

540A.8 Release of restrictions on use or investment.

1. With the written consent of the donor, the governing board of an institution may release, in whole or in part, a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund.
2. If written consent of the donor cannot be obtained by reason of death, disability, unavailability, or impossibility of identification, the governing board may apply in the name of the institution to the district court for release of a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund. The attorney general shall be notified of the application and shall be given an opportunity to be heard. If the court finds that the restriction is obsolete, inappropriate, or impracticable, it may by order release the restriction in whole or in part. A release under this subsection shall not change an endowment fund into a fund that is not an endowment fund.
3. A release under this section shall not allow a fund to be used for purposes other than the educational, religious, charitable, or other eleemosynary purposes of the institution affected.
4. This section does not limit the application of the doctrine of cy pres.

90 Acts, ch 1096, §8

C91, § 122C.8

C93, § 540A.8