



SUBJECT **ENDOWMENT COLLAPSE**

MEETING DATE **JUNE 14, 2017**

Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR
SUBMISSION**

Santa J. Ono, President and Vice-Chancellor

**DECISION
REQUESTED** **IT IS HEREBY REQUESTED that the UBC Board of Governors approve the dissolution of the Frank Read Rowing Endowment Fund.**

Report Date May 19, 2017

Presented By Hubert Lai, Q.C., University Counsel

EXECUTIVE SUMMARY

The Endowment Deed for the Frank Read Rowing Endowment Fund was approved by the Board of Governors on October 5, 1995, but no gifts or contributions were ever provided to formally settle the fund. The Department of Athletics and Recreation requests that the Board of Governors approve its dissolution.

INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

- Learning
 - Research
 - Innovation
 - Engagement
 - International
- (Internal / External)

or Operational

**DESCRIPTION &
RATIONALE**

BACKGROUND:

On October 5, 1995, the Endowment Deed establishing the Frank Read Rowing Endowment Fund (the "**Rowing Fund**") was approved by the Board of Governors. The purpose of the Rowing Fund is to support the rowing program at UBC. The Department of Athletics and Recreation (the "**Department**") has researched the financial accounts for the Rowing Fund and determined that no funds have ever been contributed to it.

In 2016, the Department raised over \$74,000 from donors to establish a new endowment in Frank Read's name, called the Frank Read Thunderbird Rowing Award Endowment Fund (the "**Award Fund**"). It was approved by the Board of Governors on June 14, 2016. The purpose of the Award Fund is to support awards for student athletes on the Thunderbird rowing team at UBC.

The Department was unaware of the Rowing Fund until after it had created the Award Fund. The Department has no intention of adding to the Rowing Fund, and the similarities between the names and purposes of the two funds is likely to cause confusion if the Rowing Fund is retained in the University's endowment accounts.

The Department contacted Mr. Roy McIntosh, who is identified on the Rowing Fund endowment deed as the Donor representing the "Frank Read Endowment Steering Committee". He informed the Department that he remembers the Rowing Fund being set up and nothing further being done to support it. He made several donations to support specific aspects of the rowing program between 1993 and the present, but did not make any donations to the Rowing Fund.

The Department also contacted key alumni and donors who currently support rowing, and they have no objection to this request to dissolve the Rowing Fund, as they were involved in raising funds for the Award Fund in Frank Read's name.

APPROVAL REQUESTED:

The Department requests that the Board of Governors approve the dissolution of the Rowing Fund.

The Office of the University Counsel supports this request.

LEGAL AUTHORITY:

Since the Rowing Fund was never settled with a gift or other contribution, there is no legal impediment to dissolving the Rowing Fund.

ADDITIONAL MATERIALS:

The Endowment Deed for the Rowing Fund is attached to this report.

THE UNIVERSITY OF BRITISH COLUMBIA

FRANK READ ROWING ENDOWMENT DEED

1. The Endowment Fund shall be known as the **Frank Read Rowing Endowment Fund**.
2. (1) The capital of the Fund shall be held by The University of British Columbia and may be invested and reinvested by the University in such investments as the University shall decide; and in making such investments the University shall not be restricted to the investments for trustees set out in the Trustee Act of the Province of British Columbia, in any similar legislation or in any amendments to the Act or similar legislation.
 - (2) Without restricting the generality of the provisions of sub-clause (1) above, the University may invest the Fund as part of its pooled endowment investments.
 - (3) In making investment decisions, the University shall have as its objective the maintenance of the real capital value of the Fund and the generation of a sufficient flow in income.
 - (4) The University may accept further contributions, from any other source, whether by gift, will or otherwise, or may add to the capital of the Fund, provided that the terms and conditions of any such donation or addition to the capital shall be in conformity with this deed of Endowment.
3. (1) The income of the Fund shall be used by the University to fund the rowing program of UBC and without restricting the generality of the authority of the University to use the income in any manner it sees fit in support of that object, the University may:
 - (a) use income for the acquisition and enhancement of facilities and equipment;
 - (b) use income to pay expenses associated with the operation of the rowing program of UBC;
 - (c) use income to pay the expenses associated with the administration of the Fund;
 - (d) where income is not for the time being used invest such income in accordance with the provisions of clauses 2(1) and (2), but so that the investments shall retain the status of income;

- (e) capitalize income in order to preserve the real capital value of the Fund.
 - (2) If in the opinion of the University it is clearly necessary to do so in order to carry out the purposes of the Fund, the University may from time to time encroach upon the capital of the Endowment; provided however that such encroachment may take place only upon the recommendation of the President to the Board of Governors and the approval of the Board.
4. Decisions on the administration, financial and otherwise, of the Fund shall be made in accordance with the policies of the University as they may be amended from time to time.
5. If in the opinion of the University the operation of the Endowment becomes impossible or impractical or is not achieving its purpose in a satisfactory manner the University may vary the terms of this Deed of Endowment:
- a) but so that the name of Frank Read shall always be associated with it;
 - b) but so that is shall be administered for the support of students who participate in athletic and sports programmes, whether intercollegiate or intramural, or if that is not feasible for the support of such activities of the University as the University may decide;

Provided that such a variation may be made only upon the recommendation of the President to the Board of Governors and the approval of the Board.



Signature of Donor *RAMCINTOSH*
Frank Read Endowment Steering Committee

August 31, 1995

Date



Authorized Signatory for
The University of British Columbia

Jan 4/96

Date