

IC 21-7-14

Chapter 14. Indiana University Permanent Endowment Fund

IC 21-7-14-1

Application

Sec. 1. This chapter applies to money in the fund.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-2

"Fund"

Sec. 2. As used in this chapter, "fund" refers to the Indiana University permanent endowment fund in the custody of the treasurer of state.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-3

Treasurer of state to hold fund; state board of finance to manage fund

Sec. 3. (a) The treasurer of state is the exclusive custodian of the fund.

(b) The state board of finance has full and complete management and control of the fund. The state board of finance shall invest the fund as provided in IC 20.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-4

Fund investment

Sec. 4. Except as provided in this chapter, the fund shall be invested in:

- (1) bonds, notes, certificates, and other valid obligations of the United States;
- (2) bonds, notes, debentures, and other securities issued by any federal instrumentality and fully guaranteed by the United States;
- (3) bonds, notes, certificates, and other valid obligations of any state of the United States or any county, township, city, town, or other political subdivision in Indiana that are issued under law, the issuers of which, for five (5) years before the date of the investment, have promptly paid the principal and interest on their bonds and other legal obligations in lawful money of the United States; or
- (4) bonds, notes, or other securities issued by the Indiana bond bank and described in IC 5-13-10.5-11(3).

As added by P.L.2-2007, SEC.244.

IC 21-7-14-5

Disbursements from fund; deposit of securities

Sec. 5. (a) The state board of finance shall direct all disbursement from the fund. The auditor of state shall draw the auditor of state's warrant on the treasurer of state, on a properly itemized voucher

officially approved by:

- (1) the president of the state board of finance; or
- (2) any member of the state board of finance if the president is absent.

(b) Except as otherwise provided by this chapter, all securities purchased for the fund shall be deposited with and remain in the custody of the state board of finance. The state board of finance shall collect all interest or other income accruing on the securities, when due, together with the principal of the securities when the principal matures and is due. Except as provided by subsection (c), all money collected under this subsection shall be credited to the proper fund account on the records of the auditor of state, and the collection shall be deposited with the treasurer of state and reported to the state board of finance.

(c) All money collected under an agreement that is sold, transferred, or liquidated under IC 20-49-4-23 shall be immediately transferred to the purchaser, transferee, or assignee of the agreement.
As added by P.L.2-2007, SEC.244.

IC 21-7-14-6

State board of finance; powers; rulemaking

Sec. 6. (a) The state board of finance may:

- (1) make all rules;
- (2) employ all help;
- (3) purchase all supplies and equipment; and
- (4) incur all expense;

necessary to properly carry out this chapter.

(b) The expense incident to the administration of this chapter shall be paid from any money in the state treasury not otherwise appropriated upon the warrant of the auditor of state and issued on a properly itemized voucher approved by the president of the state board of finance.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-7

Annual examination; state board of accounts; report

Sec. 7. The state board of accounts shall annually examine the status of the fund by a field examiner or field examiners assigned by the state examiner. Upon the completion of the examination, the examiners performing the duty shall prepare a report of the examination. The report must show:

- (1) all necessary, pertinent information;
- (2) the balance of the fund's principal at the close of the previous examination;
- (3) the amount of interest and principal paid by each county to the state board of finance since the close of the previous examination;
- (4) the balance of principal due at the date of closing of the report;
- (5) a statement of receipts and disbursements by the state board

of finance;

(6) a list of the securities found to be possessed by the state board of finance;

(7) the amount of each security; and

(8) the total amount of all the securities held in custody.

The appropriate officer of the state board of finance shall sign the list described in subdivision (6) in duplicate. The original signed list shall be deposited with the state board of accounts, and the duplicate of the signed list shall be kept in the files of the treasurer of state.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-8

Loans from fund

Sec. 8. Notwithstanding any other law, the treasurer of state:

(1) on the terms that the treasurer of state prescribes; and

(2) without the approval of the state board of finance;

may make loans from the principal of the fund to the fund's board of trustees.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-9

Loans from fund; security

Sec. 9. The auditor of state shall loan as much of the fund as is not at any time absorbed by the nonnegotiable bonds of the state issued under this chapter at six percent (6%) interest, payable annually in advance in real estate security. Except as otherwise provided in this chapter, in making loans and disbursing the interest collected, the treasurer of state and the auditor of state are governed by the law in force regulating the manner of making loans of the university funds and paying out interest collected.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-10

Loans from fund; records

Sec. 10. (a) The auditor of state shall make a complete record of every mortgage and note executed on account of any loan from the fund, in a book to be kept in the auditor of state's office for that purpose.

(b) On payment of any loan to the fund, the auditor of state shall:

(1) enter a record of satisfaction in full on the margin of the record of the mortgage and sign the record; and

(2) enter satisfaction in full on the face of the mortgage.

(c) The mortgage, when presented by the mortgagor or any person holding title under the mortgage, to the recorder of the county in which the land mortgaged is located, authorizes the recorder of the county to copy the entry on the record in the recorder's office.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-11

Loans from fund; state bonds

Sec. 11. (a) If the state requires the loan of any part or all of the fund, the state is a preferred borrower of as much of the fund as is not loaned at the time.

(b) The treasurer of state shall cause to be executed, as evidence of a loan under this section, a nonnegotiable bond of the state for the amount borrowed, in the following manner:

- (1) The bond must be signed by the governor and treasurer of state and attested by the secretary of state and the seal of the state.
- (2) The bond must be made payable in fifty (50) years after the date of execution, at the option of the state.
- (3) The bond shall bear five percent (5%) interest from the date of execution until paid.
- (4) The interest on the bond must be:
 - (A) paid semiannually on May 1 and November 1 of each year;
 - (B) applied to the current and extraordinary expenses of Indiana University; and
 - (C) paid to the board of trustees under the same rules and regulations as is required by law in the payment of the revenues of Indiana University.

The nonnegotiable bond provided for in this section, when executed, must remain in the custody of the treasurer of state.

(c) If Indiana University is consolidated with any other educational institution or institutions of the state, or is removed from the location of the university as of June 5, 1883, for any cause, the funds raised under this chapter shall be held and used for the benefit of the institution, as consolidated or changed, notwithstanding the change or consolidation.

As added by P.L.2-2007, SEC.244.

IC 21-7-14-12

Loans from fund; nonpayment; suit for collection

Sec. 12. Whenever:

- (1) the auditor of state has made loans from the fund that were secured by a mortgage upon real property;
- (2) the mortgaged premises are forfeited to the state for nonpayment of the amount due or are purchased for the state by the auditor of state for the benefit of the fund; and
- (3) the mortgaged premises when sold fail to sell for a sum sufficient to satisfy the principal and interest of the loan and damages;

the auditor of state shall bring suit on the note executed by the mortgagor for the deficiency, for which the maker is liable. If judgment is rendered on the suit, an appraisal of property is not allowed on the execution issued on the judgment.

As added by P.L.2-2007, SEC.244.