



SUBJECT	Endowment Variation: UBC Institute of Mental Health Endowment Fund
SUBMITTED TO	Finance Committee
MEETING DATE	September 20, 2022
SESSION	Recommended session criteria from Board Meetings Policy:
CLASSIFICATION	OPEN
REQUEST	<p>APPROVAL REQUESTED</p> <p>IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors and as recommended by the President and University Counsel, approves amendments to the UBC Institute of Mental Health Endowment Fund, as set out in the Amended and Restated Terms of Reference attached as Appendix 1 to the briefing.</p>
LEAD EXECUTIVE	Hubert Lai, Q.C., University Counsel
SUPPORTED BY	Heather McCaw, Vice-President Development and Alumni Engagement Dermot Kelleher, Vice-President Health and Dean, Faculty of Medicine Lorena Vlad, Legal Counsel

EXECUTIVE SUMMARY

The Dean of the Faculty of Medicine (the “**Dean**”) and the Vice-President Development & Alumni Engagement request that the Finance Committee, in accordance with authority delegated by the Board of Governors, approve amendments to the UBC Institute of Mental Health Endowment Fund (the “**Fund**”) established pursuant to the UBC Institute of Mental Health Endowment Fund Terms of Reference (the “**Terms of Reference**”), as set out in the proposed Amended and Restated Terms of Reference for the Fund, as attached in Appendix 1. The proposed amendments will have the effects of amending the purpose of the Fund to (i) permit the UBC Institute of Mental Health (“**IMH**”) to recruit junior faculty members at the Assistant or Associate Professor level, who may transition to Chair positions as they progress in their careers, and (ii) expand the areas of focus for these recruitments to encompass the priority areas of high-risk populations and early intervention, precision medicine/biomarkers, concurrent disorders, virtual care strategies and applied mental health research, and any other priority areas that may be identified by the IMH Advisory Board in the future.

UBC established the Fund in 2007 as an endowment with a donation provided by Sauder Industries Limited. The initial purpose for the Fund was to support the Sauder Chair in Child and Adolescent Psychiatry, the Sauder Chair in Geriatric Psychiatry and Depression, the Sauder Chair in Psychotherapy (collectively, the “**Chairs**”), and the activities of the IMH as described in Schedule A of the Terms of Reference. Over the course of the years, despite prolonged recruitment efforts by the IMH, two of the three Chair positions remain unoccupied. There has been, as a result, an accumulation of funding in the spending account of the Fund which has remained unused. As of August 22, 2022, the Fund has capital of \$25,190,676.26 with a total market value of \$27,406,354.62, and the Fund generates annual spending allocation of \$1,154,043.51 with a total spend available for the period of \$3,763,878.16.

The request to amend the purpose of the Terms of Reference is being made due to the significant challenges described above and due to the imminent retirement of the sole individual holding a Chair position (in Child and Adolescent Psychiatry). The requested amendments would permit greater flexibility and better enable the IMH to respond to evolving societal needs in mental health and to fulfill its mission and mandate. The Gift Agreement

related to the Fund is very flexible. It provides that UBC will use the donation to create an endowment to support the Department of Psychiatry in the Faculty of Medicine and to create and name the IMH. UBC developed the Terms of Reference in consultation with the original donor. The Board of Governors' authority to vary the terms of the Fund is found in section 7 of the Terms of Reference, which states that the University may vary the 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, and that such variation may include a variation of the purpose set out in paragraph 2 of the Terms of Reference.

For ease of reference, the current purpose of the Fund and the proposed purpose of the Fund are set out below.

Current purpose:

"...to support the Sauder Chair in Child and Adolescent Psychiatry; the Sauder Chair in Geriatric Psychiatry and Depression; the Sauder Chair in Psychotherapy (collectively, the "Chairs"); and the activities of the UBC Institute of Mental Health, as described in the attached Schedule A."

Proposed purpose:

"...to support the activities of the UBC Institute of Mental Health, which may include, without limitation, offering fellowships and faculty positions, seed grants, training, communicating novel research and clinical findings to clinicians and mental health professionals, organizing conferences, and supporting academic leadership positions."

The proposed purpose lists all of the activities currently set out in Schedule A of the Terms of Reference. However, it removes the specific reference to the three Chairs and instead includes supporting academic leadership positions, which could be Chairs, professorships, or other honorifics. The remainder of Schedule A either provides details about how the purpose of the Fund is to be carried out or information about how the IMH is governed and such detailed information can be maintained by the Faculty of Medicine but, to ensure the desired flexibility of the Fund is achieved, such detailed information should not be set out in the Amended and Restated Terms of Reference.

