

SUBJECT	PIARA AND KARTAR DHILLON MEMORIAL BURSARY AWARD: ENDOWMENT FUND ENCROACHMENT AND TRANSFER REQUEST
MEETING DATE	FEBRUARY 15, 2018

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 encroachment on a portion of the Piara and Kartar Dhillon Memorial Bursary Endowment Fund which will be used to create the Piara Singh and Kartar Kaur Dhillon Memorial Education Abroad Award Endowment Fund, as recommended by the President and University Counsel.</i>
Report Date	January 19, 2018
Presented By	Hubert Lai, Q.C., University Counsel

EXECUTIVE SUMMARY

The University, with the support of the Dhillon and Purewal families, requests that a portion of a gift that is currently in the Piara and Kartar Dhillon Memorial Bursary Endowment Fund (the “Bursary Fund”) be transferred to create a new fund called the “Piara Singh and Kartar Kaur Dhillon Memorial Education Abroad Award Endowment Fund” (the “Education Abroad Fund”).

Attachments:

1. Terms of Reference for the Bursary Fund
2. Proposed Terms of Reference for the Education Abroad Fund

INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

☐ Learning

☐ Research

☐ Innovation

☒ Engagement
(Internal / External)

☐ International

or ☐ Operational

DESCRIPTION & RATIONALE

BACKGROUND:

In 1995, the University received a \$25,000 gift from each of Mr. Rashpal S. Dhillon and his sister Mrs. Rashpal K. Purewal (for a total of \$50,000). Mr. Dhillon was the designated contact for the gift and he has since passed away (in 2003). Correspondence between former UBC President David Strangway and Mr. Dhillon suggests that the two parties discussed that the University would provide a \$50,000 match to create a \$100,000 endowment to support students participating in education abroad exchange programs with institutions in India. A university fundraising campaign taking place at that time provided matching

funds for donations and expressed a priority for donations supporting endowed education abroad scholarships. A thorough review of the University's records are not conclusive as to whether Mr. Dhillon finally approved this purpose for the Gift at that time; however, it is likely that he did have this intent.

Time passed, and an endowment fund was not established. In 2004, Mrs. Purewal's daughter contacted the University to finalize the gift, and the University (with the support of Mrs. Purewal's daughter) used the gift to establish the Bursary Fund to support student bursaries. The Purewal family continues to be happy with this decision.

Recently, Mr. Dhillon's son contacted the University to inquire about the status of the award as his family had never received any updates. He expressed his view that the gift should have been used to support awards for students participating in exchange and education abroad programs with India as per correspondence between former President Strangway and Mr. Rashpal Dhillon, and that an error was made by the University in not establishing a fund to support this purpose.

In discussions with the family as represented by the Dhillon son and Purewal daughter, it has been determined that the most appropriate solution is to split the Bursary Fund into two parts in order to honour the likely original intent as well as to continue to support bursaries for students.

Since the University's records are not conclusive but on balance an error likely occurred, the University supports the solution to split the Bursary Fund into two parts, with one part continuing to support bursaries, and the other part used to create a new endowment fund to support awards for students participating in education abroad programs in India and for students from India studying at the University.

As at September 30, 2017, the capital account of the Bursary Fund is \$145,083. Of this amount, \$25,000 representing the original gift from the Purewal family will remain in the Bursary Fund; \$75,000 representing the gift from the Dhillon family and the UBC match to support student exchanges will be transferred to create the Education Abroad Fund. The remaining net capitalization amount will be split between the two funds as follows: 25% to the Bursary Fund and 75% to the Education Abroad Fund.

APPROVAL REQUESTED:

The VP Development and Alumni Engagement, with the support of the Dhillon and Purewal families, requests that the Board of Governors approve the request to encroach on \$75,000 plus 75% of the net capitalizations in the Bursary Fund as outlined above and to transfer it to create the Education Abroad Fund.

The Office of the University Counsel supports this request.

LEGAL AUTHORITY:

The Board's authority to encroach upon the capital of the Bursary Endowment is in section 4(f) of the Terms of Reference for the Bursary Endowment:

"The University... may, from time to time, encroach on the capital of the Fund if, in the opinion of the University, it is clearly necessary to do so in order to carry out the purpose of the Fund; provided however that the University may only encroach on the capital if that encroachment is recommended by the President to the Board of Governors and is approved by the Board of Governors."

The Board also has authority to encroach upon the capital of an endowment fund to correct an administrative error.

THE UNIVERSITY OF BRITISH COLUMBIA

PIARA AND KARTAR DHILLON MEMORIAL BURSARY ENDOWMENT FUND TERMS OF REFERENCE

1. Name of Fund

This Endowment Fund will be known as the Piara and Kartar Dhillon Memorial Bursary Endowment Fund (the "Fund").

2. Purpose of the Fund

The Fund is established by The University of British Columbia (the "University") as an endowment with the intent that the capital will be held and kept invested in accordance with these Terms of Reference and the income will be used to fund bursaries for undergraduate students in any year or faculty at the University.

3. Use of Income

Without restricting the authority of the University to use the income of the Fund in any manner it decides in support of the purpose set out in paragraph 2 of these Terms of Reference, the University may:

- (a) use income to award bursaries;
- (b) use income to pay the expenses associated with the administration of the Fund;
- (c) invest, in accordance with paragraph 4 of these Terms of Reference, any income that is not for the time being used either so that invested income retains the status of income or so that invested income is added to the capital of the Fund in order to preserve the real capital value of the Fund, or both, in whatever combination the University decides.

