

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 55-268.1 of the Code of Virginia, relating to institutional funds.*

3 [H 2219]

4 Approved

5 **Be it enacted by the General Assembly of Virginia:**6 **1. That § 55-268.1 of the Code of Virginia is amended and reenacted as follows:**

7 § 55-268.1. Definitions.

8 As used in this article:

9 (1) "Institution" means an incorporated or unincorporated organization organized and operated
10 exclusively for educational, religious, charitable, or other eleemosynary purposes or a governmental
11 organization to the extent that it holds funds exclusively for any of these purposes;12 (2) "Institutional fund" means a fund held by an institution for its exclusive use, benefit or purposes,
13 but does not include, (i) a fund held for an institution by a trustee which is not an institution, *unless the*
14 *fund is held by the trustee as a component trust of a community trust or foundation*, or (ii) a fund in
15 which a beneficiary, which is not an institution, has an interest other than possible rights which could
16 arise upon violation or failure of the purposes of this fund;17 (3) "Endowment fund" means an institutional fund, or any part thereof, which is not wholly
18 expendable by the institution on a current basis under the terms of the applicable gift instrument;19 (4) "Governing board" means the body responsible for the management of an institution or of an
20 institutional fund;21 (5) "Historic dollar value" means the fair value in dollars of an endowment fund at the time it first
22 became an endowment fund, plus the fair value in dollars of each subsequent donation to the fund at the
23 time it is made, plus the fair value in dollars of each accumulation made pursuant to a direction in the
24 applicable gift instrument at the time the accumulation is added to the fund. In determining historic
25 dollar value of individual endowment funds maintained in pooled or common institutional funds,
26 institutions may use the aggregate historic dollar value of an institutional fund to determine the historic
27 dollar value of an individual endowment included therein at any particular date based on the institutional
28 fund's current allocation between appreciation and historic dollar value as determined on an aggregate
29 basis for the institutional fund. The determination of historic dollar value made in good faith by the
30 institution is conclusive;31 (6) "Gift instrument" means a will, deed, grant, conveyance, agreement, memorandum, writing, or
32 other governing document (including the terms of any institutional solicitations from which an
33 institutional fund resulted) under which property is transferred to or held by an institution as an
34 institutional fund.