Guidebook for Endowers

Preface

Praise be to God and peace be upon our prophet, his family and his companions:

This Guidebook for endowers is intended to be a comprehensive tool aiming at supporting and guiding endowers on their journey to establish and manage endowments so that such endowments achieve the desired objectives and contribute to uplifting society and achieving sustainable development. This Guide was built on a scientific foundation and a thorough analysis of the current realities, experiences, and practices of endowers. Its core inputs were drawn from the results of an extensive and in-depth study of the challenges faced by endowers in this vital sector. A comprehensive review of the available literature was also conducted to ensure the adoption of best practices and lessons learned from successful models, thereby helping endowers benefit from past experiences and avoid pitfalls. This strengthens the effective and grounded application of the provided guidance.

The importance of this Guide lies in its comprehensive and analytical vision, which does not rely solely on an internal perspective of the endowment community. It takes into account the detailed contexts in which endowments operate.

A dedicated unit was established to develop this Guide through ongoing communication and by incorporating user and expert feedback.

Through this Guide, we aspire to provide a reliable and comprehensive resource that enhances the quality and efficiency of establishing and managing endowments, maximizing their societal impact and fulfilling their intended Islamic purpose. We ask Allah to make this work beneficial and to grant us sincerity and success in serving the cause of endowments.

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Before You Begin

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Before You Begin ...

A Treasure and a Reward,

"O you who have believed, spend from that which We have provided for you before there comes a Day in which there is no exchange and no friendship and no intercession. And the disbelievers — they are the wrongdoers." [Al-Baqarah: 254].

A treasure and reward with Allah — on a Day when every good deed will count, and no wealth, even mountains of gold, will be accepted in ransom. No friend, influence or intercessor will be of help.

How joyful is the believer when, on the Day of Judgment, he sees the fruits of his deeds recorded in his book and witnesses what he offered — for himself and for others — purely for the sake of Allah

Before You Begin ...

A Timeless Message Rooted in Mercy and Solidarity

Islam — the eternal divine message — is founded on mercy: "And We have not sent you, [O Muhammad], except as a mercy to the worlds." Its essence is for the people of the Ummah to be as one body, supporting one another like a solid structure:

> "Indeed this, your religion, is one religion, and I am your Lord, so fear Me." [Al-Mu'minun: 52]

Among the loftiest expressions of mercy and social cohesion is the earnest call to comprehensive solidarity across all areas of life. This solidarity stems from the heart of Islam and the mission for which the messengers were sent — that humanity become one united nation, joined in belief and worship, bonded in emotion and purpose. This manifests in caring for the needs of the poor, the weak, and the vulnerable — by offering them assistance, easing their burdens, and fulfilling their needs.

Before You Begin ...

A Trade with Unceasing Profit ...

When the Prophet (Peace Be Upon Him) arrived in Madinah, he ordered the construction of his mosque. The chosen location belonged to Banu Najjar. He said: "O Banu Najjar, sell me this garden of yours." They replied: "By Allah, O Messenger of Allah, we ask no price for it except from Allah." So, they endowed the land for the Prophet's mosque Narrated by Al-Bukhari

Glad tidings to Banu Najjar — from the moment the Prophet's mosque was built on their land until this very day, they continue to receive reward equal to that of every prayer and act of worship performed in that blessed place — and this will continue forever.

Before You Begin ...

The Reward of the Hereafter ...

When the Prophet arrived in Madinah, there was no sweet water except in the well of Rumah. The Prophet said: "Who will purchase the well of Rumah and include his bucket with the buckets of the Muslims — he will have a better well in Paradise?" The ever-generous Uthman ibn Affan took the initiative. He bought it for 35,000 dirhams, expanded its capacity, and made it freely available to the Muslims. — Narrated by Al-Bukhari (mu'allaq), Ahmad, Al-Tirmidhi, Al-Nasa'i, and others. May Allah be pleased with Uthman — how great his reward, how immense his merit, and how swift his response to endowment!

The Companions would choose the finest and most valuable of their possessions and relinquish them for the sake of Allah, hoping for a better reward in the Hereafter.

(From Endowments in the Time of the Companions – Taher Zabani)

Before You Begin ...

They are the Pioneers ...

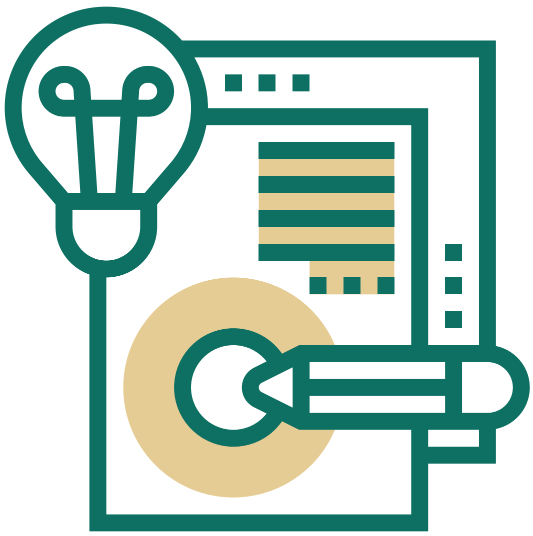
Jabir - May Allah be pleased with him- said: “There was no one among the Companions of Muhammad who had the means to endow, except that he made an endowment.”

Imam Al-Shafi’i - May Allah has mercy on Him- said: “I have been informed that more than eighty of the Companions of the Messenger of Allah from among the Ansar gave endowments in charity.”

Before You Begin ...

Place Your Lantern Before You ...

"Which of you loves the wealth of his heir more than his own wealth?"—a question the Prophet (peace be upon him) posed to the Companions. They replied, "There is none among us but his own wealth is dearer to him." The Prophet (peace be upon him) then said, "Indeed, his wealth is what he has sent forth, and the wealth of his heir is what he has left behind." Narrated by al-Bukhari



Introduction to the Guide

- Endowment in Islam and Its Importance
- Purpose and Expected Benefits of this Guidebook
- The Sharia Rules and Legal Framework Governing Endowments in the Kingdom

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Endowment in Islam and Its Importance

A Pillar in Building Society

Under the noble values and principles upheld by Islam, the endowment (Awqaf) emerges as a fundamental pillar in the construction of the Islamic society. At certain times in history, endowments covered all aspects of people's lives. In every domain where people had needs, endowments were established by members of society—making it a culture and a hallmark of the Muslim community.

A Single Concept

Jurists have defined endowment (Awqaf) in various ways using varied juristic expressions, depending on their schools of thought regarding its binding nature, whether devotion is a condition, who owns the asset after it is endowed, and whether its establishment requires a contract or unilateral action and the implications of requiring acceptance or delivery for completion)

The General Authority for Awqaf defines a Waqf as:

"The retention of a valuable asset and the dedication of its benefit or revenue for a charitable and/or familial cause."

Difference Between Waqf and Continuing Charity (Sadaqah jariyah)

In terms of reward and spiritual benefit, there is no difference between waqf and continuing charity (adaqah jāriyah); both are continuous acts of good that benefit their initiator. However, the difference lies in their jurisprudential concept and legal classification. Waqf: Involves the permanent retention of the principal asset, with its proceeds spent on charitable causes. Continuing Charity: Refers to any lasting charitable act, whether it involves an endowed asset or not. Therefore, some jurists do not differentiate between them, while others view waqf as a more specific form of continuing charity due to the condition of preserving the principal and ensuring sustainable benefit.

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Endowment in Islam and Its Importance

Nobility of the Concept

To voluntarily relinquish ownership of a property solely for the sake of Allah and dedicate its benefits perpetually to specific groups—such as the poor, the needy, students, scholars, one's own family, or charitable, social, religious, scientific, or developmental projects—is among the noblest acts in Islam.

A Sharia foundation

The concept of waqf is firmly rooted in Sharia values. It is a source of pride for Islam, conceived and developed under its auspices. Waqf is a recommended act of worship innovated by Muslims to draw nearer to Allah by contributing to the development of their communities and the flourishing of the Earth. It rests on a solid Sharia foundation of giving, kindness, solidarity, and compassion, as evidenced by numerous Quranic verses, prophetic traditions, and the actions of the Companions.

Perpetual Goodness

Through a waqf, Islam offers a means of transforming acts of goodness into a lasting source of benefit—one whose impact extends far beyond its time, contributing to sustainability and long-term positive change in society.

A Pillar of Community Development

Endowments have long served as a model for sustainable social financing. Historically, they were used to achieve community goals—supporting welfare projects, addressing poverty, funding education and healthcare—and thus brought balance and stability to society, reinforced social cohesion, and contributed to sustainable development and a spirit of social responsibility.

Endowment in Islam and Its Importance

An Extended History

Due to its enduring nature and the continual developments and enhancements made by successive generations, waqf has a rich and far-reaching history. It has arisen in response to challenges since the time of the Prophet (peace be upon him)—examples include the well of Ruma and the land of the Prophet's Mosque. Historically, the generosity of endowments increased in times of crisis, serving to alleviate hardship, fulfill needs, and magnify the reward for those who establish and manage them.

A Solid Foundation

The effectiveness of the Waqf system in Muslim life has been supported by foundational principles, including:

01 Prohibition on Selling the Endowed Asset: Ensuring the protection and preservation of the waqf property from mismanagement or misuse by its custodians.

02 It is legally accepted by jurists that the condition of the endower is like a legal ruling." This provides assurance that the endower will continue to serve the purpose the endower intended.

03 Judicial Oversight Over Endowments: This ensures the waqf is protected from interference by administrative authorities.

04 Specialized Supervision: Appointed entities, such as the General Authority for Awqaf, oversee waqf management and assume supervision in cases where no superviser is assigned.

Importance of Waqf

- One of three acts that continue after death
- An Islamic tradition unmatched by any other nation
- Guarantees the continuity of charity for both the endower and the beneficiary, while preserving the endowed asset from being sold, gifted, or any other disposition. Over time, the value of the asset typically increases, as does its yield, if properly managed.
- A strategic reserve for the Ummah during crises and emergencies.
- A tool for cultivating self-reliance in society, helping to meet basic needs and ensuring dignified living.
- An engine for economic and social development within Muslim societies, enabling the real-world application of mutual support and social solidarity.
- In a world obsessed with food security, economic growth, and the eradication of poverty and unemployment, waqf offers some of the most practical and easiest solutions.
- Endowments also contribute to the financial and economic sustainability of many organizations and institutions, especially within the third (non-profit) sector.
- The benefits of waqf for both individuals and communities—endowers and beneficiary alike—are too numerous to count, which is why waqf is considered the best and most beneficial form of charity.

Importance of Waqf

This Guidebook aims to provide comprehensive and contemporary guidance for endowers in the Kingdom of Saudi Arabia, with an emphasis on the foundational legal and religious principles, and addressing the challenges and issues they may encounter.

- It is a vital tool for the establishment and management of Awqaf (endowments) in Saudi Arabia.
- It serves as a comprehensive framework to guide endowers step-by-step toward achieving their goals in establishing and managing awqaf in a sustainable and impactful way.
- It provides practical guidelines based on scientific foundations and hands-on experience in the field of awqaf.
- It contributes to enhancing awareness and knowledge of the specific laws and regulations governing proper and effective management of endowments.
- It offers essential guidance to help endowers overcome challenges and obstacles along their journey.
- It enables endowers to benefit from best practices and accumulated expertise in establishing and managing endowments.
- It helps improve the quality and efficiency of performance of endowments, ensuring its social and religious impact.
- It encourages endowers to adopt best available practices and expertise in founding and managing endowments.
- It enhances the quality and efficiency of creation and management of endowments to maximize social benefits and fulfill the religious intent.
- It contributes to the sustainability of the Awqaf and achieving its objectives in line with the endower's intent.

