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Fundamental Rules of Endowment Fund at King Faisal University

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Fundamental Rules of Endowment Fund at King Faisal University

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Fundamental Rules of Endowment Fund at King Faisal University

Article (1)

Definition of Terms

University: King Faisal University

Fund : Endowment fund at the university

Assembly: General assembly of the endowment fund

Board : Management board of the endowment fund
at King Faisal University

Rules : Fundamental rules of the endowment fund
at King Faisal University

Article (2)

Fund Establishment

Under these rules, a fund titled "Endowment Fund at King Faisal University" shall be established and associated with the university council for the acknowledgment and amendment of its fundamental rules, approval of its general policy, and establishment of its branches or offices within the kingdom.

Article (3)

Fund Headquarter

The fund's main location shall be at King Faisal University headquarter in Al-Ahsa. A branch for the fund shall be established in the university's branch in Dammam. It is also possible to establish branches and offices for the fund all over the kingdom by recommendation from the management board of the fund and a decision from the university council.

Article (4)

Fund Status

The fund shall be a recognized entity featured with administrative and financial pledge, and all its financial affairs shall be run in accordance with Islamic law (sharia). It shall abide by the terms set by endowers and donors. When that is not possible, it shall be subjected to legal referendum by the authorized competent advisory (eftaa body) in Saudi Arabia.

Article (5)

Objectives

- 1- Encourage expenditure on scientific research and social, economic, environmental, health, agricultural, academic, and educational development.
- 2- Support the university's academic programs as charitable features sought for the sake of Allah and the Hereafter.
- 3- Avail the chance to the wealthy and the philanthropists to participate in development and pushing the wheel of scientific research and community service.

Article (6)

Organizing Structure

The organizational structure of the fund is composed of the general assembly, the management board, and the secretary general.

Article (7)

General Assembly

The general assembly of the fund is composed of all contributors with a minimum amount of 500,000 Rails in addition to the appointed members of the management board. The chairman of the assembly and his deputy are elected from among its members.

A - Authorities of the General Assembly

1. Overall supervision of the fund's functions .
2. Election of six contributors for the management board of the fund or those vacancies in this board effected by any of the reasons for membership disqualification mentioned in (article 11).
3. Supervision of performance of the management board of the fund as to its entrusted tasks and ensuring the implementation of the fundamental rules.
4. Endorsement of the fund's annual report and final accounts, and the appointment of and renewal for a comptroller.

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5. Recommendation of the amendment and interpretation of the fundamental rules as suggested by the management board of the fund.
6. Issuance of organizing regulations for the fund's internal work.
7. Approval of the fund's annual budget and yearly closing accounts.
8. Approval of the work plan developed by the management board of the fund.
9. Suggestion of the establishment of fund's branches in accordance with the recommendation of the management board.

B - General Assembly Meetings

1. The general assembly meets once a year at least. The meeting is not to be adequate unless the majority of the members attend. Upon a request from the management board or five members of the general assembly, it is possible to hold an irregular meeting if deemed necessary.
2. It is permissible for a member of the general assembly in case of his absence from the assembly meeting to assign ,in writing, a representative to fill for him in the meeting.
3. An absent member who does not assign a representative has no right to object to the decisions taken by the general assembly thereof.
4. The meeting of the general assembly will lawfully be in session when attended by the majority of members, and the secretary general or his deputy chairs the assembly meeting.

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5. In case of shortage in regular quorum, a scheduled meeting is to be postponed to another date set by the majority votes of the assembly's attending members. The period of the postponement should, however, not exceed three weeks and a written notice to this effect should be sent to the absentees. The assembly will then be held in the next meeting with members who are present.
6. Decisions on recommendation to amend and interpret the fundamental rules are taken by the majority of two -thirds of attendees. For other subjects, decisions are taken by the majority of votes.
7. Absentees and abstentions' votes are not counted. And in case of tie voting ballots, the chairman's side is preponderated.

