

HOUSE No. 4572

By Mr. Scibelli of Springfield, petition of Anthony M. Scibelli for legislation to further regulate the expenditures of trust funds of public institutions of higher education. Education, Arts and Humanities.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT FURTHER REGULATING THE EXPENDITURES OF TRUST FUNDS OF PUBLIC INSTITUTIONS OF HIGHER EDUCATION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 15A of the General Laws is hereby
2 amended by inserting after section 10 the following section: —

3 Section 10A. Each board of trustees shall vote to establish such
4 trust funds as they deem proper and necessary to carry out the
5 purpose of the institution, under such guidelines approved by
6 them, and copies of which shall be filed annually, along with any
7 amendments, changes or alterations thereto, with the board of
8 regents, the state auditor, the joint committee on education, and
9 the house and senate committees on ways and means, and shall
10 include the following:

11 (1) All trust funds shall be authorized only by a legal instru-
12 ment creating them, including the nature and type of fund, and
13 shall set forth the specific purpose or purposes thereof, the source
14 of income, the purposes for which income is to be used, including
15 the interest or earnings thereon and the manner and methods that
16 expenditures and disbursements are to be made therefrom; the
17 individuals responsible for maintaining the fund, and the type of
18 account or investment vehicle used to hold the assets of the fund
19 or funds.

20 (2) The administration of the trust funds, established by vote
21 of the trustees, may be delegated to the college president or his

22 designee, subject to the approval of the board of trustees, and all
23 records and bank accounts of such funds shall be maintained
24 under his direct supervision and control. Receipts and
25 disbursements of all trust funds and all necessary books and
26 accounts shall be maintained in accordance with generally
27 accepted accounting principles. Books, records and accounts
28 prepared for audit shall contain certification, under oath, that all
29 income, interest, expenditures and disbursements, were made in
30 accordance with the legal instrument that authorized and created
31 the trust fund.

32 (3) Nothing in the guidelines or in any legal instrument creating
33 or governing the administration of trust funds shall authorize any
34 president or chancellor to expend an amount in excess of one
35 thousand dollars for any one item, without the prior approval of
36 the board of trustees. This provision shall not include regular
37 weekly or monthly expenditures for salaries, capital projects, or
38 other expenditures in excess of one thousand dollars provided that
39 such expenditures are initially approved by the board of trustees.

40 (4) The guidelines shall contain a provision that all require-
41 ments of state law relative to the administration of state funds,
42 bidding, purchasing, and contract review shall apply to expendi-
43 tures and disbursements from trust funds.

44 The trust funds of each of the institutions established in section
45 three of this chapter shall be subject to audit by the state auditor,
46 in accordance with section twelve of chapter eleven. Copies of said
47 audit reports shall be filed with the board of regents, the joint
48 committee on education, the house and senate committees on post
49 audit and oversight and the house and senate committees on ways
50 and means. Each board of trustees shall file annually with the
51 board of regents, the joint committee on education, and the house
52 and senate committees on ways and means, a summary by account
53 of expenditures by each trust fund administered by the board,
54 including an itemized schedule of expenditures from any
55 discretionary fund, however described, established and
56 administered by the board.

1 SECTION 2. Each board of trustees of each of the public
2 institutions of higher education set forth in section three of chapter
3 fifteen A of the General Laws, shall review all guidelines govern-

4 ing the administration of trust funds that are currently being used
5 by said institutions and as soon as practicable after said review,
6 vote to adopt such guidelines as will conform in all respects to
7 the standards and requirements set forth in section one of this act.
8 Copies of the adopted guidelines or amendments to existing
9 guidelines shall be signed and certified by the chairperson of the
10 board of trustees of each of said institutions and filed with the
11 board of regents, the state auditor, the joint committee on
12 education, and the house and senate committees on ways and
13 means within six months from the effective date of this act.

The following is a list of the names of the persons who were members of the Board of Directors of the [Organization Name] during the year 1917-18. The names are listed in alphabetical order.

[The following text is extremely faint and largely illegible. It appears to be a list of names and possibly their respective terms or positions, but the characters are too light to transcribe accurately.]

This list is subject to change without notice. For more information, please contact the [Organization Name] at [Address].