Importance of Waqf

Target Audience of the Guidebook:

Individuals, groups, or institutions interested in establishing, managing, operating, and developing endowments.

Rules for Using the Guidebook:

- This Guidebook serves as an indicative reference and does not constitute a binding legal document.
- It offers general and comprehensive guidance on establishing and managing endowments, allowing users to adapt it to their individual needs and the specific nature of their endowed properties.
- Users should approach the Guidebook with flexibility and professionalism, while benefiting from personal experience and the guidance it provides.
- Users are encouraged to exchange knowledge and experiences with others, thereby enhancing their ability to achieve their goals more effectively.
- Regulations and decisions related to endowments mentioned in this Guidebook are based on the most recent updates available at the time of writing this Guidebook. Users must follow the latest updates through the official sources of competent authorities.

Terms of this Guidebook:

01

Phase
Operations and activities related to a specific phase in the journey of endowment.

02

Pillars
Main individuals or entities responsible for executing tasks during that stage.

03

Tasks
Core tasks that must be completed for the stage to be successful.

04

Supporters
Individuals or entities providing assistance and support to the phase's main pillars.

Shariah Rules Related to Endowments

Rule (1): Permissibility of Waqf

Rule: Waqf concepts in Islam are based on strong religious foundations from the Qur'an and Sunnah. Scholars unanimously agree on the legitimacy of waqf. In Surah Al-Baqarah, Allah says: "The example of those who spend their wealth in the way of Allah is like a seed [of grain] which grows seven spikes; in each spike is a hundred grains. Allah multiplies [the reward] for whom He wills. And Allah is all-Encompassing and Knowing." [2:261]. This verse reflects the importance of spending wealth in the path of Allah, and how Allah multiplies the reward for righteous deeds.

In the Sunnah, the Prophet ﷺ said (narrated by Abu Hurairah and recorded by Muslim): "When a person dies, his deeds come to an end except for three: a continuing charity (sadaqah jaryah), beneficial knowledge, or a righteous child who prays for him." This highlights the lasting impact of charitable and knowledge-based acts after one's death.

This is further highlighted when Umar ibn Al-Khattab (may Allah be pleased with him) acquired land, he said to the Prophet: "I got land more valuable to me than anything I have ever owned; what do you advise me to do with it?" The Prophet said: 'If you wish, retain its source and give it as charity.' So Umar donated it, making it not to be sold, given away, or inherited. It was designated for the poor, relatives, slaves, in the cause of Allah and travelers. It was also permissible for the custodian to consume from its produce in a reasonable manner or to feed a friend without seeking gain." (Narrated by Abdullah ibn Umar, authenticated by Al-Bukhari and Muslim)

Ibn Hajar (may Allah have mercy on him) said: "This hadith of Umar is the basis for the legitimacy of waqf." (Fath al-Bari, vol. 5, p. 392)

Rule 2: The Pillars of Waqf

Rule: Although scholars differ on the formal elements of waqf, the majority agree that there are four key pillars: (the endower, the endowed asset, the beneficiaries, and the form of declaration of Waqf).

Shariah Rules Related to Endowments

Rule 3: Documentation of Waqf

Rule: ADocumenting financial transactions, rights, and obligations is a religious requirement.

Proper documentation protects the waqf from infringement or misuse.

Forms of documentation include: written records, witnesses, and acknowledgments—all of which are included in the Evidence Law.

Issues Related to Waqf Documentation

Establishment and Validity, Evidence of Legitimacy, Certifying Authority, and Binding Nature of Waqf

01	02	03	04
Establishment and Validity	Evidence of Ligitimacy	Certifying Authority	Binding nature of Waqf

Issue I: Establishment and Validity

Rule: Any clear indication of intent (spoken, written, or a known gesture from someone unable to speak) is sufficient for waqf. If the act is physical, supporting evidence is required.

Issue II: Evidence of Legitimacy

Rule: Documentation is based on Islamic jurisprudence.

Documenting a waqf ensures the rights of the beneficiaries—analogous to documenting a debt (Surah Al-Baqarah, 2:282).

Any clear indication of intent (spoken, written, or a known gesture from someone unable to speak) is sufficient for waqf. If the act is physical, supporting evidence is required.

The earliest recorded waqf document is attributed to Umar ibn Al-Khattab, who donated land in Khaybar for the benefit of the poor, relatives, slaves, guests, and travelers. He clearly stated it should not be sold, gifted, or inherited, and allowed only reasonable consumption of its produce. This document reflects the application of waqf principles and its rules of documentation in Islam.

Issues Related to Waqf Documentation

Issue III: Certifying Authority

Rule 1: Documenting the waqf begins between the endower and his Lord, and is completed through documentation with official authorities.

Rule 2: Official documentation of the waqf is conducted by recording it with the judicial authorities and then registering it with the General Authority for Awqaf.

Issue III: Certifying Authority

Rule : The waqf becomes binding upon establishment and may not be sold, gifted, or inherited.
This is the opinion held by the majority of scholars.

Insight I

Endowments in the Kingdom of Saudi Arabia are documented based on general Sharia principles, and the competent authorities are:

- Notaries Public: They are responsible for general documentation and proof in accordance with the Law of Documentation and its Executive Regulations.
- Notaries Public: They are responsible for general documentation and proof in accordance with the Law of Documentation and its Executive Regulations.

see the Executive Regulations of the Law of Sharia Pleadings, Chapter 14, Article 246)

Insight II

The endower can benefit from the Sharia Standard for Waqf issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI):

- The standard aims to clarify the Sharia rulings on waqf, which serve as a foundation for practical applications of waqf and the role of institutions in its supervision, management, and development.

see the Executive Regulations of the Law of Sharia Pleadings, Chapter 14, Article 246)

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Relevant Regulations and Decisions on Waqf in Saudi Arabia

This section compiles the regulations and decisions related to Awqaf in the Kingdom as a reference guide. It includes both current and repealed regulations, with the repealed ones presented for the reader's awareness to avoid confusion in case a reader encounters them without knowledge of their status.

Definition and Rulings of Waqf	▪ The General Authority for Awqaf Law issued by Royal Decree No. M/A dated 1437/2/26 AH (Article 1). ▪ Regulations for Charitable Endowments (Part I).
Registration and Inventory of Endowments	▪ General Authority for Awqaf Law issued by the Cabinet Decision No. 72 dated 1437/2/25 AH (Article 5). ▪ Higher Council of Awqaf Law (Article 3).
Management and Supervision of Waqf	**General Authority for Awqaf Law issued by the Cabinet Decision No. 72 dated 1437/2/25 AH.** ▪ Article (1): Supervisor - Supervision ▪ Articles (4) ,(3), and (5): Organizing the Authority's role in awqaf, its responsibilities, and tasks. ▪ Article (7): The Supreme Council for Awqaf – its roles and powers. ▪ Article (14): Fees charged by the Authority for managing Awqaf not under its supervision. ▪ Article (18): Responsibilities of the Authority in organizing and supervising the financial aspects of awqaf. ▪ Article (23): Commitment of the Authority to the conditions set by endowers. ▪ Article (24): Conflict of interest among board members and staff of the Authority. **Higher Council of Awqaf Law repealed by the issuance of the General Authority for Awqaf Law as per Article (25):** ▪ Articles 5 ,4 ,3 ,2 and 6: Tasks, roles, and competencies of the council. ▪ Article (7): Meetings and decisions of the Council ▪ Article (15): Appointment of Council members. **Regulations for Charitable Endowments.** ▪ Part I: Inventory, verification, and registration. **General Authority's System for the Care of the Property of Minors and Similar Cases** ▪ Articles 30 ,22 ,12 ,10 and 31: Management of familial Awqaf supervised by the authority, and management of familial Awqaf without a supervisor and related provisions. **Legal Profession Law** ▪ Article (18): It permits representation of others except by lawyers for endowers, guardians, and supervisors of waqf.

Relevant Regulations and Decisions on Waqf in Saudi Arabia

Investment of Endowments

- General Authority for Awqaf Law (Article 15): Investing endowments by the authority and percentage of investment deductions.
- Higher Council of Awqaf Law (Articles 3 and 5): Council's authority to supervise charitable endowments, set investment and development policies, approve proposed projects, and set the competencies of the sub-council. (repealed by the issuance of the General Authority for Awqaf Law as per Article (25) thereof:

Sale, Transfer, and Authorization of Waqf Properties

- General Authority for Awqaf Law (Article 5): The Authority's powers to approve requests for establishing public and joint endowments and issue related authorizations.
- Higher Council of Awqaf Law (Article 3): Council's powers to review requests to replace charitable endowments based on public interest and powers of the sub-council in studying such requests. (repealed by the issuance of the General Authority for Awqaf Law as per Article (25) thereof:
- Regulations for Charitable Endowments (Part I, Paragraph 5): Replacement of low-yield or yield-less endowment properties.
- General Authority's System for the Care of the Property of Minors and Similar Cases (Articles 13–11): Authority's and supervisors' powers concerning division, revival, reconstruction, and rules for substitution and sale.
- Law of Sharia-based Procedure (Article 2) & (1) 223)): Conditions for selling, replacing, and transferring public and familial waqf assets by the supervisor, and obtaining court authorization.
- Law of Sharia-based Procedure (Article 224): Conditions for guardians acting on behalf of minors and requirement of court authorization.
- Roads and Buildings Law (Article 31, Paragraph C/3 ,2 ,1): Rules on demolition and construction of familial, charitable, mixed, and public endowments.
- Thematic Classification of the Ministry of Justice Circulars, Volume 2, pp. 1154–137: Regulations for selling, leasing, replacing, and transferring charitable, familial and mixed endowed real estate properties and the jurisdiction of courts and ministry in each case.
- Thematic Classification of the Ministry of Justice's Circulars, Volume 5, pp. ,560 ,549 ,548 561: Rules governing the appeal of judgments authorizing supervisors or guardians to sell endowments or parts thereof.
- Thematic Classification of the Ministry of Justice's Circulars, Volume 5, pp. 559 ,558 ,557: Lending for construction on endowed land and mortgaging buildings erected on endowed lands.
- Thematic Classification of the Ministry of Justice's Circulars, Volume 5, pp. 584–583: Regulations for selling endowments.