4. Use of Capital

The University will hold the capital of the Fund and:

- (a) may invest and reinvest the Fund in the 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;
- (b) may invest the Fund in any investments both inside and outside Canada as it decides;
- (c) may invest the Fund as part of the University's pooled endowment investments and in any mutual or other pooled investment funds;

- (d) when making investment decisions, the University shall have as its objective the maintenance of the real capital value of the Fund over time and the generation of a sufficient flow of income to fund properly the Piara and Kartar Dhillon Memorial Bursaries referred to in paragraph 3 of these Endowment Terms of Reference;
- (e) may accept further contributions, from any other source, whether by gift, Will or otherwise, or may otherwise add to the capital of the Fund, provided that the terms and conditions of any donation or addition to the capital of the Fund conform to these Terms of Reference;
- (f) may, from time to time, encroach on the capital of the Fund if, in the opinion of the University, it is clearly necessary to do so in order to carry out the purposes of the Fund; provided however that the University may only encroach on the capital if that encroachment is recommended by the President to the Board of Governors and is approved by the Board of Governors.

5. University Policy

Decisions on the award of the Piara and Kartar Dhillon Memorial Bursary (s) and on the continuing eligibility of a holder of the Piara and Kartar Dhillon Memorial Bursary (s) to receive the Bursaries or to obtain a renewal of the Bursaries, and decisions on the administration, financial and otherwise, of the Fund will be made in accordance with the policies of the University as they may be amended from time to time.


6. Variation of Terms

The University may vary these Terms of Reference but only if that variation is recommended by the President to the Board of Governors and is approved by the Board of Governors. For greater certainty, and without limiting the generality of the foregoing, such variation may include a variation of the purpose set out in paragraph 2 of these Terms of Reference.

TO EVIDENCE the terms of the Fund the University has executed these Terms of Reference on the date appearing below.

The University of British Columbia
by its Authorized Signatory:


Martha Piper, President


Date

Approved as to Form:

Hubert Lai
Hubert Lai, University Counsel

October 22, 2004
Date

Reviewed by Donor:

Satnam Prewal
Signature

Satnam Prewal
Print Name

September 2, 2004
Date

THE UNIVERSITY OF BRITISH COLUMBIA

PIARA SINGH AND KARTAR KAUR DHILLON MEMORIAL EDUCATION ABROAD AWARD ENDOWMENT FUND

TERMS OF REFERENCE

1. Name of Fund

This Endowment Fund will be known as the Piara Singh and Kartar Kaur Dhillon Memorial Education Abroad Award Endowment Fund (the “Fund”).

2. Purpose of the Fund

The Fund is established by The University of British Columbia (the “University”) as an endowment with the intent that the capital will be held and kept invested in accordance with these Terms of Reference and the income will be used to support award(s) for one or both of the following: (a) students at the University to undertake studies in India, and (b) visiting students from India to undertake studies at the University.

3. Use of Income

Without restricting the authority of the University to use the income of the Fund in any manner it decides in support of the purpose set out in paragraph 2 of these Terms of Reference, the University may:

- (a) use income to support the award(s) at the University of British Columbia;
- (b) use income to pay the expenses associated with the administration of the Fund;
- (c) invest, in accordance with paragraph 4 of these Terms of Reference, any income that is not for the time being used either so that invested income retains the status of income or so that invested income is added to the capital of the Fund in order to preserve the real capital value of the Fund, or both, in whatever combination the University decides.

4. Use of Capital

The University will hold the capital of the Fund and:

- (a) may invest and reinvest the Fund in the 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;
- (b) may invest the Fund in any investments both inside and outside Canada as it decides;
- (c) may invest the Fund as part of the University’s pooled endowment investments and in any mutual or other pooled investment funds;

- (d) when making investment decisions, the University shall have as its objective the maintenance of the real capital value of the Fund over time and the generation of a sufficient flow of income to fund properly the purpose of the Endowment;
- (e) may accept further contributions, from any other source, whether by gift, Will or otherwise, or may otherwise add to the capital of the Fund, provided that the terms and conditions of any donation or addition to the capital of the Fund conform to these Terms of Reference;
- (f) may, from time to time, encroach on the capital of the Fund if, in the opinion of the University, it is clearly necessary to do so in order to carry out the purposes of the Fund; provided however that the University may only encroach on the capital if that encroachment is recommended by the President to the Board of Governors and is approved by the Board of Governors, provided however, that the University will attempt to contact Peter P. Dhillon, at the address shown in the University's records, to seek Peter P. Dhillon's written advice prior to the Board of Governors approving such encroachment.

5. University Policy

Decisions on the award(s) and on the continuing eligibility of a holder of the award(s) to receive an award or to obtain a renewal of the award, and decisions on the administration, financial and otherwise, of the Fund will be made in accordance with the policies of the University as they may be amended from time to time.

6. Variation of Terms

The University may vary these Terms of Reference but only if that variation is recommended by the President to the Board of Governors and approved by the Board of Governors. For greater certainty, and without limiting the generality of the foregoing, such variation may include a variation of the purpose set out in paragraph 2 of these Terms of Reference.

TO EVIDENCE the terms of the Fund the University has executed these Terms of Reference 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: _____