Article (8) Management Board of the Fund

The management board of the fund consists of eleven members. Five of them are appointed by the president of the university from among faculty members at the university, including one specialist in Islamic law (sharia) and another in investment. The rest are elected from the members of the general assembly. The secretary general and his deputy are elected from among members of the board.

A - Authorities

The board handles the management of the fund, runs its affairs, and implements its general policy. The board specifically has the following authorities:

1. Setting internal bylaws for its technical, administrative, and financial operation and approving it by the university council.
2. Supervising the financial, administrative, and technical operations and activities of the fund and their revision.
3. Studying the fund's estimated budget project, its closing account, and other related subjects, and submitting it to the university council after the approval of the general assembly.

Fundamental Rules of Endowment Fund

4. Studying the means of increasing the fund resources.
5. Ensuring the implementation of fund related tasks in accordance with its fundamental rules and approved budget.
6. Approving the recruitment of the fund's official and cooperating staff.
7. Determining salaries, allowances, rewards, and any other benefits for fund's employees and prepare them for approval by the president of the university provided that they do not exceed what is adhered to in civil service and labor work rules and regulations.
8. Appointing the external auditor of closing accounts and approving that by the president of the university.
9. Forming the required committees to study specific subjects related to the board specialties, and determining the number of their members and job specifications to fulfill their concerned duties.
10. Approving the means of the fund's treasury investment.
11. Approval of purchase and sale of real estate ,bonds, and other less risky investment aspects and securing consent of the president of the university.
12. Approving leasing and renting of real estate.
13. Approving the fund's work and operation plans.
14. Recommending the acceptance of assets, grants, donations, bequests, and endowments.
15. Drafting the general principles of the fund's relationship with other funds and the funds of regional and international institutions in accordance to objectives of the fund.
16. Delegating some of its authorities to the secretary general of the fund or any sub-committee.
17. Approving the method of distribution and the size of amounts of money resulting from the profits of real estate and stock funds.
18. Approving contracts and agreements held between the fund and other parties.

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19. The board may, when needed, form a legal committee to monitor the fund's treasury investment and disbursement, and to deliberate on endowments and testaments and their agreement with Islamic law (sharia).
20. Suggesting amendment of these rules in preparation for its presentation before the general assembly for recommendation of the amendment and pass it on to the university council for approval.
21. Studying subjects raised by the president of the university or presented by the chairman or the members of the board.

B- Meetings of the Management Board of the Fund

- 1- Upon the invitation of the chairman or his deputy, the management board of the fund meets twice each year or whenever the need arises. Invitation for the meeting should precede the meeting date by a minimum of one week. The meeting agenda should be attached with the invitation letter.
- 2- It is permissible for a member of the management board to delegate a representative in case of his absence . such representative is, however, not allowed to delegate a substitute if he is unable to attend the meeting.
- 3- If a member is absent from the meeting, he has no right to object to the decisions taken at that meeting.
- 4- The lawful quorum of a board session to be held is two-thirds of the board members.
- 5- The meeting is postponed in case of shortage in the quorum at the appointed date. On the following meeting the board will be lawfully in session with those members present.
- 6- Decisions and recommendations of amendment and interpretation of the fundamental rules in the board meeting are taken by the majority of two-thirds of attending members. For otherwise subjects, decisions are made by the majority of members present. In case of tie votes, the chairman or his delegated deputy's side is preponderated.

Article (9)

General Secretary of the Fund

The general secretary of the fund is appointed by the university president for two renewable years. The general secretary shall be relieved from other duties to exclusively attend to the management of the fund and his salary shall be paid by the university. He is also to function as secretary to the general assembly and the management board of the fund where he is neither eligible to vote nor entitled to be a member.