In addition to the above-noted proposed amendments, the Office of the University Counsel proposes to take this opportunity to restate the Terms of Reference to update them to the University's current standard template, except that the variation clause from the Terms of Reference will be retained. The proposed Amended and Restated Terms of Reference are attached as Appendix #1, and a copy of the existing Terms of Reference is attached as a Supplemental Material.

The Development Office has confirmed that the Dean and the family representative for the original donor are supportive of the request to make the proposed amendments to the Terms of Reference to be more flexible and to meet the current and emerging priorities of the IMH. The President and the University Counsel also support this request.

APPENDIX

1. Proposed Amended and Restated Terms of Reference

SUPPLEMENTAL MATERIALS (optional reading for Governors)

1. Existing Terms of Reference
2. Blacklined amendments to the existing Terms of Reference



**UBC INSTITUTE OF MENTAL HEALTH ENDOWMENT FUND
TERMS OF REFERENCE**

Amended and Restated as at _____, 2022

(Varies the original Terms of Reference for the UBC Institute of Mental Health Endowment Fund approved by the Board of Governors on March 22, 2007)

Whereas:

- A. Sauder Industries Limited (the “**Donor**”) and the University of British Columbia (the “**University**”) entered into a gift agreement dated August 23, 2006 (the “**Gift Agreement**”) pursuant to which the Donor donated \$10 million to the University to create an endowment to support the Department of Psychiatry in the Faculty of Medicine and to create and name the UBC Institute of Mental Health;
- B. The University established the Fund (as defined below) under terms of reference approved by the Board of Governors on March 22, 2007 and executed by the University on April 22, 2007 (the “**Original TOR**”);
- C. Under the Original TOR, the purpose of the Fund was to support the activities of the UBC Institute of Mental Health, including recruitment of three Chairs in Child and Adolescent Psychiatry, Geriatric Psychiatry and Depression, and Psychotherapy. Over the course of the years, despite prolonged recruitment efforts by the UBC Institute of Mental Health, two of the three Chair positions remained unoccupied. There has been, as a result, an accumulation of funding in the spending account which has remained unused;
- D. In light of the challenges described above, the University, with the support of the Donor’s family representative, has prepared these Amended and Restated Terms of Reference to reflect a more flexible, broad Purpose (as defined below) which would, amongst other things, allow for the recruitment of junior faculty members who may transition to Chair positions as they progress in their careers, better enable the UBC Institute of Mental Health to respond to evolving societal needs in mental health, and to fulfil its mission and mandate; and
- E. The University is also taking this opportunity to restate the Original TOR to update it to the University’s current standard template, except that the variation clause from the Original TOR has been retained.

1. Establishment of Fund

The endowment fund (the “**Fund**”) described by these Terms of Reference will be known as the **UBC Institute of Mental Health Endowment Fund**.

2. **Purpose of the Fund**

The purpose of the Fund is to support the activities of the UBC Institute of Mental Health, which may include, without limitation, offering fellowships and faculty positions, seed grants, training, communicating novel research and clinical findings to clinicians and mental health professionals, organizing conferences, and supporting academic leadership positions (the “**Purpose**”).

3. **Contributions**

The Fund shall remain an asset of the University in its own capacity and is not 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 Policy and its associated procedures, as may be 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 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, financial and otherwise, on any matters relating to the investment, management, use and administration of the Fund will be made in accordance with these Terms of Reference and the Policies.

7. **Variation of Terms**

The University may vary the terms of 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.

The University has executed these Amended and Restated 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: _____

THE UNIVERSITY OF BRITISH COLUMBIA**UBC INSTITUTE OF MENTAL HEALTH ENDOWMENT FUND
TERMS OF REFERENCE****1. Name of Fund**

This Endowment Fund will be known as the UBC Institute of Mental Health 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 the Sauder Chair in Child and Adolescent Psychiatry; the Sauder Chair in Geriatric Psychiatry and Depression; the Sauder Chair in Psychotherapy (collectively, the "Chairs"); and the activities of the UBC Institute of Mental Health, as described in the attached Schedule "A".

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 pay the salary and benefits of the holders of the Chairs, and the research, secretarial, travel and other like expenses associated with the Chairs, and to support the activities of the UBC Institute of Mental Health;
- (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.

5. University Policy

Decisions on the appointments of the holders of the Chairs and on their continuing state of employment at the University, 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. Reporting

The incumbents of the Chairs shall submit annual reports to the President of the University, and the University shall undertake a review of the activities carried out under the auspices of the Chairs at intervals of no more than every 7 years. The annual reports shall be published.

