

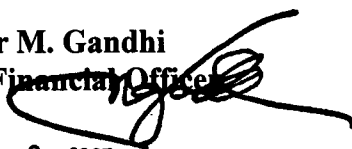
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: OCT -9 2007

SUBJECT: Fiscal Impact Statement: "Uniform Prudent Management of Institutional Funds Act of 2007"

REFERENCE: Bill Number 17-145 as Introduced

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The District Office of the Attorney General (OAG) can absorb the cost of implementing the proposed legislation with existing appropriations.

Background

The proposed legislation establishes guidelines for the management, investment, and expenditures of funds held by charitable institutions for charitable purposes. It would repeal the Uniform Management of Institutional Funds Act (UMIFA), enacted in the District of Columbia in 1977,¹ with the intent of revising and unifying investment and expenditure practices to reflect changes in law and investment practices.

Specifically, the proposed bill would establish standards of conduct in managing and investing institutional funds, and would establish guidelines for the appropriation for expenditure or accumulation of an endowment fund. It would also permit the delegation of management and investment functions to an external agent under certain circumstances.

¹ D.C. Law 1-103; D.C. Official Code §§ 44-1601 to 44-1609

Further, the proposed bill provides that the Superior Court, upon the application of an institution, may modify a restriction contained in a gift instrument under prescribed circumstances after notifying OAG and giving OAG an opportunity to be heard.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. OAG can absorb the cost of the oversight provision of the proposed legislation with existing appropriations.