General Secretary's Authorities

- 1- Implementing decisions issued by the general assembly and the management board.
- 2- Reporting decisions issued by the general assembly and the management board to concerned parties.
- 3- Managing the fund's affairs according to its general rules.
- 4- Recommending the appointment of the fund's employees and their leaves, allowances, promotions, and dismissals and approving that by the president of the university.
- 5- Organizing the fund employees' affairs and determining their tasks.
- 6- Preparing the proposal of the estimated budget project for the following fiscal year.
- 7- Signing the documents related to his job specification.
- 8- Submitting reports about course of the fund's activities to higher councils.
- 9- Preparing for the meetings of the general assembly and the management board of the fund and drafting their minutes.
- 10- Maintaining all fund's documents, records, and seals.
- 11- Fulfilling all duties and obligations assigned to him by the management board of fund.

Article (10) Membership in the Management Board of the Fund

- 1- Membership period in the management board is two renewable years by means of election and appointment.
- 2- The status of elected- membership in the board is voluntary. Accordingly, the member has no right to claim for any salary, rewards, or financial privileges for his membership in the general assembly and the management board of the fund, except for appointed members who are orderly treated in accordance with payment to members of the university scientific council.

Article (11) Membership Dismissal from the General Assembly and the Management Board

Dismissal from membership in the general assembly and the management board is effected under the following circumstances:

- 1- Death.
- 2- Withdrawal from the general assembly and the management board by written request.
- 3- Deliberately causing serious damages to the fund, either morally or materially. Estimation of caused damage is the sole right of the general assembly and the management board.
- 4- Inability to fulfill his tasks in the management board. Estimation of such inability is the sole right of the general assembly and the management board.
- 5- Using his position in the fund to take an action that harms the fund either materially or ethically. His membership, however, is not revoked unless approved by the fund's management board.
- 6- Inexcusable absence from three consecutive meetings of the management board of the fund.

Article (12)

Administrative Structure

The Fund consists of six administrative units:

- 1- **Communication and Public Relations Unit:** In charge of contacting individuals and charitable organizations to propagate the fund and present projects for full or partial support. It also reinforces cooperation with other funds at universities in the kingdom and with local, regional, and international relevant charitable organizations.
- 2- **Administrative Finance Unit:** Monitors all income and expenditure financial operations and collects all endowments, awards, grants, bequests, and aids received from individuals or national and international organizations.
- 3- **Property and Fixed Assets Unit:** Follows –up the affairs of property and fixed assets and their official registration and the completion of procedures of their purchase, lease, or rent as well as their maintenance and preservation.
- 4- **Investment Unit:** Establishes the endowment properties and works for their development and investment to guarantee the availability of fixed income upon which the fund's operating annual plan is based. For all fund income resources, the following are taken into account:
 - a- Investing endowments, grants, bequests, and aids according to the endowers and donors' conditions and specific expenditure aspects of the fund taking into account the principle of investment wariness and administration of professionally common financial risks.
 - b- Investing the fund's treasury in accordance with Islamic law (sharia).

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- 5- **Studies and Projects Unit:** Presents well prepared initiatives and stimulating qualitative projects and setting them up for support.
- 6- **Expenditure Unit:** Works to disburse returns of endowments, rewards, grants, bequests and others according to expenditure facets specified for the fund.

Article (13)

Fund Treasury

The fund shall have a special budget which includes its revenues and expenditures. The fund prepares its annual estimated budget including its revenues according to their expected sources and its tracks of expenditure and per their budget's items. The secretary general submits the budget to the management board at least three months before the fiscal year starts to be examined and prepared for approval by the general assembly and endorsement by the university president. The fiscal year of the fund starts and ends with the university's fiscal year. The final accounting records are compiled according to professionally acknowledged rules and procedures.

The Fund Treasury Consists of:

- 1- Movable or immovable treasury contributed by the government.
- 2- All movable and immovable treasury received from other sources.
- 3- All accepted aids, grants, donations, bequests, endowments and others.
- 4- The income earned from the fund's activity in its own investment projects, savings of internal resources, and revenues of financial assets.