7. 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:



22/04/07
Date

Approved as to Form:

Hubert Lai
Hubert Lai, University Counsel

August 22, 2006
Date

Reviewed by Donor:

W.L. Sauder
Signature

W.L. SAUDER
Print Name

Aug 15/06
Date

Schedule A

UBC Institute of Mental Health (UBCIMH)

The UBCIMH will provide leadership in creating, applying and disseminating knowledge in order to greatly improve the early diagnosis and treatment of mental illness, including depression, for people at all stages of life.

The UBCIMH will provide a forum and a framework in which the Sauder Chair in Child and Adolescent Psychiatry; the Sauder Chair in Geriatric Psychiatry and Depression; the Sauder Chair in Psychotherapy (collectively, the "Chairs"), and other scientists and clinicians working across disciplines are brought together to work on common mental health problems. The UBCIMH will foster collaboration across institutions and regions, which is important for increasing mental health research capacity, improving the quality of mental health research and providing a more unified approach to effecting change in mental health service delivery, health policy and the mental health of populations.

The Executive Board of the UBCIMH will determine the allocation of income from the Fund to be applied to the activities of the UBCIMH, including the amounts to be allocated to each of the Chairs, on an annual basis.

Purpose of the Fund

The Fund will be used to support the activities of the UBCIMH, including, but not limited to: offering fellowships and junior faculty positions; training; communicating novel research and clinical findings to clinicians and mental health professionals; and organizing conferences.

The Fund will also be used to establish the Chairs. The Chairs will:

- (a) Build on recent advances in the fields of neuroscience, brain imaging, molecular genetics, and psychotherapy, to foster discovery, innovation and creation of new knowledge;
- (b) Translate these advances into clinically effective preventative, diagnostic and treatment strategies by conducting research that involves direct interaction with patients; and
- (c) Ensure through training and education, their application in everyday clinical practice throughout the Province of British Columbia.

The Chairs will develop first-class programs of clinical research and lead outstanding teams of researchers and clinicians and encourage collaboration between affiliated research groups. The Chairs will also publish articles in leading scholarly journals and support the learning experience of a diverse group of trainees including medical and other undergraduate students, psychiatry residents, graduate students (Neuroscience, Psychology), and post-doctoral fellows.

The Chairs will also build linkages with external (private and public) organizations and act as world-class advisors and resources for the community. The Chairs will be advocates for persons with mental health issues, including depression, to government and funding agencies. The Chairs will also contribute to public education through the media, public lectures, and publications, including brochures and pamphlets.



~~THE UNIVERSITY OF BRITISH COLUMBIA~~

UBC INSTITUTE OF MENTAL HEALTH ENDOWMENT FUND
TERMS OF REFERENCE

Amended and Restated as at _____, 2022

1. Name of Fund

This *(Varies the original Terms of Reference for the UBC Institute of Mental Health Endowment Fund approved by the Board of Governors on March 22, 2007)*

Whereas:

- A. Sauder Industries Limited (the “Donor”) and the University of British Columbia (the “University”) entered into a gift agreement dated August 23, 2006 (the “Gift Agreement”) pursuant to which the Donor donated \$10 million to the University to create an endowment to support the Department of Psychiatry in the Faculty of Medicine and to create and name the UBC Institute of Mental Health;
- B. The University established the Fund (as defined below) under terms of reference approved by the Board of Governors on March 22, 2007 and executed by the University on April 22, 2007 (the “Original TOR”);
- C. Under the Original TOR, the purpose of the Fund was to support the activities of the UBC Institute of Mental Health, including recruitment of three Chairs in Child and Adolescent Psychiatry, Geriatric Psychiatry and Depression, and Psychotherapy. Over the course of the years, despite prolonged recruitment efforts by the UBC Institute of Mental Health, two of the three Chair positions remained unoccupied. There has been, as a result, an accumulation of funding in the spending account which has remained unused;
- D. In light of the challenges described above, the University, with the support of the Donor’s family representative, has prepared these Amended and Restated Terms of Reference to reflect a more flexible, broad Purpose (as defined below) which would, amongst other things, allow for the recruitment of junior faculty members who may transition to Chair positions as they progress in their careers, better enable the UBC Institute of Mental Health to respond to evolving societal needs in mental health, and to fulfil its mission and mandate; and
- E. The University is also taking this opportunity to restate the Original TOR to update it to the University’s current standard template, except that the variation clause from the Original TOR has been retained.