Relevant Regulations and Decisions on Waqf in Saudi Arabia

Returns and Disbursements of Endowments	▪ General Authority for Awqaf Law (Article 5 – Article 16): It specifies the Authority's duties in collecting revenues of endowments it oversees or manages, and spending them in line with the endower's conditions, as well as regulating and auditing these endowments' accounts. ▪ Supreme Council for Awqaf Law (Article 3 – Article 6): The Council's responsibility to oversee charitable endowments, disburse their proceeds in accordance with endowers' stipulations, and its authority in regulating, allocating revenues, and reviewing accounts. (Repealed by the issuance of the General Authority for Awqaf Law, per Article 25). ▪ Law of Civil Procedure (Article 226): Regulates how the proceeds from the sale of endowed real estate are to be spent. ▪ Consumer Protection Regulation (Article 14 – Article 18): Regulates and oversees the acceptance of gifts and endowments by associations. ▪ Laws on Various Agencies: Including the Technical and Vocational Training Corporation, Public Pension Agency, Saudi Red Crescent Authority, Higher Education Council, Institute of Public Administration, Saudi Commission for Health Specialties, Saudi Food and Drug Authority, Center for Studies and Research, Human Resources Development Fund, Cooperative Associations, and the Basic Regulation for Qur'an Memorization Associations in Saudi Arabia. The laws on these agencies include provisions for accepting donations, gifts, and endowments, and clearly define the relevant authorities and limitations within each entity.
Judicial Jurisdiction	▪ General Authority for Awqaf Law (Article 1) 25) and (2): Replaces the Supreme Council for Awqaf Law issued by Royal Decree No. M/35 dated 1386/7/18 AH. The new law becomes effective ninety days after its publication in the Official Gazette. Endowments under the Authority's oversight are subject to the provisions of this law, by exception to Article 223 of the Law of Shariaa-based Procedure (issued by Royal Decree No. M/1 dated 1435/1/22 AH). ▪ Law of Sharia-based Procedure (Articles 223 ,185 ,33, and 226): Defines the jurisdiction of personal status courts over cases of endowment verification; the appointment of guardians and supervisors; appeals of first-instance rulings when the defendant is a supervisor or guardian; sale or substitution of public or familial endowments with court permission; and requires that all such authorizations be reviewed by the Court of Appeal. It Also regulates the transfer of ownership for expropriated endowments. ▪ Law on Concentration of Judicial Responsibilities (Articles 15 and 95): Regulates the review of judicial rulings submitted to the Head of the Judiciary related to judgments involving supervisors, guardians, and custodians.

Relevant Regulations and Decisions on Waqf in Saudi Arabia

Judicial Jurisdiction	▪ Judiciary Law (Article 74): Excludes documentation of endowment contracts and declarations from the jurisdiction of notaries. ▪ Thematic classification of the Ministry of Justice Circulars (Vol. 2, pp. 141-140): Obligates the judge to examine the legal basis for any request by a supervisor, guardian, or custodian to sell an estate under their care. ▪ Thematic classification of the Ministry of Justice Circulars (Vol. 5, pp. ,141 ,140 ,69 ,68 547): Details procedures for the purchase and sale of endowment and orphan properties, procedures for registering mosque endowments (land and structure), and rulings related to endowments established for educational purposes.
Endowments of Foreigners	▪ Law on Sharia-based Procedure (Article 222 and Article 5): Specifies the conditions for registering endowments of real estate owned by non-Saudis, and regulations on the benefit of non-Saudis from revenues of endowed property. ▪ Thematic classification of the Ministry of Justice's Circulars – (Vol. 5, pp. 572–571): Regulates endowments made by foreign nationals for charitable or family purposes.

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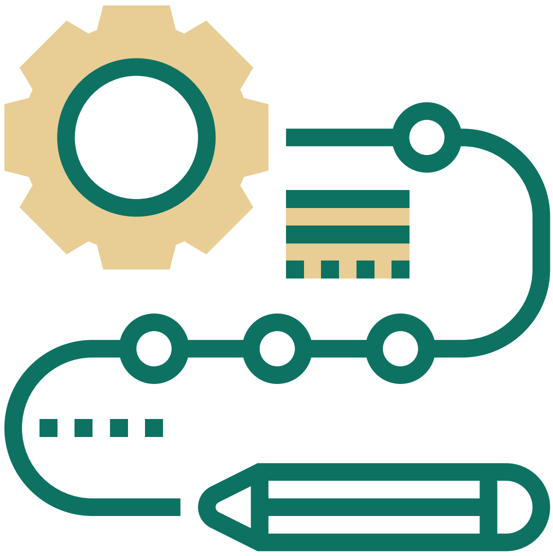
Relevant Regulations and Decisions on Waqf in Saudi Arabia

General Authority for Awqaf Law	Supreme Council for (195 .Awqaf Law (p	General Authority's System for the Care of the Property of Minors and Similar Cases
Legal Profession Law	Law of Sharia-based Procedure	Law on Concentration of Judicial Responsibilities
Judiciary Law	Thematic classification of the Ministry of Justice's Circulars	



Endowment Journey

.The journey that continues as long as God wills

(The essence of endowment is sustainability and continuity)

Importance of Waqf

- Intention and Planning (governance of Waqf)
- Documentation and Registration
- Institutional Framework (Governance) of Endowment
- Operation and Management of the Endowment Fulfilling the endower's Conditions
- Growth and Sustainability of Endowment

01

Intention and Planning

- The Intention Behind Establishing the Waqf (Why am I endowing?)
- Objectives of the Waqf (What is my goal?)
- Defining the Scope and Type of Waqf
- Considering Community Needs to Determine Disbursement Areas

Endowment Journey

Phase I:

Intention/Idea/Inputs

Pillars:

01	Endower

Supporters:

01	02	03
Consultants	Scholars	Experts and Experienced Individuals

Tasks:

- Sincerity of intention and establishing it properly
- Clarity of the idea and verifying its legitimacy and soundness
- Setting the Goal
- Determining the scope, type, and sectors of the waqf, its potential growth, and timing of launch
- Identifying disbursement fields in line with the community needs
- Verifying fulfilment of legal and regulatory requirements and feasibility of establishment

1-1 Clarity of Intention Behind Establishing the waqf (Why am I endowing?)

Allah says as regards the condition for sincerity of work

"So whoever hopes for the meeting with his Lord—let him do righteous work and not associate anyone in the worship of his Lord." [Al-Kahf: 110]

The Prophet said: "Actions are judged by intentions, and every man will have only what he intended." —Narrated by Umar ibn al-Khattab, recorded by Bukhari. Thus, the foundation of righteous deeds and acts of worship is intention; acceptance and divine success originate from it.

Task

.The endower's intention must be purely for the sake of Allah, free from worldly interests or personal gain

01 Guidelines:

- Supplication and seeking Allah's help for sincerity
- Gaining knowledge: reading relevant verses and listening to lessons about sincerity to know that actions will only be accepted with sincerity
- Training one's own self to make the ultimate goal behind the endowment—both in thought and action—to be solely for Allah
- Concealing the intention to avoid showing off
- Resisting Satan's whispers about seeking worldly outcomes from donating wealth ("Satan threatens you with poverty...")

Examples of Deviating Intentions:

Seeking reputation and praise, gaining social status, depriving or punishing heirs, making investments or spending from revenue only, and hesitation and negative thinking

02 Knowledge Insight

While intention is the foundation for the validity and acceptance of an endowment, an endowment does not become legally binding based solely on intention without accompanying words or actions.

Clarity of the Idea (What is Being Endowed)

Task

Clarity of the endowment idea in the mind of the endower (donor), what is being endowed, and full awareness and understanding of the basic rulings related to endowments.

01 Guidelines:

- Giving and spending should be within one's means: "Let a man of wealth spend from his wealth".
- The endowment must originate from the endower's own desire and be allocated by them personally.
- The endowed asset must be under the endower's control and ownership.
- The endowed asset must be lawful (halal), not prohibited, and permissible for use.
- The endowed asset must be known and specific—one cannot endow something undefined or ambiguous.
- It is valid to endow cash for investment or lending purposes.
- Types of endowments: Public/Charitable Endowment: Not designated to specific individuals, but allocated for public welfare (e.g., the poor, orphans, scholars), or specific fields such as education or healthcare. While "Private Endowment" is designated to specific individuals such as descendants. When the endower specifies both public and private beneficiaries, it is called "Mixed Endowment". If the endowment is for the benefits of specific individuals not from the endower's lineage, it's called a familial endowment. The General Authority for Awqaf has detailed these types in its comprehensive guideline on endowment types.
- Endowed assets can vary: They may include tangible assets used directly (e.g., a school, hospital, or well), or a revenue-generating assets (e.g., a property whose rent proceeds are used).
- Sustainability of the endowed asset: The endower should aim for sustainable endowments, such as: Choosing long-lasting assets (e.g., a building, house, or institution is more sustainable than a car or machine which depreciates quickly), setting up maintenance mechanisms, allocating a portion of income for reinvestment or replacement, ensuring proper legal documentation, appointing qualified supervisors, selecting manageable assets, and establishing a suitable supervision system.

1.2 Clarity of the Idea (What is Being Endowed)

Task

Clarity of the endowment idea in the mind of the endower (donor), what is being endowed, and full awareness and understanding of the basic rulings related to endowments.

02 Knowledge Insight

- The endowment is established by verbal declaration, any written declaration, or customary equivalent.
- The endowment is a binding contract and the endower no longer owns the asset—it becomes a property of Allah.
- An endower cannot revoke the endowment once it has been established.
- Typically, an endowment is to be perpetual.
- One of the key fiqh (Islamic jurisprudence) principles is "priorities are based on circumstances."
  As Sheikh Ibn 'Uthaymeen (may Allah have mercy on him) said: "Sometimes a lesser deed may be better than a greater one depending on the situation." For instance, although reciting the Qur'an is superior dhikr, answering the call to prayer is better when the call for prayer is being heard, since its time is limited. In this situation, it is better to answer the call for prayer though receiting the Qur'an is superior dhikr, because the time of reciting Qur'an is not limited, while answering the call for prayer is time-limited". Similarly, endowing a book, bus, or hospital bed to a needy institution may be more beneficial than endowing a building no one needs.

1.3 Setting Objectives for the Endowment (My Goal for the Waqf)

Task

To clearly define the objective of the endowment and its channels of expenditure to ensure its benefit.

01 Guidelines

- The endower should identify the main purpose of the endowment: Is it for public benefit? For descendants? For both? Is it for education? Poverty alleviation? Health care? ... The goal must be specific and clear.
- Prior to establishing the waqf, the endower should research and analyze areas in the community or family that need support and enhancement.
- Consulting experts and potential beneficiaries is highly recommended to gain opinions and recommendations as regards the selected field for endowment.
- The endower should envisage that the endowment will outlive and span across generations with changing needs.
- The endower should prevent the waqf from becoming a source of dispute among heirs (especially in familial or mixed endowments).
- Planning for future contingencies: (What would happens if laws change? What if the beneficiaries' circumstances change (increase/decrease in number or need)?
- Consider the hierarchy of charitable objectives as derived from the Qur'an and Sunnah—some causes are more meritorious than others.

02 Knowledge Insight

- It is not permissible to endow only some children and exclude others.
- It is valid to endow based on a description (e.g., needy, ill, or studying descendant).
- Endowments for prohibited or doubtful purposes are not allowed.
- The endower may include themselves among the beneficiaries, provided the endowment specifies what happens to their share after death.

1.4 Defining the Scope, Type, and Potential Fields for Growth, Investment and Sustainability of the Endowment

Task

Defining the scope of the endowment, its primary area of focus, necessary interventions, and the effective activities it can undertake to fulfill its objectives.

01 Guidelines

- Clearly define the geographical area served by the endowment: (A local waqf (city/region-specific)? A national waqf serving Saudi society? A global waqf spanning multiple countries?
- Specify the type of endowment: For education, healthcare, poverty alleviation, community development, or another purpose?
- Determine the fields most aligned with the waqf's nature: For education waqf: build schools, fund scholarships, create learning programs, etc. This would help identify necessary interventions and impactful projects that can bring the most benefit to the socity.
- Define the organizational form of the waqf: (Foundation, real estate property, company, bank account, shares, land, factory, etc.) Identify relevant licensing and government bodies involved.
- Explore investment opportunities for the waqf's funds in ways that align with its purpose. This ensures sustainability and long-term impact of waqf.
- Clearly specify authorizations and timeline (start and end dates).
- Identify all stakeholders: Government regulators, courts, supervising judge, and beneficiaries.)