Article (14) Managerial Expenditure of Executive System

with out any infringement of the real estate assets of endowments, awards, grants, and bequests, the fund's financial resources bear all endowment managerial expenditures on its functions like employees' salaries, rewards, and the fund's operational expenditures within the limits of the estimated budget items which is approved by the management board upon the recommendations of the secretary general and in accordance to the bylaws set by the fund's management board.

Article (15) Expenditure

A - Expending Regulations

- 1- Spending on the fund's operational functions is done within the limits of the budget' terms approved by the management board to cover salaries, rewards, and expenses of furnishing, operation, miscellaneous items, and renting. The secretary general is authorized to order payment of salaries and rewards within their range. The secretary general is also authorized to order payment for other things provided that the total payment does not exceed 100, 000 Saudi Riyals. In case of the need for additional funds, the secretary general should be authorized to do so by the management board of the fund.
- 2- Spending on real estate and immovable assets is done within the limits of their shares from the budget assigned by the management board and approved by the president of the university. This is also true of expenditure that exceeds 100,000 Saudi Riyals. The secretary general and the treasurer are both authorized to issue order of payment.
- 3- The above mentioned expenditure should be in accordance with the fundamental rules of the fund.

(B) Areas of Expenditure:

- 1- Qualitative projects that are unique to the university and can contribute in solving issues, matters, and special cases with some sort of importance in terms of their necessity, impact, and worthiness of attention.
- 2- Scientific research and partnership in spending on its programs and projects to encourage its overall interest and the accomplishment of useful scientific results.
- 3- Contributing in the development of community's scientific, cultural, and professional projects.
- 4- Scholarships allocated for spending on study grants within the various university faculties for Saudi students for humanitarian and scientific considerations.
- 5- Contributing in financial aids for those needy and special-case students. Their applications are studied by a committee formed by the management board of the fund according to specified criteria.
- 6- Charitable spending on areas within the university's mission and the fund's objectives as determined by the management board of the fund.

Article (16)

Bank Account

The fund's treasury is deposited in bank accounts inside the kingdom. Expenditure from the account is done according to rules set by the management board.

Article (17)

Fiscal Year

The fiscal year of the fund is the same fiscal year of the university.

Article (18)

comptroller

The general assembly, on a recommendation from the management board, appoints one or more comptrollers from authorized offices working inside the kingdom. Comptrollers' charges should be specified and they could be accepted as volunteers. If there is more than one comptroller, they become integrally responsible for their duties before the management board of the fund. The comptroller submits his report to the general assembly to be admitted and approved by the president of the university.

Article (19)

Application Priority

Issues not provided for by these rules are governed by rules and regulations adhered to by the university.

Article (20)

Amendment of the Fund's Fundamental Rules

The fund's fundamental rules are amended according to the following:

- 1- Studying the proposal for amendment by the management board and voting on it by two-third of its members.
- 2- The proposal, accompanied by the calling reasons for the amendment, is submitted for approval by two-thirds of the general assembly members and then forwarded to the university council for final endorsement.
- 3- Amendment is put to effect from the date of the final approval.

Article (21)

General Regulations

- 1- The fund is associated in its activities with the president of university or his appointed authority.
- 2- The fund sets its implementation rules in a way that does not contradict with its fundamental rules .These implementation rules are to be approved by the university council.
- 3- Minutes of the general assembly and the management board are approved by the president of the university or his appointed authority.
- 4- In case of disagreement between the president of the university and the general assembly, the issue is forwarded to the university council for final decision.
- 5- If the fund is dismissed (for any reason) ,its properties return to the university .
- 6- These rules come into effect on the date of endorsement by His Excellency the Minister of Higher Education of the university council's minutes which approved the rules.

Article (22)

Rules Interpretation

The university council has the right to interpret these rules.

Article (23)

These rules come into effect on the date of endorsing the university council's minutes which approved the rules.



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