

CHAPTER 317

NONPROFIT CORPORATIONS

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317.02 DEFINITIONS.

[For text of subds 1 to 12, see M.S.1984]

Subd. 13. **Address.** "Address" means mailing address. In the case of a registered office, the term means the office address, which shall not be a post office box.

History: 1985 c 48 s 1

317.08 ARTICLES OF INCORPORATION.

[For text of subd 1, see M.S.1984]

Subd. 2. **Required provisions.** The articles of a corporation organized under this chapter shall state:

- (1) the name of the corporation;
- (2) the purpose of the corporation;
- (3) that the corporation does not afford pecuniary gain, incidentally or otherwise, to its members;
- (4) the period of duration of corporate existence, which may be perpetual;
- (5) the address of its registered office in this state;
- (6) the name and address of each incorporator;
- (7) the number of directors constituting the first board of directors, the name and address of each such director, and the tenure in office of the first directors;
- (8) the extent of personal liability, if any, of members for corporate obligations and the methods of enforcement and collection;
- (9) whether the corporation has capital stock or not, and the aggregate number of shares, if any, which the corporation has authority to issue and the par value, if any, of each share; and
- (10) such other provisions as may be explicitly required for particular purposes by other sections of this chapter.

[For text of subd 3, see M.S.1984]

History: 1985 c 48 s 2

317.175 COMMON TRUST FUNDS.

Subdivision 1. **Authorization.** A corporation organized under this chapter may establish, maintain, and operate common trust funds as provided in this section under the appropriate standard of investment applicable to it.

Subd. 2. **Collective investments.** The corporation may combine money and property belonging to trusts or funds in its care for the purposes of facilitating investments, providing diversification, and obtaining a reasonable income.

The participating contributory interest of the trusts or funds must be properly evidenced by appropriate bookkeeping entries showing on an annual basis the capital contribution of and the profit and income allocable to each trust or fund.

Not more than ten percent of the common trust fund may be invested in the obligations of any one corporation or organization, excepting deposits in savings banks, obligations of the United States and of the state of Minnesota and its subdivisions.

Nothing in this subdivision shall be construed to authorize the investment of funds of a trust in any manner not authorized by law.

Subd. 3. Limitations in trust instrument. Nothing contained in this section shall be construed to authorize the corporation to invest assets of a trust or fund in a common trust fund contrary to any specific limitation or restriction contained in the trust instrument, nor to limit or restrict the authority conferred upon the corporation with respect to investments by a trust instrument.

Subd. 4. Effect of good faith mistakes. No mistake made in good faith and in the exercise of due care, in connection with the administration of a common trust fund, shall be held to exceed any power granted to or violate any duty imposed upon the corporation, if, promptly after the discovery of the mistake, the corporation takes action as may be practicable under the circumstances to remedy the mistake.

Subd. 5. Determination of interests. (a) A nonprofit corporation may invest part or all of the assets of a trust or fund in a common trust fund authorized by this section by adding those assets to it, and by apportioning a participation in the common trust fund to the trust or fund in the proportion that the assets of the trust or fund bear to the aggregate value of all the assets of the common trust fund, including the added trust or fund.

(b) The withdrawal of a participation from the common trust fund shall be on the basis of its proportionate interest in the aggregate value of all the assets of the common trust fund at the time of the withdrawal. The participating interest of any trust or fund in the common trust fund may from time to time be withdrawn, in whole or in part, by the corporation. Upon withdrawals, the corporation may make distributions in cash, or ratably in kind, or partly in cash and partly in kind.

(c) Participations in common trust funds shall not be sold by the corporation to any other corporation or person. This paragraph does not prevent a corporate trustee from investing the assets of a common trust fund in any collective investment fund established and maintained by it in accordance with law and to which the assets comprising a common trust fund are eligible contributions.

Subd. 6. Amortization of premiums on securities held. If a bond or other obligation for the payment of money is acquired as an investment for any common trust fund at a cost in excess of the par or maturity value of it, the nonprofit corporation may, during but not beyond the period that the obligation is held as an investment in the fund, amortize the excess cost out of the income on the obligation, by deducting from each payment of income and adding to the principal an amount equal to the sum obtained by dividing the excess cost by the number of periodic payments of income to accrue on the obligation from the date of the acquisition until its maturity date.

Subd. 7. Records; ownership of assets. The nonprofit corporation shall designate clearly upon its records the names of the trusts or funds on behalf of which the corporation, as fiduciary or otherwise, owns a participation in any common trust fund and the extent of the interest of the trust or fund. No trust or fund shall be deemed to have individual ownership of any asset in the common trust fund, but shall be deemed to have a proportionate undivided interest in the common trust

fund. The ownership of the individual assets comprising any common trust fund shall be solely in the nonprofit corporation as fiduciary or otherwise.

History: 1985 c 303 s 1

317.19 REGISTERED OFFICE; PENALTY FOR FAILURE TO FILE PAPERS.

[For text of subd 1, see M.S.1984]

Subd. 2. **Change of location.** When a corporation desires to change the location of its registered office, the corporation shall file with the secretary of state a certificate of change of location of registered office, stating the new address and effective date of the change, accompanied by the fees prescribed by section 317.67. When the certificate of change of location has been duly filed and the required fees paid, the board of directors may make the change without amending the articles.

[For text of subd 4, see M.S.1984]

History: 1985 c 48 s 3