02 Knowledge Insight

- In recent years, the concept of cash benefits has expanded significantly, particularly with the rapid expansion of financial markets and investment opportunities, as well as other intangible benefits such as knowledge and intellectual property rights. This expansion has also extended to the concept of endowments, especially with the inclusion of endowing benefits and rights.
- Endowments have a legal personality under which they are registered. Endowments should be recorded in official registries as charitable endowments, with clear regulations defining the authority and limitations of the supervisor (nazir), and the origin or corpus of the endowment must be documented in accordance with the recognized Sharia restrictions.

1.5 Considering Community Needs to Determine Disbursement Areas

Task

Identify disbursement channels that address urgent societal needs to ensure the intended impact of the endowment in resolving community problems and achieving the deeper meaning of social solidarity.

01 Guidelines

- Review the national development plan to understand key focus areas and major gaps that represent community needs (Quantitative gaps): High demand with low supply (e.g., job creation, support for industry and innovation. (Qualitative gaps): Balanced demand and supply, but poor quality of outcomes (e.g., healthcare, education). (Specialized gaps): Low demand and supply, yet vital and essential (e.g., climate and environmental protection, heritage preservation).
- Identify the appropriate community impact strategy based on the type, capacity, and objectives of the endowment: (Direct care, Solution innovation, Capacity building, System improvement).
- Consult studies, reports, and seek input from experts and advisors in this area.
- Conduct preliminary assessments of individuals affected by the issue the endowment seeks to address, to understand their needs and anticipations.
- Study existing models and practices: (Best practices, Most successful practices, Emerging and innovative practices).
- Align capabilities and resources with the chosen interventions to ensure their realism and feasibility.
- Establish a framework of standards and tools to measure the impact and effectiveness of the endowment's intervention in addressing developmental and societal issues.

02 Knowledge Insight

- The endowment sector makes significant contributions to areas directly and indirectly related with Saudi Vision 2030, with an annual expenditure reaching SAR 74 billion.
- Criteria for need analysis that the endower may consider: Inclusion of demand factors (e.g., breadth of the need—number and percentage of affected individuals, depth of the need—its severity and impact, and essentiality—how fundamental the need is) and supply factors (e.g., level of spending, effort by endowments—whether it is a primary or secondary focus, and sustainability).

1.6 Understanding the Regulatory Provisions Governing Endowments and Their Obligations

Task

Understand the laws and regulations related to the establishment, operation, donation, and management of endowments, as well as the responsibilities of endowments in this regard.

01 Guidelines

- Research and review the specific laws and regulatory frameworks governing the establishment and operation of endowments, including the rules set by the General Authority for Awqaf (GAA), registration procedures, documentation, and binding regulations from their official and updated sources.

- Consult a legal expert or attorney specializing in endowment law for advice and guidance on the relevant regulations related to the purpose and activities of the endowment.

- Ensure a thorough understanding of all legal aspects, obligations of the endowment, and related issues concerning the provision and management of funds.

- Confirm the ability to comply with all necessary procedures for documentation and the submission of the required reports as per applicable laws and regulations.

- Raise awareness among stakeholders involved in the endowment regarding relevant laws and responsibilities imposed by such regulations.

02 Knowledge Insight

- The General Authority for Awqaf is an independent public entity with legal personality and financial and administrative autonomy. It reports directly to the Prime Minister and is headquartered in Riyadh. It is the competent authority for overseeing, regulating, and supervising endowments.
- The governing regulations of the General Authority for Awqaf were issued by Royal Decree No. M/11 dated 1437/2/26H, and its subsequent bylaws are the official reference for endowment matters in the Kingdom. Entities involved in the endowment regulatory system include: Ministry of Justice, Ministry of Islamic Affairs, Ministry of Human Resources and Social Development, Capital Market Authority, Ministry of Commerce, Zakat, Tax and Customs Authority, Chambers of Commerce and Industry, General Real Estate Authority, Coordinating Council of Universities, Coordinating Council for the Nonprofit Sector, charitable associations, and boards of private institutions.

02

Documentation and Registration

- Internal Documentation: Drafting the endowment deed: Clearly and lawfully defining conditions and objectives.
- Obtaining regulatory documents from relevant authorities and complying with the legal procedures.
- Official Documentation: Registration with the court.
- Official registration of the endowment and issuance of the certificate.

Endowment Journey

Phase II:

Documentation and Registration

Pillars:

01 Endower	02 Supervisor
03 Endower	04 Endower

Supporters:

01 Legal Expert / Lawyer	02 Specialists and Experts	03 Consulting Entities

Tasks:

- Internal documentation (drafting the endowment deed)
- Official documentation with the competent authority
- Registration of the endowment
- Certification of the endowment and issuance of a certificate

2.1 Internal Documentation: Drafting the Endowment Deed: Clearly and lawfully defining conditions and objectives.

Task

Clearly and properly draft the endowment deed that includes all relevant details, scope, disbursement channels, management responsibilities, and controls.

01 Guidelines

- The endowment deed must be drafted with the utmost care and precision, under the supervision of a qualified expert knowledgeable in endowment matters and organizational procedures.
- The endowment wording must comply with Sharia regulations and principles.
- The language must be clear and explicit.
- Authorship must be clearly attributed and documented to ensure protection against forgery or alterations that could compromise its authenticity.
- The conditions and provisions of the endowment deed are binding, like a Sharia text, and must be adhered to and interpreted accordingly.
- The endowment deed should include: date of the document, endower's information, endowed assets/funds, beneficiary details and entitlements, endowment-related expenditures (maintenance, investment), purpose-specific disbursements, supervisor's selection, supervisor's profile, duties and authorities, end of supervision term, succession mechanism, special endower's rights, documentation and witnesses.
- Endowers are advised to review sample documents and similar formats to gain insight into how to document their endowment.
- Before establishing the endowment, endowers should review the document personally and consult qualified individuals or institutions.
- Common templates should be used for guidance only, as they may not suit every case. Professional advice and review are essential.

02 Knowledge Insight

- The clearer, more precise, and more detailed the waqf deed is, the more it serves the interest of the waqf, its supervisors, and its beneficiaries.
- The legal principle "The conditions of the endower are treated like a legal text" is agreed upon by scholars. For further reference, please see: Fatwas and Letters of Sheikh Muhammad bin Ibrahim (67/9). The waqf deed must be decisive and immediately enforceable.
- Conditions for a valid deed: Immediate enforceability: the waqf must be enforceable immediately. Permanence: the waqf must not be bound to a time limit.
- It must not be subject to an invalid condition.
- The wording must be decisive and binding; mere promises do not constitute a waqf.

2.2 Official Documentation Before the Competent Authority and Compliance with Legal Procedures

Task

Obtaining official documents that legally prove the ownership of the waqf from the competent related authorities.

01 Guidelines

- **Research and collect information:** Conduct thorough research to gather all regulatory and legal requirements to prove the waqf's ownership (e.g., property title deed, commercial registration, charity registration certificate, special-purpose entity license, bank certificate, unique ID number, licenses from the Ministry of Health and Ministry of Education, financial assets license, etc.”).
- **Consult guideline manuals:** Some related authorities may provide manuals that explain the steps required to prove waqf ownership, these are useful references to further understand steps to be followed.
- **Consultation and review of previous experiences:** Seek the advice of experienced professionals who understand the legal and procedural aspects and can provide valuable advice. You can also benefit from similar entities' experiences.
- **Ensure completeness of required documents:** before submitting any request, please make sure that all required documents are available.
- **Follow up on procedures and updates:** Once the applications and documents are submitted, follow up regularly, respond to any additional requirements, and stay updated on any legal or regulatory changes.

02 Knowledge Insight

- There is an up-to-date reference for all Saudi laws available on the Council of Ministers' Bureau of Experts' website, a trusted and categorized source.

2.3 Documentation by the Competent Judicial Authority

Task

Register the waqf deed with the competent court in the region where the waqf is located.

01 Guidelines:

- Submit an electronic application through the Ministry of Justice's Najiz portal using a National Unified Access Account to have the documentation request reviewed by the competent authority.
- Select E-Services > Social Status > Document a Waqf.
- Select the relevant documentation authority.
- Enter the applicant's details (either principal or agent) and all heirs if documenting on behalf of a deceased person.
- Enter the waqf name, its conditions, beneficiaries, and supervisors (nazarah).
- Attach all required documents.
- Click the "Submit Request" button.
- A text message will be sent to the endower's registered mobile number in Absher to approve the document wording.
- Once approved, the request will be processed, annotated on the deed, and the waqf certificate will be issued.

02 Knowledge Insight

- The waqf can be documented by an endower's representative with a valid power of attorney authorizing them to establish or document a waqf or bequest.
- Failure to document the waqf with the court or competent authority, even if proven by writing or testimony, does not invalidate it under Islamic law.
- Witnesses are not required to document a waqf or bequest with the court or competent authority. However, if not officially documented, witnesses are necessary to verify its validity.

Najiz portal

أوقاف
AWQAF

2.4 Waqf Registration and Certificate Issuance

Task

Register the waqf with the General Authority for Awqaf and obtain the official certificate.

01 Guidelines:

- Go to the General Authority for Awqaf website (Homepage).
- Sign up as a new user through the National Unified Access portal.
- Upon successful registration, -4digit verification code will be sent via SMS to the applicant's registered mobile number, which will be required for each login.
- Complete the required information:
  - Applicant's details (endower, supervisor, agent), including personal information and, if agent, a valid power of attorney number.
  - Waqf details: deed number, place of issuance, waqf date, location, main activity, date of deed, waqf name, beneficiaries, number of beneficiaries, type of waqf, estimated value of the endowed asset.
  - Required information about the endower and the current supervisor as per the system.
- Receive a notification confirming waqf registration, request review, approval, and issuance of the Unified National Number (700).
- Log in to the website and print the certificate.
- If the application is incomplete, the applicant will receive a message requesting missing documents or information.

02 Knowledge Insight

- There are additional services related to waqf registration, renewing the waqf certificate, amending certificate data, and transferring waqf account management.
- A user guide is available on the service portal with visual explanations and instructions that can be referred to by the applicant.

Waqf Registration Service

2.4 Waqf Registration and Certificate Issuance

02 Knowledge Insight

- The role of the Authority is not limited to supervision of official waqf regulations—it also acts as a consultative, advisory, and service-oriented body.
- Today, waqf supervisor can benefit from the services of the General Authority for Awqaf just like any other government service user, either by visiting customer service centers or using the electronic services on the Authority's website.

- Advisory services in various waqf fields.
- Awareness about investment products.
- Resolving disputes between endowers and supervisors or between supervisors before cases reach court.
- Premium services for high-value clients.
- "Wusool" service for home visits to prospective endowers.
- Receiving complaints regarding violations by supervisors or endowers.

