

(Pub. L. 95-355, title I, § 100, Sept. 8, 1978, 92 Stat. 531.)

CODIFICATION

Section is from the Second Supplemental Appropriations Act, 1978, and contained additional provisions relating to purchases by the American Printing House for the Blind, Gallaudet University, and the National Technical Institute for the Deaf, which are set out in sections 106 and 4362 of this title.

§ 130a. Financial and program audit by Secretary

Funds appropriated in this Act or subsequent Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts to Howard University shall be subject to financial and program audit by the Secretary of Education and the Secretary may withhold all or any portion of these appropriations if he determines that an institution has not cooperated fully in the conduct of such audits.

(Pub. L. 102-394, title III, § 301, Oct. 6, 1992, 106 Stat. 1819.)

CODIFICATION

Section is from the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1993, and contained additional provisions relating to the American Printing House for the Blind, Gallaudet University, and the National Technical Institute for the Deaf, which are set out as sections 106a and 4363 of this title, respectively.

SUBCHAPTER II—ENDOWMENT

§ 130aa. Definitions

For purposes of this subchapter—

(1) the term “endowment fund” means a fund, or a tax exempt foundation, established and maintained by Howard University for the purpose of generating income for its support, but which shall not include real estate;

(2) the term “endowment fund corpus” means an amount equal to the grants awarded under this subchapter plus an amount equal to such grants provided by Howard University;

(3) the term “endowment fund income” means an amount equal to the total value of the endowment fund established under this subchapter minus the endowment fund corpus;

(4) the term “Secretary” means the Secretary of Education; and

(5) the term “University” means the Howard University established by the Act of March 2, 1867.

(Pub. L. 98-480, title II, § 202, Oct. 17, 1984, 98 Stat. 2245.)

REFERENCES IN TEXT

Act of March 2, 1867, referred to in par. (5), is act Mar. 2, 1867, ch. 162, 14 Stat. 438, as amended. Section 8 of this Act is classified to section 123 of this title. For complete classification of this Act to the Code, see Tables.

EFFECTIVE DATE

Pub. L. 98-480, title II, § 209, Oct. 17, 1984, 98 Stat. 2247, provided that: “This title [see Short Title note below] shall take effect on October 1, 1984.”

SHORT TITLE

Pub. L. 98-480, title II, § 201, Oct. 17, 1984, 98 Stat. 2245, provided that: “This title [enacting this subchapter,

amending section 123 of this title, and enacting provisions set out as a note above] may be cited as the ‘Howard University Endowment Act’.”

§ 130aa-1. Program authorized

(a) The Secretary is authorized to establish an endowment program, in accordance with the provisions of this subchapter, for the purpose of establishing or increasing endowment funds, providing additional incentives to promote fundraising activities, and encouraging independence and self-sufficiency at the University.

(b)(1) From the funds appropriated pursuant to this subchapter for endowments in any fiscal year for the University, the Secretary is authorized to make grants to Howard University. The Secretary may enter into agreements with the University and include in any agreement made pursuant to this subchapter such provisions deemed necessary by the Secretary to assure that the purposes of this subchapter will be achieved.

(2) The University may receive a grant under this section only if it has deposited in the endowment fund established under this subchapter an amount equal to such grant and has adequately assured the Secretary that it will administer the endowment fund in accordance with the requirements of this subchapter. The source of funds for this institutional match shall not include Federal funds or funds derived from an existing endowment fund.

(3) The period of any grant under this section shall not exceed twenty years, and during such period the University shall not withdraw or expend any of its endowment fund corpus. Upon the expiration of any grant period, the University may use the endowment fund corpus plus any endowment fund income for any educational purpose.

(Pub. L. 98-480, title II, § 203, Oct. 17, 1984, 98 Stat. 2245.)

§ 130aa-2. Investments

(a) The University shall invest its endowment fund corpus and endowment fund income in those low-risk instruments and securities in which a regulated insurance company may invest under the law of the District of Columbia, such as federally insured bank savings account or comparable interest bearing account, certificate of deposit, money market fund, mutual fund, or obligations of the United States.

(b) The University, in investing its endowment fund corpus and income, shall exercise the judgment and care, under circumstances then prevailing, which a person of prudence, discretion, and intelligence would exercise in the management of his own business affairs.

(Pub. L. 98-480, title II, § 204, Oct. 17, 1984, 98 Stat. 2246.)

§ 130aa-3. Withdrawals and expenditures

(a) Defrayment of expenses; restrictions on use of income or corpus; limits on withdrawals or expenditures

The University may withdraw and expend its endowment fund income to defray any expenses necessary to its operation, including expenses of

operations and maintenance, administration, academic and support personnel, construction and renovation, community and student services programs, technical assistance, and research. No endowment fund income or corpus may be used for any type of support of the executive officers of the University or for any commercial enterprise or endeavor entered into after January 1, 1981. Except as provided in subsection (b), the University shall not, in the aggregate, withdraw or expend more than 50 per centum of the total aggregate endowment fund income earned prior to the time of withdrawal or expenditure.

