

February 21, 1996 LB 973

law, though, seems to think that it's, it's the, the standard that's being adopted is actually what that standard is. So it's, there is no clear-cut answer. That, I guess what I'm driving at.

SENATOR BEUTLER: Okay. This particular law, the way it's drafted, would apply that standard both to endowment funds and to any other kind of institutional fund that they had. Is that...

SENATOR LINDSAY: That's right.

SENATOR BEUTLER: Is that not correct?

SENATOR LINDSAY: Right.

SENATOR BEUTLER: Is there some basis for making a distinction with respect to endowment funds? Because it seems to me that, that they're really more like trust funds; that they're there for a particular purpose and that the people who are administering this are not supposed to be people who are making money or otherwise involved. But basically the intent of the donor is what should rule, and that money is somebody else's money that it seems to me should be protected by a fiduciary standard.

SENATOR LINDSAY: That's...well, it's not somebody else's money because the money's been given to the charity. It's been given to the charity with some restrictions, but it has been given to the charity. That donor can never take that back, so it's...to say that it's somebody else's money I don't think is absolutely correct except that in a sense that it is, it is for those charitable purposes specifically. And I should make clear that this recognizes that the donor's intention should prevail. And I call your attention to Section 8 of the bill, which does, for example, in restrictions, in removing restrictions, it's done when a donor goes along with that.

SENATOR BEUTLER: What about institutions? And these aren't, as I read this this is not limited to federally approved kinds of nonprofit organizations. And what about institutions that are tightly controlled by families and others, and other type groups? Does it make sense to allow them to deal with these monies as if it were their own, as opposed to having a fiduciary