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| <b>SUBJECT</b>                | Endowment Closure: The Operations Excellence Endowment Fund  |
| <b>SUBMITTED TO</b>           | Finance Committee  |
| <b>MEETING DATE</b>           | September 8, 2021  |
| <b>SESSION CLASSIFICATION</b> | Recommended session criteria from Board Meetings Policy:<br>OPEN   |
| <b>REQUEST</b>                | Action requested - Approval<br><br>IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors, approves the closure of The Operations Excellence Endowment Fund, as recommended by the President and University Counsel. |
| <b>LEAD EXECUTIVE</b>         | Hubert Lai, Q.C., University Counsel   |
| <b>SUPPORTED BY</b>           | Elizabeth Moxham, Legal Counsel, Office of University Counsel<br>Robert Helsley, Dean, UBC Sauder School of Business<br>Peter Smailes, Vice-President Finance & Operations   |

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**PRIOR SUBMISSIONS**

The subject matter of this submission has not previously been considered by the Finance Committee.

**EXECUTIVE SUMMARY**

The Vice-President Finance & Operations and the Dean of the UBC Sauder School of Business, request that the Finance Committee, in accordance with authority delegated by the Board of Governors, approve the closure of The Operations Excellence Endowment Fund (the “Fund”) established pursuant to The Operations Excellence Endowment Fund Terms of Reference (the “Endowment Terms of Reference”). There is no capital in the Fund.

In 2012, UBC took steps to establish the Fund to support activities in the Sauder School of Business that would advance teaching or research in the field of Operations Research and Operations Management. The Faculty intended to establish the Fund with small surpluses up to \$30,000 that were to be derived from the Centre for Operations Excellence’s operations, and to encourage donors to add more to the Fund. The Faculty did not carry through with this plan, and the Fund has sat dormant. The Faculty has confirmed that it does not wish to add capital to the Fund.

The Endowment Terms of Reference were approved by the Board of Governors on June 12, 2012, and this decision is requested to document the formal closure of the Fund in UBC’s records.

The Board of Governors has authority to close the Fund as part of its general authority to manage endowments under the Endowment Management Policy (FM5).

As at March 31, 2021, the University’s Comptroller undertook a review of endowment accounts with nil (zero) balances. Upon investigation, in consultation with the Office of the University Counsel to confirm the appropriate procedure to close the accounts, the accounts fell into three categories: (1) recently created accounts awaiting funds to be deposited, (2) duplicate endowment accounts where a second account had been set up for a single fund in error, or (3) accounts which closure had previously been approved by the Board of Governors but had not yet been closed.

No additional accounts were identified that needed Board approval to close.

**SUPPLEMENTAL MATERIALS**

1. The Operations Excellence Endowment Fund Terms of Reference



**THE OPERATIONS EXCELLENCE  
ENDOWMENT FUND  
TERMS OF REFERENCE**

**Whereas: The University of British Columbia (the “University”) wishes to endow university generated funds for the purposes set out below, and has prepared this Terms of Reference to document the terms upon which the Fund (defined below) will be used and managed at the University.**

**1. Name of Fund**

The endowment fund (the “Fund”) described by these Terms of Reference will be known as **The Operations Excellence Endowment Fund.**

**2. Purpose of the Fund**

The purpose of the Fund is to support those activities in the Sauder School of Business that will advance teaching or research in the field of Operations Research and Operations Management at the University and generally to advance the charitable goals of the University (the “Purpose”).

**3. Contributions**

The Fund shall be received by and remain an asset of the University in its own capacity and is not received or held by the University as a trustee.

The University may accept or make further contributions to the Fund, from any source, whether by gift, Will or otherwise, provided such contributions are made to the University in its own right and not as trustee.

**4. Use and Management of the Fund**

The University will use and manage the Fund in support of the Purpose in accordance with its 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 may use the capital of the Fund in accordance with the Endowment Management Policy.

**5. Investment of the Fund**

The Fund is established by the University as an endowment with the intent that it will be held and invested in accordance with the Policies.

**6. University Policy**

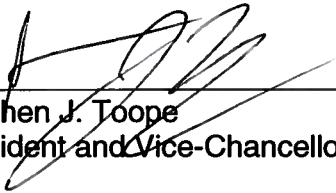
Decisions on any matters relating to the use or administration of the Fund, financial and otherwise, will be made in accordance with these Terms of Reference and the Policies. Furthermore, the University may use the capital of the Fund from time to time in accordance with the Endowment Management Policy.

**7. Variation of Terms**

The University may vary the terms of these Terms of Reference if that variation is recommended by the President to the Board of Governors and is approved by the Board of Governors.

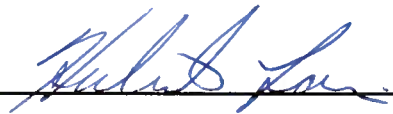
The University has executed these Terms of Reference on the date appearing below.

**The University of British Columbia**  
by its Authorized Signatory:

  
\_\_\_\_\_  
Stephen J. Toope  
President and Vice-Chancellor

29/03/12.  
\_\_\_\_\_  
Date

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

  
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Date: March 26, 2012