1. Establishment of Fund

The endowment fund (the “Fund”) described by these Terms of Reference will be known as the **UBC Institute of Mental Health 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 the Sauder Chair in Child and Adolescent Psychiatry; the Sauder Chair in Geriatric Psychiatry and Depression; the Sauder Chair in Psychotherapy (collectively, the "Chairs"); and the activities of the UBC Institute of Mental Health, as described in the attached Schedule "A".~~ purpose of the Fund is to support the activities of the UBC Institute of Mental Health, which may include, without limitation, offering fellowships and faculty positions, seed grants, training, communicating novel research and clinical findings to clinicians and mental health professionals, organizing conferences, and supporting academic leadership positions (the "Purpose").

~~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 pay the salary and benefits of the holders of the Chairs, and the research, secretarial, travel and other like expenses associated with the Chairs, and to support the activities of the UBC Institute of Mental Health;~~

~~(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~~

3. Contributions

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;~~

<p><u>Endowment Fund</u> <u>Unique Identifier:</u></p>
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~~(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;~~

Endowment Fund
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~~(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;~~ Fund shall remain an asset of the University in its own capacity and is not held by the University as a trustee.

~~(e) The University may accept or make further contributions to the Fund, 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;~~

ii 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 Policy and its associated procedures, as may be amended from time to time, ~~encroach on~~ (the "Policies"). Without limiting the generality of the foregoing, the University may use the capital of the Fund if, in accordance with 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. Endowment 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. ~~5.~~ University Policy

~~Decisions on the appointments of the holders of the Chairs and on their continuing state of employment at the University, and decisions on the administration,~~ financial and otherwise, on any matters relating to the investment, management, use and administration of the Fund will be made in accordance with ~~the policies of the University as they may be amended from time to time.~~

~~6.~~ Reporting

~~The incumbents of the Chairs shall submit annual reports to the President of the University, and the University shall undertake a review of the activities carried out under the auspices of~~

~~the Chairs at intervals of no more than every 7 years. The annual reports shall be published~~[these Terms of Reference and the Policies.](#)

7. Variation of Terms

The University may vary [the terms of](#) 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~~[Purpose](#) set out in paragraph 2 of these Terms of Reference.

~~TO EVIDENCE the terms of the Fund the~~[The](#) University has executed these [Amended and Restated](#) Terms of Reference on the date appearing below.

The University of British Columbia



22/04/07

by its Authorized Signatory:

~~Approved as to Form:~~

~~Hubert Lai, University Counsel~~

~~Date~~

Reviewed by Donor:

Signature

Print Name

Date

[Handwritten signature]

[Handwritten date]

~~Schedule A~~

~~UBC Institute of Mental Health (UBCIMH)~~

~~The UBCIMH will provide leadership in creating, applying and disseminating knowledge in order to greatly improve the early diagnosis and treatment of mental illness, including depression, for people at all stages of life.~~

~~The UBCIMH will provide a forum and a framework in which the Sauder Chair in Child and Adolescent Psychiatry; the Sauder Chair in Geriatric Psychiatry and Depression; the Sauder Chair in Psychotherapy (collectively, the “Chairs”), and other scientists and clinicians working across disciplines are brought together to work on common mental health problems. The UBCIMH will foster collaboration across institutions and regions, which is important for increasing mental health research capacity, improving the quality of mental health research and providing a more unified approach to effecting change in mental health service delivery, health policy and the mental health of populations.~~

~~The Executive Board of the UBCIMH will determine the allocation of income from the Fund to be applied to the activities of the UBCIMH, including the amounts to be allocated to each of the Chairs, on an annual basis.~~

~~Purpose of the Fund~~

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~~The Fund will also be used to establish the Chairs. The Chairs will:~~

- ~~(a) Build on recent advances in the fields of neuroscience, brain imaging, molecular genetics, and psychotherapy, to foster discovery, innovation and creation of new knowledge;~~
- ~~(b) Translate these advances into clinically effective preventative, diagnostic and treatment strategies by conducting research that involves direct interaction with patients; and~~
- ~~(c) Ensure through training and education, their application in everyday clinical practice throughout the Province of British Columbia.~~

~~The Chairs will develop first class programs of clinical research and lead outstanding teams of researchers and clinicians and encourage collaboration between affiliated research groups. The Chairs will also publish articles in leading scholarly journals and support the learning experience of a diverse group of~~

Endowment Fund
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~~trainees including medical and other undergraduate students, psychiatry residents, graduate students (Neuroscience, Psychology), and post-doctoral fellows.~~

~~The Chairs will also build linkages with external (private and public) organizations and act as world-class advisors and resources for the community. The Chairs will be advocates for persons with mental health issues, including depression, to government and funding agencies. The Chairs will also contribute to public education through the media, public lectures, and publications, including brochures and pamphlets.~~

Santa J. Ono
President and Vice-Chancellor

Date

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

Date:

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