

# VIRGINIA ACTS OF ASSEMBLY -- 2000 SESSION

## CHAPTER 818

*An Act to amend and reenact § 23-76.1 of the Code of Virginia, relating to endowment funds of the University of Virginia.*

[H 1548]

Approved April 9, 2000

**Be it enacted by the General Assembly of Virginia:**

**1. That § 23-76.1 of the Code of Virginia is amended and reenacted as follows:**

§ 23-76.1. Investment of endowment funds; standard of care; liability; exemption from the Virginia Public Procurement Act.

A. The board of visitors shall invest and manage the endowment funds of the University in accordance with *this section* and the provisions of the Uniform Management of Institutional Funds Act (§ 55-268.1 et seq.).

B. No member of the board of visitors shall be personally liable for losses suffered by an endowment fund arising from investments made pursuant to the provisions of subsection A.

C. The investment and management of endowment funds of the University shall not be subject to the provisions of the Virginia Public Procurement Act (§ 11-35 et seq.).

D. *In addition to the investment practices authorized by the Uniform Management of Institutional Funds Act (§ 55-268.1 et seq.), the board of visitors may also invest or reinvest the endowment funds in derivatives, options, and financial securities.*

1. *In this section, "derivative" means a contract or financial instrument or a combination of contracts and financial instruments, including, without limitation, any contract commonly known as a "swap," which gives the University the right or obligation to deliver or receive delivery of, or make or receive payments based on, changes in the price, value, yield or other characteristic of a tangible or intangible asset or group of assets, or changes in a rate, an index of prices or rates, or other market indicator for an asset or a group of assets.*

2. *In this section, an "option" means an agreement or contract whereby the University may grant or receive the right to purchase or sell, or pay or receive the value of, any personal property asset including, without limitation, any agreement or contract which relates to any security, contract or agreement.*

3. *In this section, "financial security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.*