

UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT (EXCERPT)
Act 87 of 2009

451.926 Release or modification of restriction.

Sec. 6. (1) If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A donor may give prior consent to an institution for release or modification of a restriction or charitable purpose in a gift instrument that also includes a restriction or stated charitable purpose subject to this section. A release or modification shall not allow a fund to be used for a purpose other than a charitable purpose of the institution.

(2) A court, on application of an institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund. The institution shall notify the attorney general of the application, and the attorney general shall be given an opportunity to be heard. To the extent practicable, any modification shall be made in accordance with the donor's probable intention.

(3) If a particular charitable purpose or a restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, impossible to achieve, or wasteful, a court, upon application of an institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument. The institution shall notify the attorney general of the application, and the attorney general shall be given an opportunity to be heard.

(4) If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, 60 days after notification to the attorney general, may release or modify the restriction, in whole or in part, if all of the following apply:

(a) The institutional fund subject to the restriction has a total value of less than \$25,000.00.

(b) More than 20 years have elapsed since the fund was established.

(c) The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

(5) This section does not affect the right of a governing body of an institution to exercise the power to modify restrictions contained in a gift instrument as conferred by the institution's governing instruments or by a gift instrument.

History: 2009, Act 87, Imd. Eff. Sept. 10, 2009.