

SUBJECT	ENDOWMENT FUND: NAME AND PURPOSE VARIATION REQUEST
MEETING DATE	SEPTEMBER 21, 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 <i>the UBC Board of Governors approve changes to the name and purpose of the Industrial Relations Scholarship Endowment Fund, and approve the endowment documentation, as recommended by the President and University Counsel.</i>
Report Date	August 22, 2017

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

EXECUTIVE SUMMARY

The Dean of the UBC Sauder School of Business requests approval from the Board of Governors to change the name of the “Industrial Relations Scholarship Endowment Fund” (the “Fund”) to the new name “Katja Pecarevic Memorial MBA Bursary Endowment Fund”, and therefore also to change its purpose from a scholarship for MBA students to a bursary for MBA students.

INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

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

**DESCRIPTION &
RATIONALE**

BACKGROUND:

In 1992, the UBC Sauder School of Business established the Fund with \$16,000 of UBC Sauder funds derived from the Institute of Industrial Relations that was dissolved in the early 1980’s. The UBC Sauder School of Business decided to use the funds to support a scholarship in the Industrial Relations stream of the MBA program; however, that stream was subsequently eliminated. Earnings were occasionally not used and some recapitalization occurred over time. The capital is now approximately \$27,390, which is still below the minimum threshold used to establish a new endowment.

A few years ago, a fundraising campaign supported by family and friends in memory of Katja Pecarevic, a UBC Sauder MBA ’98 alumna who passed away in

2012, raised approximately \$6,467 to support a bursary for MBA students (the “Bursary”), and the wish of the donors was to endow the fund. The amount they raised is not enough to endow on its own.

Since the Industrial Relations Scholarship is a small endowment with a purpose that is itself in flux, UBC Sauder wishes to combine it with the funds raised in support of the Bursary to create a viable-sized endowment with \$33,857 in capital, which will continue to support MBA students as the Katja Pecarevic Memorial MBA Bursary Endowment Fund.

Pursuant to section 6.4 of the procedures attached to Policy #113 (Endowment Management), approval of the Office of University Counsel and the Provost are required where unrestricted funds are amalgamated with restricted trust funds, because the unrestricted funds become subject to the trust obligations. Therefore, subject to the Board’s approval of this request, the Office of University and the Provost have confirmed that they support the amalgamation of the unrestricted university funds in the UBC Sauder School of Business that are currently in the Fund with the funds raised for the specific purpose of supporting the Bursary.

APPROVAL REQUESTED:

The Dean of the UBC Sauder School of Business requests approval from the Board of Governors to vary the name and purpose of the Fund so that it becomes the Katja Pecarevic Memorial MBA Bursary Endowment Fund.

The Provost and the Office of the University Counsel support this request.

LEGAL AUTHORITY:

There is no formal documentation for the Fund; and as the Fund is comprised of unrestricted university funds held in the UBC Sauder School of Business, there is no legal impediment to amending the terms of the Fund.

ADDITIONAL MATERIALS:

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



KATJA PECAREVIC MEMORIAL MBA BURSARY ENDOWMENT TRUST DEED

1. Name of Fund

Gifts of **\$6,467** raised through a fundraising campaign together with \$27,390 of university funds that were formerly used for an Industrial Relations Scholarship in the Sauder School of Business will be used to establish the **Katja Pecarevic Memorial MBA Bursary Endowment Fund** (the “**Fund**”).

2. Purpose of the Fund

The purpose of the Fund is to support **bursaries for students in the Master of Business Administration program** at the University (the “**Purpose**”).

The University of British Columbia (the “**University**”) will hold the Fund in trust, use the Fund to support the Purpose and manage the Fund in accordance with the University’s policies, including the Endowment Management Policy and its associated procedures, as amended from time to time (the “**Policies**”). Without limiting the generality of the foregoing, the University will:

- (a) make an annual allocation based on the spending rate established under the Endowment Management Policy and credit the annual allocation to the Fund’s spending account; and
- (b) use the funds in the spending account to support the Purpose.

3. The Endowment Pools

The University manages a large number of endowment funds in its main endowment pool (the “**Endowment Pool**”), of which the Fund will be one. All of the endowment funds that make up the Endowment Pool are governed by the Policies.

4. Investment of the Fund

The University may:

- (a) invest and reinvest the Fund in such investments as the University decides and in making those investments the University is not limited to the investments authorized by the *Trustee Act* of British Columbia or any other law relating to trust funds; and
- (b) invest and maintain the Fund as part of the Endowment Pool.

5. Additional Contributions

The University may accept or make further contributions to the Fund, from any source, whether by gift, Will or otherwise, provided that any further contributions will be governed by the trust terms established in this Endowment Trust Deed.

6. Encroachment on the Fund

Although very uncommon, circumstances may arise where it is advisable for the University to encroach on the Fund. The University may encroach on the Fund in such circumstances but only if that encroachment is recommended by the President to the Board of Governors and is approved by the Board of Governors.

7. University Policy

Decisions, financial and otherwise, with respect to any award arising from the Fund, including the continuing eligibility of a person to hold an award or to obtain a renewal thereof, as well as any matters relating to the investment, management, use and administration of the Fund will be made in accordance with the Policies.

8. Variation of Terms

If the Board of Governors is of the opinion that it would be advisable to vary one or more terms of this Endowment Deed, keeping in mind the spirit of the original Purpose, the Board of Governors may vary the term[s].

The University has executed this Endowment Deed on the date appearing below.

The University of British Columbia
by its Authorized Signatory:

Santa J. Ono
President and Vice-Chancellor

Date: _____

Approved as to form by the Office of the
University Counsel:

Date: _____