law:**

This section is similar to § 9 of the Uniform Management of Institutional Funds Act, see vol.

**451.1210. Authority of institutions to make other investments or guarantee obligations**

Sec. 10. This act shall not be construed to prevent an institution otherwise authorized by the terms of the applicable gift instrument establishing an endowment fund, or not prohibited by the terms of the applicable gift instrument establishing an institutional fund which is not an endowment fund, from making an investment or guaranteeing the obligations of others to further the educational, religious, charitable, or other eleemosynary purpose of the institution, regardless of whether any financial return is anticipated or any capital gain or loss is actually incurred.

**Historical and Statutory Notes****Source:**

P.A.1976, No. 157, § 10, Imd. Eff. June 17.  
C.L.1970, § 451.1210.

**CHAPTER 452****Reserved**