Introductory Guide to the Authority and Its Services

03

Institutional Development of the Waqf
Waqf Governance

- Establishing an effective administrative structure for the waqf
- Clarifying roles and responsibilities
- Defining mechanisms for monitoring, evaluation, compliance, and adherence
- Developing waqf regulations and policies
- Preparing the operational manual for waqf disbursements

Endowment Journey

Phase III:

Waqf Governance

Pillars:

01 Supervisor	02 General Authority for Awqaf

Supporters:

01	02
Specialists and Experts	Consulting Entities

Tasks:

- Organizational Structure: Statute and Organizational Structure
- Clarifying roles and responsibilities
- Defining mechanisms for monitoring, evaluation, compliance, and adherence
- Preparing waqf policies and regulations
- Developing a procedural guide for waqf disbursements

Organizational Structure: Statute and Organizational Structure

Task:

To establish a regulatory framework for the waqf that ensures an institutional environment conducive to operational efficiency and goal achievement, aligned with the endower's intent. It must also ensure decision-making independence, transparency, compliance, and adherence to laws and regulations

01 Guidelines:

- The Supervisory Board and the Supervisor must exert their utmost efforts to protect the waqf from neglect and corruption and create a work environment and clear system ensuring accountability and liability
- The Statute of the waqf is a document that governs the relationship between the waqf and its members (endower, supervisor, boards, committees, beneficiaries) and also the relationship among those members, outlining task performance and defining authorities. It regulates the internal bylaws of the waqf
- The waqf deed serves as the constitutional foundation and safety valve for governance. It is the primary reference for the waqf's statute. In smaller waqfs, the deed may serve as the statute, with further details outlined in internal bylaws
- The importance of the statute lies in the fact that it is the cornerstone upon which all governance structures are built. Therefore, careful attention must be given to drafting it according to
- the waqf's needs, always aligned with the endower's intent, goals, and conditions
- The statute must not contradict the laws and regulations related to the waqf in the Kingdom, or the endower's conditions or legitimate intentions
- The statute must regulate the overall governance structure and organization of the waqf
- The statute should include the fundamental data and provisions related to the waqf, including
  - Waqf name, headquarters, and geographic area of service
  - Waqf activity and purpose
  - Endower's name and information, supervisor's name, supervisory board, and overseeing board data and permanent addresses
  - Defining waqf activities and resources as per the waqf deed and asset license, and how they are managed
  - Determining fiscal year start and end dates
  - Determining waqf disbursement channels, prioritization, spending percentages, and management authority
  - Determining the number of members of the supervisory board/board of trustees based on the waqf size and type, their selection rules, term lengths, powers, compensation, and quorum
  - Methods for auditing and financial oversight
  - Policies and procedures for disclosure and spending of waqf yields

Organizational Structure: Statute and Organizational Structure

- Provisions related to waqf bodies and responsibilities of each
- Procedures and authority for reviewing and amending the statute
- Responsibilities and duties at senior management level (supervisor, supervisory board, overseeing board, and board of trustees) and related committees. Defining the steps to be followed for their selection, dismissal, incapacity, or death

01 Guidelines:

- Structuring is about organizing the institution as an interconnected system where components rely on one another
- The organizational structure defines the internal configuration of the organization
- The organizational structure outlines authority, responsibility, and accountability. It is essential
- to build a structure appropriate to the waqf's size and type

  Since there is no single ideal or fixed structure for waqfs, it is important that whatever structure is chosen serves its purpose—creating an organizational climate that supports efficient performance, clear responsibilities and authorities, and proper job levels to ensure goal achievement, within a framework of compliance and transparency, and to further ensure and develop waqf rights
- Based on the waqf's size and institutional complexity, the structure should include: oversight level, supervisory level, and executive level. In very small or micro-waqfs, the oversight and supervisory levels may be combined
- Building a proper organizational structure requires a comprehensive study of the waqf's goals, scope of activities, needs, and a review of its statute and stated powers and obligations
- Define Objectives and Vision: The organizational structure must align with the waqf's goals and vision. Clear objectives guide the structure design
- A waqf structure must address five essential aspects: Asset preservation, waqf growth, operational efficiency, proper disbursement, and compliance through oversight and accountability mechanisms
- The structure must activate the roles of the supervisory board and the overseeing board ((oversight and guidance
- Define key functions and executive departments required to achieve these objectives. These may include administrative functions (e.g., executives, finance), technical functions tied to core (activities, and support functions (e.g., marketing, IT
- Tasks and responsibilities must be clearly defined, sequenced, and assigned, with clear authority and accountability for each role
- The structure must ensure controls for expenditure, documentation, and disclosure

Organizational Structure: Statute and Organizational Structure

02 Knowledge Insight

- Modern institutional work follows management standards that ensure smooth workflow and logical sequencing of tasks. Thus, a hierarchical administrative structure is essential
- Waqfs urgently need a solid understanding and application of governance. History and past experiences show that waqfs can suffer from mismanagement—either due to inappropriate intervention by supervisors or misunderstandings of the waqf deed's intent—especially after the endower's death and after holding no responsibility for the waqf
- A clear organizational structure helps everyone understand reporting lines, authority flow, and delegation
- There is no one-size-fits-all structure for waqfs due to the diversity in supervisory forms—from a single supervisor to full supervisory boards or overseeing boards with delegated executive or committee-based functions. Sometimes, the endower himself is the supervisor. Moreover, the waqf's type and size fundamentally impact its organizational structure
- The General Authority for Awqaf has issued a draft outlining principles for waqf governance, which is recommended for further reading and application

02 Knowledge Insight

- Organizational structures vary according to the type of endowment. The smaller the endowment's principal and yield, the less need there is for its governance, and the weaker its ability to meet and apply governance requirements
- Examples of upper administrative levels in organizational structures based on the type of endowment are :
  - Category A / Endowments with three upper administrative levels: General Assembly, Supervisory Board, and Secretary-General. Example: Large investment endowment, or unified endowments (a principal endowment linking subsequent endowments), or a waqf joint-stock company governed under the Ministry of Commerce's regulations
  - Category B / Two administrative levels: Supervisory Board and Executive Director. Example: Medium (investment endowment or limited liability endowment company (meeting governance requirements
  - Category C / Only one upper administrative level: the Supervisor. Example: Micro endowments
- Benefits of an organizational structure include :
  - Facilitating distribution of tasks, responsibilities, and authorities among employees
  - Clarifying organizational relationships—who reports to whom and the scope of supervision
  - Supporting authority delegation and administrative procedure design
  - Assisting in developing systems and mechanisms that ensure effective internal communication, employees' engagement in decision-making, and public interaction
  - Enabling optimal use of available resources
  - Avoiding overlap and duplication of activities
  - Enabling the organization to respond to internal and external changes and adapt accordingly

Organizational Structure: Statute and Organizational Structure

Enrichment Model – Figure 1

No.	Type of Organization	Oversight Level	Supervisory Level	Executive Level
01	Unified Endowments	General Assembly, Audit Committee	Supervisory Board	Secretary-General, Investment Committee, Grant Committee
02	Endowed Joint Stock	Supervisory Board, Audit Committee	Board of Directors	CEO
03	Large Investment	General Assembly, Audit Committee	Supervisory Board	Secretary-General, Investment Committee, Grant Committee
04	Small Endowments under Large One	Supervisory Board of the large endowment	--	Supervisors of small endowments
05	Designated Family "Endowment "atomic	Board of Trustees	--	Supervisor
06	Medium Investment Endowment	--	Supervisory Board, Executive Committee	Secretary-General, Investment Manager, Grant Manager
07	Direct Endowment Company	--	Partners' Assembly / Supervisory Board	Executive Director, Board of Managers
08	Micro Endowments	--	--	Supervisor / Supervisory Board

Source: Future Investment Center website – Waqf Governance as an Administrative Process

Clarifying Roles and Responsibilities and Addressing Conflicts of Interest

Task:

To establish a document clarifying roles, responsibilities, hierarchy, authority limits, and administrative and supervisory affiliations for each function

01 Guidelines:

- Successful governance enhances the distribution of authority, clear accountability, and understanding of decision-making boundaries for every role
- A core principle of governance is creating a document outlining the roles and responsibilities of each function within the organizational structure, including supervisors, supervisory board, overseeing board, board of Trustees, executive directors, and staff. This document should define functions, decision-making authority, and required reports
- It is essential to identify key roles critical to the success of the endowment. These will vary by the nature, type, and size of the endowment, but certain roles must exist: the board and subcommittees (especially governance, audit, investment, and disbursement committees), executive director, and financial director
- Establishing a system of accountability is crucial to ensure clarity in decision-making and to enable teams to know reporting lines, escalation paths, and where to seek support
- A dedicated auditing and accounting body must be assigned to maintain detailed records of the endowment's funds
- The first step in defining roles and responsibilities is clarifying: who is responsible for what? This would ensure that everyone understands respective duties and expectations
- Responsibilities and tasks should be clearly sequenced and linked to reporting lines
- A clear and written policy must be developed to manage actual or potential conflicts of interest that could affect board members, executives, or staff in dealing with the endowment or stakeholders

02 Knowledge Insight:

- The General Authority for Awqaf has drafted a governance framework for endowments. While still in draft form, it serves as a useful reference when defining key roles and responsibilities

Preparing waqf policies and regulations

Task:

To develop core bylaws and policies governing endowment operations and .ensuring legal and regulatory compliance

01 Guidelines:

- Bylaw formulation must be comprehensive, involving consultation and participation of all stakeholders within the endowment entity
- Drafting should be carried out by specialists and experts
- Regulations and policies must be clear and understandable, avoiding complicated language or ambiguous terminology
- Implementation and monitoring mechanisms must be included in these regulations and policies, with defined responsibilities and application procedures
- Key bylaws to focus on :
  - Basic Bylaw: The governing framework of the endowment
  - Governance Bylaw: Defines duties and authorities of related parties (General Assembly, board, committees, and (executive director
  - Authority Matrix: Clearly outlines financial, administrative, and legal powers
  - Financial Regulations: Governs financial and accounting control
  - Compensation Policy: Covers wages and benefits for employees
  - Disciplinary Policy
- Key Policies to Develop :
  - Conflict of Interest Policy
  - Anti-Money Laundering Policy
  - Investment Policy
  - Whistleblower and Complaint Policy
- Bylaws and policies should be reviewed regularly to ensure they remain current and responsive to internal and external environmental changes

02 Knowledge Insight:

- Regulations are crucial tools for achieving objectives, enhancing performance, managing risks, and minimizing performance inconsistencies
- Bylaws define duties and responsibilities at every level and ensure legal and regulatory compliance
- To be effective, policies and regulations must be accompanied by awareness campaigns, training, and clear enforcement mechanisms including incentives and penalties

Defining mechanisms for monitoring, evaluation, compliance, and adherence

Task:

Develop mechanisms and tools to monitor and evaluate the performance of the endowment entity and its compliance with the established regulations and policies

01 Guidelines:

- Identify the objectives to be achieved through the monitoring, evaluation, and compliance process
- Define the standards to be used for assessing the performance of the endowment entity
- Ensure that these standards and indicators reflect the objectives of the endowment and align with its strategy
- Establish monitoring and evaluation systems that allow the endowment to track its performance regularly
- Assign responsibilities while monitoring and evaluating
- Develop mechanisms and tools to monitor and evaluate the performance of the endowment entity and its compliance with the established regulations and policies
- Document these mechanisms in a procedural guide for monitoring and evaluation

02 Knowledge Insight:

- A compliance assessment mechanisms is essential to enhance transparency and to build trust in the endowment
- Compliance protects public and private interests by ensuring that resources are used according to the endowment's intended purposes and by safeguarding endowment assets from misuse or encroachment
- Compliance promotes sustainability and development by enabling the endowment to achieve long-term objectives without disruption
- Monitoring and evaluation help ensure that the charitable goals of the endowment are being met by analyzing performance and results to define the ability of the endowment to achieve these goals and taking corrective measures
- These processes help identify areas for improvement and enable more efficient resource management, to ensure efficiency and to contribute to enhancement of the waqf performance and to better achieve its goals
- The results of monitoring and evaluation can inform strategic decisions regarding investments, programs, and charitable projects and other aspects of management of waqfs
- Regular monitoring and evaluation enhance transparency and accountability in endowment management. This helps persons in charge to understand the waqf and how far it achieves its objectives