(b) Authority of Secretary; withdrawal or expenditure beyond limits; circumstances demonstrating necessity

The Secretary is authorized to permit the University to withdraw or expend more than 50 per centum of its total aggregate endowment income whenever the University demonstrates such withdrawal or expenditure is necessary because of—

- (A) a financial emergency, such as a pending insolvency or temporary liquidity problem;
- (B) a life-threatening situation occasioned by a natural disaster or arson; or
- (C) another unusual occurrence or exigent circumstance.

(c) Repayment of Federal share of amounts improperly expended or withdrawn; endowment fund corpus; income

(1) If the University withdraws or expends more than the endowment fund income authorized by this section, the University shall repay the Secretary an amount equal to 50 per centum of the amount improperly expended (representing the Federal share thereof).

(2) The University shall not withdraw or expend any endowment fund corpus. If the University withdraws or expends any endowment fund corpus, the University shall repay the Secretary an amount equal to 50 per centum of the amount withdrawn or expended (representing the Federal share thereof) plus any income earned thereon.

(Pub. L. 98-480, title II, §205, Oct. 17, 1984, 98 Stat. 2246.)

§ 130aa-4. Enforcement

(a) After notice and an opportunity for a hearing, the Secretary is authorized to terminate and recover any grant awarded under this subchapter if the University—

- (1) withdraws or expends any endowment fund corpus, or any endowment fund income in excess of the amount authorized by section 130aa-3 of this title;
- (2) fails to invest its endowment fund corpus or income in accordance with the investment standards set forth in section 130aa-2 of this title; or
- (3) fails to account properly to the Secretary concerning investments and expenditures of its endowment fund corpus or income.

(b) If the Secretary terminates a grant under subsection (a), the University shall return to the Treasury of the United States an amount equal to the sum of the original grant or grants under

this subchapter¹ plus any income earned thereon. The Secretary may direct the University to take such other appropriate measures to remedy any violation of this subchapter and to protect the financial interest of the United States.

(Pub. L. 98-480, title II, §206, Oct. 17, 1984, 98 Stat. 2247.)

CODIFICATION

This subchapter, the first time it appears in subsection (b), was in the original “this Act” which was translated as reading “this title”, meaning title II of Pub. L. 98-480, Oct. 17, 1984, 98 Stat. 2236, as the probable intent of Congress.

§ 130aa-5. Authorization of appropriations

There is authorized to be appropriated \$2,000,000 for the purposes authorized under section 130aa-1 of this title. Funds appropriated under this section shall remain available until expended.

(Pub. L. 98-480, title II, §207, Oct. 17, 1984, 98 Stat. 2247.)

CHAPTER 9—NATIONAL TRAINING SCHOOL FOR BOYS

§§ 131 to 152. Omitted

CODIFICATION

Sections provided for the National Training School for Boys which was governed and managed by a Board of Trustees until July 1, 1939, at which time 1939 Reorg. Plan No. 2 (4 F.R. 2731, 53 Stat. 1431) abolished the Board of Trustees and transferred the School and its functions (including the functions of the Board of Trustees) to the Department of Justice, to be administered by the Director of the Bureau of Prisons, under the direction and supervision of the Attorney General. The School was so operated until May 15, 1968, when it was closed pursuant to order of the Attorney General.

Section 131, act May 27, 1908, ch. 200, §1, 35 Stat. 380, provided that District reform school for boys should be known as National Training School for Boys.

Section 132, acts May 3, 1876, ch. 90, §1, 19 Stat. 49; May 27, 1908, ch. 200, §1, 35 Stat. 380, dealt with appointment of a board of trustees to govern and manage the school.

Section 133, act June 4, 1880, ch. 121, §1, 21 Stat. 156, provided that one of the District commissioners should be a trustee of the school.

Section 134, act May 3, 1876, ch. 90, §16, 19 Stat. 52, provided for appointment of two consulting trustees of the school.

Section 135, acts May 3, 1876, ch. 90, §2, 19 Stat. 49; May 27, 1908, ch. 200, §1, 35 Stat. 380, dealt with corporate capacity and powers of the board of trustees.

Section 136, acts May 3, 1876, ch. 90, §15, 19 Stat. 52; June 5, 1900, ch. 715, 31 Stat. 267, authorized board of trustees to make by-laws, rules, and regulations.

Section 137, act May 3, 1876, ch. 90, §14, 19 Stat. 51, dealt with contracts and purchases, the executive officer, and annual reports.

Section 138, act May 3, 1876, ch. 90, §3, 19 Stat. 49, dealt with appointment and compensation of a superintendent and other employees of the school.

Section 139, acts May 3, 1876, ch. 90, §4, 19 Stat. 49; June 10, 1921, ch. 18, §304, 42 Stat. 24, dealt with appointment, bonding, and duties of a treasurer of the school.

Section 140, act May 3, 1876, ch. 90, §5, 19 Stat. 50, dealt with bonding of the superintendent.

Section 141, act May 3, 1876, ch. 90, §6, 19 Stat. 50, dealt with powers and duties of the superintendent and subordinate employees.

¹ See Codification note below.