Developing a procedural guide for waqf disbursements

Task:

Prepare a procedural manual for endowment disbursements that regulates expenditure in accordance with the endower's conditions and the contents of the endowment deed

01 Guidelines:

- Endowment disbursements refer to beneficiaries as designated by the endower; these conditions must not be violated
- The disbursement procedural manual guides the disbursement process by outlining the steps to be followed to achieve the endowment's goals
- This procedural guide helps standardize procedures and ensure coordination, consistency, and compliance
- To develop the disbursement manual, the following must be complied with
  - Define disbursement categories and set objectives based on the endower's conditions
  - Draft disbursement policies per endower's instructions and the designated shares
  - Establish rules for providing aid and grants to the endower's descendants or other beneficiaries
  - Outline disbursement activities, durations, and authorization levels
  - List required documents and forms, ensuring compliance with financial controls, disbursement principles, and documentary cycle as per documentation standards
  - Have the manual reviewed by experts and specialists
  - Obtain formal approval from the Supervisory Board

02 Knowledge Insight:

- The Supervisory Board may form a specialized Disbursement Committee to oversee disbursements and assist in drafting disbursement policies and procedures
- The Disbursement Committee undertakes ensuring compliance with disbursement policies and procedures

04

Operation and Management of the Endowment

- (Identifying assets and managing operational investments (asset utilization
- Budgeting and financing
- Oversight and evaluation
- Human resource management
- Communication and stakeholder relations
- Reporting and transparency
- Emergency planning and risk management
- Continuous improvement and policy/process development

Endowment Journey

Phase IV:
Operation and Management of the Endowment

Pillars

01 Supervisor	02 CEO
03 Board	

Supporters

01	02	03
Employees	Committees	Experts and Consultants

Tasks

- Identifying and investing assets
- Budgeting and financing
- Oversight and evaluation
- Human resource management
- Compliance, transparency, and supporting reports
- Emergency planning and risk management
- Continuous improvement and operational development

Asset Identification and Investment (Sustainable Fund Management)

Task

Invest the endowment's assets and funds in various investment fields to achieve its purposes and .objectives

01 Guidelines

- Investing endowment funds—whether directly or indirectly—while preserving the core assets is obligatory. Without it, the endowment would cease to exist and endowment's mission would be compromised and no money would be available for maintenance. If they
- were abandoned and failed to be used for achieving their purposes, they would be
- meaningless
- The obligation to invest lies with the supervisor and the supervisory authority overseeing .their activity

Distinguish between asset development (construction/improvement) and investment .(income generation), and between asset growth and preservation

Operating and investing endowment funds require clear plans and effective strategies. The following steps are recommended

- Identify and list all available assets (cash and non-cash) and assess their current value
- Define administrative and investment goals and ensure that they are aligned with the endowment's objectives and scale, with a strong focus on sustainability
- Establish performance criteria to measure progress
- Develop an asset management and investment strategy appropriate to the goals and acceptable risk level
- Assess potential risks for each investment type, implement risk mitigation strategies and tools, and aim for a balanced risk-return portfolio. Diversifying assets can be used for a balanced risk-return portfolio
- Develop a detailed action plan to achieve goals with minimal risk
- Prepare a comprehensive budget, including monthly and annual cash flow forecasts
- Create a financing plan detailing current and potential funding sources
- Establish cost-control measures and manage debts effectively
- Usage of advanced financial management systems to track and analyze financial operations is recommended
- Develop a system to regularly monitor performance and analyze outcomes
- Conduct performance monitoring and periodic reviews and take corrective actions
- Modify the investment strategy based on performance evaluations and changes in goals or economic conditions

Asset Identification and Investment (Sustainable Fund Management)

02 Knowledge Insight

- Investing and utilizing the endowment's funds is an immediate obligation. Any delay, regardless of its duration, deprives beneficiaries of their rightful proceeds
- It is important to distinguish between development and investment. Development refers to increasing the endowment's capital or value, while investment refers to using the endowment's funds to achieve its objectives through sound management that sustainably preserves its capital. (Example: If the endowment is a small school, its investment means operating it with all necessary staff, resources, and tools. Its development would involve expanding the building to increase student capacity, constructing revenue-generating facilities, or opening branches in (other regions
- Investment requires funding so that the fund manager (the supervisor, the board, or the executive director) can invest the endowment's own capital. This funding should come from available resources and must be guided by clear plans, policies, authority levels, and controls
- Development funding, in contrast, represents an increase in the endowment's capital—it's a long-term need that can be met by achieving higher investment returns and increased endowment revenue
- Preserving the original endowment and ensuring its maintenance is a fundamental obligation. It does not fall under investment or development but rather precedes them both. Scholars agree that maintenance expenses must be covered from the endowment's returns before any distributions, even if this contradicts the endower's condition, as it is essential for the continuity and productivity of the endowment
- If the endower fails to specify that part of the returns should go towards increasing the capital, then withholding a portion of the revenue for this purpose is generally impermissible, as it conflicts with the rights of beneficiaries. The endower's intent is for all returns to be distributed to the intended purposes and beneficiaries. However, if the beneficiaries approve, it becomes permissible since they hold rights over the returns and revenues
- There are exceptions to this rule based on the endowment's condition—for instance, if surplus returns accumulate beyond the needs of distribution, or if the purpose of the endowment is narrow and cannot absorb all returns, or if the accumulated revenues are significant and can cover all the intended purposes of the endowment, or if significant compensation is received from legal claims. Although such scenarios are rare, they are possible and require consultation with qualified experts and regulatory approval when necessary

Asset Identification and Investment (Sustainable Fund Management)

02 Knowledge Insight

- The primary goal of a supervisor in managing the endowment should be to maximize profit, not to pursue other objectives like maximizing usage, improving the environment, or meeting broader community needs—even though these are important because the responsibility of the waqf supervisor is solely to achieve the endowment purpose. Unless explicitly stated by the endower or provided for through discretionary authority, a focus is typically on maximizing returns and distributing them to beneficiaries

Budgeting and financing

Task

To estimate, plan, and secure the financial resources required for investing and operating the endowment

01 Guidelines

- The primary goal of budgeting is cost control and sustainable financial planning. The main purpose of financing is to provide the required liquidity for operational and investment activities
- Financing the endowment involves the supervisor's efforts to secure financial coverage or its equivalent to meet investment needs, whether through employing the assets held by the waqf or through external funding sources, in accordance with Islamic law and applicable regulations
- Determining financing sources and income streams depends on several factors, including the type of endowment, its activities, and its financial strategy
- The best type of financing is what scholars refer to as "expenditure from the endowment's own yield", i.e. relying on the endowment's self-generated liquidity. This requires specialized financial management to plan, implement, and monitor projects and activities
- The financial management must prepare an annual budget aligned with the financial objectives. It should estimate expected revenues from various sources and forecast expenditures (both fixed and variable). Budget gaps should be analyzed and addressed, with a focus on priority activities. A portion of resources should be allocated for risk and emergency management
- Before developing a financing plan, it is necessary to assess funding needs by
  - Defining financial goals
  - Estimating the financial requirements to achieve such goals
  - Analyzing the financial status and position of the endowment to identify funding needs

  Financing costs—including fees and any additional charges—must be factored in. Available financing options should then be analyzed and compared based on cost, terms, and requirements. The final financing plan must be approved by the authorized body in accordance with the endowment's financial regulations

Budgeting and financing

Task

To estimate, plan, and secure the financial resources required for investing and operating the endowment

01 Guidelines

- All required financial documents and financing contracts should be reviewed by a committee of legal, financial, and Sharia experts, with special attention to compliance with Islamic principles to avoid any violations that would compromise the endowment's religious foundation
- Effective financial management must be taken into consideration to ensure maximum benefit from funding by the authorized persons of the endowment entity. Ongoing monitoring of commitments and timely repayments is essential
- Regular performance reviews of financing activities are necessary to ensure financial goals are being met and to resolve any issues that may arise
- Endowment administrators (supervisors, board members, executives, and financial managers) should have a basic understanding of endowment financing from both the legal and Sharia perspectives—even if they consult experts. Ideally, the board should include members with expertise in these areas
- Oversight, auditing, documentation, and verification of the documentary cycle are critically important. A supervisor must uphold transparency and compliance to protect the endowment
- The General Authority for Awqaf plays a significant role in developing financing solutions for endowments through various programs and initiatives, in addition to its supervisory responsibilities. Supervisors and managers should be kept informed about emerging opportunities and partnerships with trusted financial institutions to benefit the endowment

Budgeting and financing

02 Knowledge Insight

- Budgeting and financing are two financial terms related to money management within the endowed establishment, but they have different meanings. Each of them refers to different aspects of financial management
- Budgeting is a planning process aiming at allocating financial resources efficiently to achieve the financial and strategic goals of the waqf institution within a specified time frame. It involves determining expected revenues and expenditures for a specific period and distributing resources among different activities in a way that enhances the efficient use of funds
- Financing is the process of acquiring the necessary funds to finance the institution's activities, projects, and financial needs
- Simply put, budgeting focuses on how to allocate the available funds, while financing focuses on how to obtain those funds in the first place
- The General Authority for Awqaf launched the "Kafala" Program for financing small and medium enterprises (SMEs), providing a comprehensive range of financing guarantee solutions to support and empower SMEs to obtain the necessary financing for developing their waqf projects, expanding their developmental activities, and enabling them to contribute to strengthening the national economy
- Waqf financing in accordance with recognized Islamic methods takes one of two forms: The traditional model, usually within lease-based contracts, such as: Ijarah (leasing), Dual Ijarah (long-term lease with partial up-front and annual payments), Al-Marsad (renovation in exchange for deferred rent), Istibdal and Munqala (substitution and exchange of the waqf property with judicial approval). The contemporary model, using Islamic financial instruments such as: Istisna' (commissioned manufacturing), Diminishing Musharakah (decreasing partnership), Ijarah Muntahia Bittamleek (lease-to-own financing), and Mudarabah ((profit-sharing partnership

- Traditional Models of Waqf Financing
  - Ijarah (Lease Contract): Renting out the waqf asset (e.g., property or any leasable asset) for a known compensation and fixed term
  - Dual Ijarah: A long-term lease authorized by the judge on a deteriorated asset, involving a lump sum paid upfront close to the asset's value (used for restoration) and a small annual rental amount, with the contract renewable annually
  - Al-Marsad: An agreement between the waqf institution and a lessee, where the lessee undertakes to repair and maintain the asset at their own cost (which becomes a deferred debt owed by the waqf), and in return pays an agreed rent
  - Istibdal and Munqala (Substitution and Transfer): Selling the original waqf property and purchasing a new one of similar type with judicial approval

Budgeting and financing

02 Knowledge Insight

- Modern Methods of Waqf Financing

Istisna' (Commissioned Manufacturing): An agreement between the waqf institution and a financing entity where the waqf provides the land or asset for the proposed project, and the financier undertakes to construct the project. Upon completion, the waqf repays the cost in predetermined installments

(Musharakah (Partnership

- Ordinary Musharakah: A partnership between the waqf and another financing or investment entity where both share capital and profits, and the waqf provides part of its investable funds
- Diminishing Musharakah: A successful project is proposed by the waqf to an Islamic bank or investor. A joint partnership is established where the investor gradually sells their shares to the waqf within an agreed period and price
- Ijarah Muntahia Bittamleek (Lease-to-Own): The waqf finances the purchase of assets or equipment needed by a lessee for their project, and leases them out over a term covering the asset's economic life. This provides regular income for the waqf and helps diversify its investments and reduce risk

Budgeting and financing

02 Knowledge Insight

- Shari'a-compliant Mudarabah: The endower provides capital to a skilled individual to invest in exchange for an agreed percentage of the profits. It is used when the waqf holds cash or surplus liquid assets
- Salam Contract: It is the adverse form of deferred sale. It is an advance payment contract where the sold item is deferred, such as when the waqf receives capital for an investment project or for producing a product from a financier and commits to deliver the agreed product or service at an agreed future date
- Ju'ala (Commission Contract): The waqf offers a fixed compensation for completing a specific task whether in a definite or indefinite time, paid only upon full completion if it would only be beneficial upon completion
- Qard Hasan (interest-free Loan): A loan contract where a financier provides funds to the waqf, which must return the equivalent in amount, type, and quality at the end of the loan term
- Financing via Joint Stock Companies: The waqf obtains needed liquidity by investing in shares of joint stock companies, provided they are Shari'a-compliant. The advantage is limited liability—only the value of the shares is at risk

Oversight and Evaluation

Task

To provide mechanisms for oversight, auditing, and performance measurement of the waqf

01 Guidelines

- Performance evaluation, auditing, and oversight are critical to the success and viability of any institution—especially for waqf institutions, which are designed to be perpetual
- Performance evaluation provides tools to monitor progress toward objectives and align the performance of individuals, teams, and activities with strategic goals, while oversight ensures compliance with laws and regulations
- Oversight and auditing practices help ensure that the waqf adheres to integrity and ethical values, supporting its strategic and operational objectives, ensuring the accuracy of reports and its compliance with laws and regulations
- Oversight aims to ensure that the waqf assets are protected, operations are efficient, and compliance with systems and regulations is maintained, and that financial statements are accurate, documented, and reliable
- Oversight and Auditing Practices Should Focus On
  - Ensuring compliance of the waqf with integrity and ethical values, and holding individuals accountable for internal control responsibilities
  - Applying control activities through policies and procedures for oversight and assessing and managing related risks
  - Clarifying roles and limits of authority at all levels of the organizational structure
  - Obtaining accurate and documented information about waqf operations to support internal control

    Regular and continuous evaluation and reporting of any deficiencies that could negatively impact the ability of the waqf to achieve its goals or maintain compliance with laws and regulations

- Performance evaluation and measurement should include
  - Setting performance metrics based on objectives, goals, and creating performance indicators and benchmarks. It is important to have a broad range of indicators: financial, operational, quality, expenditure-related, compliance, etc
  - Collecting data according to approved evaluation policies
  - Analyzing the data using suitable techniques
  - Conducting benchmark comparisons between performance analysis results and KPIs
  - Preparing performance reports: Creating dashboards, balanced scorecards, or other clear formats to provide general, clear and summarized view of performance
- It is essential to implement corrective actions and enforce accountability systems to ensure the evaluation and oversight processes are effective and achieve their intended outcomes

Oversight and Evaluation

02 Knowledge Insight

- There are several types of control measures
  - Preventive Controls: Controls put in place to detect errors and deviations before they occur—for example, the segregation of conflicting duties
  - Detective Controls: Controls applied to identify errors and deviations after they occur —for example, actual and surprise inventory counts of cash and fixed assets
  - Corrective Controls: Controls designed to ensure that corrective actions have been taken—for example, the management reviews corrective procedures to verify their effectiveness and adequacy
  - Deterrent Controls: Controls that serve to discourage any misconduct or unacceptable practices—for example, the presence of an internal audit unit

- By activating oversight, the following can be achieved
  - Guiding the waqf to adhere to integrity, ethical values, transparency, credibility, and accountability, and embedding these principles at all levels—starting with the supervisor and the board
  - Optimal use of resources and effective management of stakeholder relationships
  - Enhancing decision-making quality and achieving the objectives of the waqf through continuous performance monitoring
  - Setting goals related to operational processes, financial and non-financial reporting, and compliance with laws and regulations
- Performance indicators are the best method for understanding an organization's activity performance and identifying ways to improve work productivity
- Caution should be exercised when selecting inappropriate performance measures, as doing so will clearly and negatively impact the organization
- Measuring organizational performance significantly helps in identifying weaknesses across various departments within the organization

Human resource management

Task

Developing and enhancing policies and plans for Waqf Human Resource Management

01 Guidelines

- Human resources are among the most important assets of any organization, regardless of its type or size. In fact, they are the primary asset. Human capital is no less important than financial capital. The more successful an
- organization is in managing its human resources, the greater its chances for success and excellence

Developing human resources policies and management plans involves several key steps and principles

- Analyze current and future HR needs of the waqf: it's preferable to consult experts and use a recognized HR needs analysis method
- Establish a regulatory framework for HR management based on the Unified Labor Regulations issued by the Ministry of Human Resources and Social Development, which governs HR functions
- Set HR goals in alignment with the waqf institution's strategic objectives and current and future activities
- Develop clear and specific policies and procedures for recruitment, hiring, training, evaluation, promotions, performance management, compensation, and other relevant HR areas
- Create accurate and realistic job descriptions, and develop a recruitment plan, and implement it
- Implement the HR management strategy, conduct periodic evaluations of outcomes, and make necessary improvements
- Offer training and development programs aiming at enhancing employees' skills, capabilities, and work efficiency
- Monitor and evaluate employee performance regularly, provide feedback, and identify areas needing improvement
- Use a reward and incentive system that reflects employee performance and outstanding achievements to encourage dedication and creativity
- Regularly review and update HR management policies to ensure they continue to meet the waqf institution's evolving needs

02 Knowledge Insight

- Organizing the HR file and complying with legal requirements under Saudi labor law is essential. This includes: Approving the labor regulations, and registering with required platforms such as Qiwa, Mudad, and optional support platforms like Marn, Hadaf Fund, Tamheer Program, Employment Support Program, etc
- employees are required to adopt the model labor regulations, which must be 49 Establishments with fewer than approved via Qiwa
  - the organization must create customized labor regulations and have ,49 If the number of employees exceeds them approved by a legal office—each type has different requirements and approval procedures through Qiwa

Human resource management

02 Knowledge Insight

- It is important to use professional methods to analyze HR needs. Some methods include
  - Expert Forecasting Method: Consulting managers to gather their insights on the organization's HR needs
  - Productivity Trends Method: Analyzing labor productivity growth trends based on employee output share
  - Workload Factor Method: Estimating the number of hours required to complete each unit of work
  - Time Series Analysis: Studying past employment levels over time (time series) to predict future employment levels
  - Correlation Between Variables to Predict Future Labor Needs: Using linear regression to identify strong correlations between two variables to estimate one based on the other
  - Task Analysis: Reviewing the duties of every individual in the organization, from the lowest to the highest level—this is one of the most effective and realistic methods
  - Labor Supply Forecasting: Predicting the size and types of labor expected to be available during the upcoming period

Registering on Qiwa platform

Registering on Mudad platform

Approving laborregulations on Qiwa platform

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AWQAF

Communication and stakeholder relations

Task

To plan and manage communication with beneficiaries, the community, and partners, and to .disseminate information about the waqf, its activities, and objectives

01 Guidelines

- Awqaf plays a key role in providing services and support to society. To maximize their benefit and positive impact, they must possess effective communication and relationship management capabilities
- Public relations should be a priority because it is a vital backbone of the waqf institution. It plays a central role in its success. It is a method to build a positive public image, enhance reputation and status in the community, attract financial and moral support, community endorsement and financiers, and raising awareness about the importance of waqf issues and attract more support
- Communication plans serve as a strategic roadmap that help transform charitable and community services into a trusted brand and offer tools to strengthen stakeholder relationships
- Communication levels and types vary depending on the class and need of stakeholders. Each class has its own communication and levels, including: Beneficiaries, donors and funders, financing entities and financial institutions, investors, experts and specialists, local community, employees and volunteers
- Developing a solid communication plan is important, the following steps are recommended
  - Assessing and reviewing the current state of the waqf to identify strengths, weaknesses, opportunities, and challenges
  - Determining and setting communication objectives based on strategic goals and the adopted business model
  - Identifying and classifying the communication targets, determining the appropriate communication channels, and selecting the suitable communication message
  - Developing communication strategies and managing them to achieve the desired goals
  - Identifying and designing key communication activities, selecting appropriate communication methods, and identifying applicable technologies
  - Developing a timeline for activities, creating a task list, and defining implementation responsibilities
  - Establishing evaluation methodologies and models and measuring the achievement of indicators
  - Implementing and evaluating the plan periodically and in phases, and preparing reports
  - Developing and improving the plan based on the evaluation results of the effectiveness of activities and methods
- Possible Objectives of the Communication Plan: Preserving the positive reputation of the endowment; enhancing identity and increasing awareness of the endowment, its activities, areas of expenditure, and services; gaining the trust of supporting entities such as contributors, investors, and businesspeople; supporting and enhancing media and marketing campaigns for the endowment
- It is important that the communication plan and strategies include internal communication with employees, work teams, and affiliated committees. Internal communication is just as important as external communication, because building a work culture, performance values, and awareness of the endowment’s mission and role is reflected in employee performance, making them active promoters and communicators of the endowment's mission and its areas of expenditure and services

Communication and stakeholder relations

02 Knowledge Insight:

- Social media is a powerful and important communication tool. Analyzing social media reports is essential while preparing the communication plan and strategies. There are several metrics to assist in this analysis, including:
  - (Media Exposure: Volume of coverage (editorial and social media
  - Top Sources: Social media posts by channel or publication
  - Google Analytics: Provides a clearer view of the types of posts that generate web traffic
  - Coverage Volume: Comparing the coverage volume between two or more topics/competitors
  - Sentiment: Evaluates the tone of brand coverage
  - Trending Topics: Patterns of conversation surrounding the topic
  - Top Websites: Helps identify the best sites discussing an event or brand
  - Top Social Posts: Social content with the highest social reach value over a given time period
- Choosing the right communication channels for the strategy is important, based on the characteristics of each channel:
  - Social Media: Engage with current and potential clients, find influencers, and track competitors
  - Email: Distribute news, reports, raise awareness, and advocate for topics or ideas
  - Internal Newsletter: Keep employees updated on endowment news
  - Print: Communicate through brochures, newspaper articles, or billboards
  - Mobile: Through SMS and apps
  - Digital Ads: Paid advertisements
  - Online Media: Press releases and success stories

Compliance, transparency, and audit reports

Task:

Providing compliance and transparency reports and engaging stakeholders

01 Guidelines:

- Regulatory compliance is a fundamental part of any organization's operations and means adhering to a set of laws and regulations to avoid legal consequences and penalties. Non-compliance may lead to hefty fines or even criminal charges
- Reports serve as critical documents to confirm compliance, and must be made available for internal evaluation and external authorities
- Transparency is a procedural approach aiming at building trust with stakeholders by providing essential, accurate, and timely information
- Disclosure is related to transparency and means publishing reports, data, and information to relevant stakeholders, authorities, and the public—each according to their level of interest
- Compliance and transparency are essential requirements for endowments to ensure their legal and regulatory protection
- The endowment supervisor and board must pay careful attention to compliance and transparency files and create a plan for managing them, including managing reports and data
- Developing compliance policies can include the following steps:
  - Conducting a comprehensive risk assessment, identifying potential vulnerabilities related to the endowment's context and operations—especially financial processes and data—and setting priorities for compliance efforts, assigning resources and responsibilities
  - Developing policies and procedures to address compliance risks. For example, in the case of errors in distributing endowment funds, a procedural guide can be created to govern expenditure
  - Establishing mechanisms to monitor adherence to policies and procedures. Also, setting up reporting channels for violations
  - Creating a compliance monitoring plan and assigning responsibilities
  - Conducting awareness and training activities for all endowment staff and stakeholders, at all levels, on compliance requirements, potential risks, and the consequences of non-compliance
  - Conducting internal reviews and compliance monitoring, which may include audits or periodic assessments to identify any gaps or improvement areas and to generate relevant reports and data
  - Pursuing continuous improvement, addressing gaps, and refining policies based on monitoring reports
  - Regularly evaluating the effectiveness of compliance policies and procedures and pursuing continuous improvement, addressing gaps, and refining policies based on monitoring reports
  - Leveraging modern technology to enhance compliance and transparency, such as integrated information management systems and big data analytics

Compliance, transparency, and audit reports

- Preparing a Compliance and Transparency Reporting Plan Involves Several Steps:
  - Setting the objectives of the reports
  - Identifying the standards and indicators used to measure performance and compliance
  - Setting a reporting schedule
  - Assigning responsibilities for data collection and report preparation
  - Using tools and technologies for data collection and report generation
  - Defining the target audience for the reports, which may include funders, beneficiaries, government entities, and other stakeholders
  - Regularly evaluating and improving the reporting process, responding to feedback from stakeholders, and adapting the process as needed
  - Monitoring changes in laws and regulations to ensure that the reporting plan remains compliant with the latest legal and regulatory requirements

Compliance, transparency, and audit reports

01 Guidelines:

- Practices for Maintaining Effective Financial Reporting Compliance
  - Staying informed about regulatory changes: It is essential to keep up to date with any updates or amendments to accounting standards or applicable reporting guidelines and seek professional advice
  - Implementing control procedures: This ensures the accuracy and completeness of financial data before it is reported externally. This may include segregation of duties, regular reconciliations, and independent reviews of financial data
  - Providing comprehensive training programs: This helps financial teams understand the complexities of financial reporting requirements, disclosure obligations, internal control procedures, and ensure consistent compliance across the organization
  - Using advanced financial reporting software: This can streamline the compliance process and reduce the risk of errors. For example, cloud-based accounting systems can centralize financial data, making it easier to accurately track and report information
  - Conducting regular internal audits: This helps identifying potential compliance gaps and ensures regular adherence to financial reporting and audit standards

02 Knowledge Insight:

- Striking the right balance between disclosure and confidentiality is a challenge. On one hand, a waqf organization is expected to be transparent and disclose relevant information to stakeholders. On the other hand, there are situations where confidentiality must be maintained to protect sensitive information, client trust, or business secrets that have market value. A waqf institution needs to strike the right balance by defining the level and type of information and classifying it appropriately
- Maintaining compliance in financial reporting is crucial to ensure transparency and build stakeholder trust. It involves adherence to various regulations, standards, and guidelines set by regulatory bodies

AWQAF

Emergency planning and risk management

Task:

Develop plans to address emergencies or anticipated challenges and manage risks and control measures

01 Guidelines:

- Risk management is the process of identifying, assessing, addressing, and monitoring potential risks that the organization may face, with the goal of reducing their negative impact and increasing success opportunities. Key risk control measures include :
  - Risk analysis: Analyze potential risks and assess their likelihood and impact using tools such as SWOT analysis (strengths, weaknesses, opportunities, and threats), and needs assessments, etc
  - Risk assessment: Assess risks based on your analysis, and prioritize them based on their impact and likelihood to determine next steps in risk management
  - Developing emergency and risk control plans: Create appropriate emergency plans to deal with designated risks, and apply preventive measures to control and reduce risks
  - Managing external risks: Take necessary measures to control external risks that may impact the institution such as providing insurance, building relationships with regulatory bodies, and assessing changes in the economic and political environment
  - Managing internal risks: Apply internal policies and procedures to control risks related to operations, employees, and financial resources, and to establish an effective internal monitoring system to reduce fraud and losses
  - Emergency response planning: Develop plans for rapid response to potential emergencies and organize regular drills for emergency teams to ensure their preparedness to effectively address any emergency
  - Continuous monitoring and evaluation: Monitor risks, regularly assess outcomes, and update emergency plans and preventive measures based on ongoing evaluations
  - Communication and continuous learning: Communicate with relevant internal and external parties to exchange knowledge, experiences, and lessons learned from risk management
  - Involving all levels of the waqf: Engage all levels of the waqf in the risk management process, from the Higher management or the Supervisory Board to the executive staff
  - Linking risk management to strategy: Align the risk management process with the overall strategy of the waqf to support the achievement of strategic goals and Supervisory Board targets
- By following these steps and adopting effective risk control strategies, organizations can reduce negative impacts

Continuous improvement and operational development

Task:

Plan and implement review procedures for waqf management and operational practices to improve and increase their efficiency and effectiveness

01 Guidelines:

- Continuous improvement and development is a method for increasing operational efficiency and effectiveness, enabling selection of optimal methods for streamlining processes, improving product quality, and increasing returns
- Continuous improvement should be an integral part of the waqf's culture and shared commitment at all levels
- Improvement and development procedures include:
  - Analyzing current operations to understand performance, identify gaps and operations that don't align with outputs, and pinpoint issues
  - Setting priorities based on waqf goals and data analysis to determine areas needing immediate improvement
  - Analyzing policies based on internal control results and identifying policies that require updating
  - Proposing improvement solutions and discussing them with departments and staff
  - Training employees to enable them to effectively implement improvements
  - Monitoring changes to ensure desired outcomes
  - Regularly evaluating improvement processes and taking necessary actions for continuous adjustment and improvement
- Principles of Successful Continuous Improvement
  - Leadership guidance plays a critical role in supporting continuous improvement and allocating necessary resources
  - Relying on facts and data for decision-making
  - Involving employees in improvement initiatives, as their ideas can be valuable to improve operation
  - Sustainability and adaptability by embedding continuous improvement as a core cultural element to ensure it remains ongoing and responsive to changes and challenges
  - Recognition and reward of exerted efforts for continuous improvement and establishing appropriate reward systems

Continuous improvement and operational development

02 Knowledge Insight:

- Alignment with Vision 2030 and Sustainable Development Goals means not only aligning goals but also aligning organizational structures, processes, and cultures for project implementation
- Waqf board members and managers must possess the necessary knowledge and skills in impact-focused competencies such as systems that address social issues, strategic impact planning, evidence-based decision-making, participatory leadership, human-centered design and management, ongoing outcome measurement, and evidence-based improvement
- Fundamental aspects of proper waqf governance include: Sharia compliance, financial and accounting discipline
- Reference can be made to AAOIFI standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions

Waqf Accounting Standard
AAOIFI

Financial Accounting Standard No . – 37

Financial Reporting for Waqf

Sharia Standard on Waqf

Outlines the rulings that form the foundation for practical waqf .applications

05

Growth and Sustainability of Endowment

- (Developmental Investment of Waqf (Waqf Asset Growth

Endowment Journey

Phase V:

Growth and Sustainability of Endowment

Pillars:

01 Supervisor	02 Investment Committee

Supporters:

01 Specialists and Experts	02 Consulting Entities	03 Funding Institution

Tasks:

- Investing the Waqf

Developmental Investment of Waqf (Waqf Asset Growth)

Task

To grow the assets of the waqf and ensure its continuity.

01 Guidelines:

- Investment is fundamental for endowments to remain strong, self-develop, and overcome challenges, allowing them to grow rather than weaken or disappear.
- All forms of trade and investment can be utilized: Ijara (leasing), Murabaha (cost-plus financing), Mudaraba (profit-sharing), various types of partnerships, investment in securities, Muzara'ah (agricultural partnerships), and investment funds.
- It is important to establish a clear investment policy and framework for investment governance in the waqf.

02 Principles of Waqf Investment Governance:

- Growth of the waqf takes precedence over other waqf expenditures.
- Maximizing return is prioritized over merely maximizing waqf size through investment.
- Preserving the waqf capital: Investment formats must preserve the original capital and not subject it to high risk. Maintaining the capital is more important than achieving high returns (preventing harm takes precedence over securing benefits).
- Stability of waqf ownership: Waqf assets must remain owned by the waqf under the principle of legal personality, except in the case of replacing waqf assets with alternatives.
- Waqf protection: It is vital not to expose waqf funds to high-risk investments that might threaten the sustainability of the waqf.
- Achieving adequate return: Investment vehicles should offer satisfactory and stable returns to avoid disruption to the waqf's beneficiaries.
- Sustainability: The concept of sustainability should be embedded within the investment principles, ensuring alignment with overall financial sustainability objectives.

03 Guidelines:

- Diversification of investment sources: Investments should not be limited to a single field. Waqf investment structures should allow flexibility to shift between sectors.
- Feasibility study: Before initiating any investment, a real feasibility study must assess whether the project is safe, aligned with Sharia, and meets vital needs.
- Security consideration: Dealings should be with reputable banks and investment firms offering strong safeguards and guarantees.
- Priorities considerations: When choosing between two options—one more profitable and safer—the waqf should choose the option that best serves its interest. For example, leasing agricultural land may be more beneficial than farming it directly; hence choosing leasing is a priority because the intended purpose is to achieve the most profitable for waqf and beneficiaries.
- Risk Management: Address root causes, including: Lack of qualified waqf management, poor data-driven strategies, weak legal and regulatory structures, internal administrative conflicts, absence of audit and expert advisory committees, engaging in non-Sharia-compliant ventures, and failing to plan for the waqf's long-term needs

Developmental Investment of Waqf (Waqf Asset Growth)

01 Guidelines:

- It is essential to define investment-related authorities, including:
  - Appointment and formation of the Investment Committee
  - Drafting and amending the investment policy
  - Investment strategy and related policies
  - Replacing waqf assets with new ones
  - Creating an investment portfolio
  - Contracting financial and investment firms
  - Purchasing waqf assets
  - Amending the strategic investment plan
- Authorities explicitly stated in the waqf deed are binding. For matters not addressed, the decision should serve the waqf's best interest and follow the recommendations of the advisory committees and experts.

02 Knowledge Insight

- Investment Regulations for Waqf:
  - Do not violate the conditions set by the endower.
  - Following prevailing business and investment customs.
  - Investments, in general, must comply with Islamic Sharia.
  - Risks must be within acceptable limits according to the waqf's risk management framework.
  - Sufficient guarantees are required for investments involving external funding.
  - Maximizing the economic return of waqf assets.
  - Continuously reviewing the foundations and standards on which the waqf's investment strategy and financing methods are based.
  - Ensuring that investments do not conflict with the essential needs of the waqf's beneficiaries.

Risk Management:

Leading companies establish dedicated risk management departments to read market trends and determine the right time for financial and investment decisions. The same should apply to waqf management, especially considering that waqf assets today may include stocks or monetary portfolios susceptible to rapid devaluation if market changes are not properly anticipated.

Developmental Investment of Waqf (Waqf Asset Growth)

Risk Management:

The authority allows the establishment of waqf investment portfolios. An application for approval is required. The user guide can be downloaded from the authority's website.

User Guide for Requesting Approval to Establish a Waqf Investment Portfolio

Regulatory and Executive Frameworks related to investment environment and competitiveness in Saudi Arabia

Tips and Guidance

- Tips For New Endowers
- Dealing with Anticipated Challenges
- Learning from Successful Waqf Experiences

To Those Who Dedicated
Their wealth, intellect, bodies, and lifetimes
To the paths of goodness and humanity

Tips For New Endowers

01 What Is with Allah Is Better and Everlasting

Merely sensing the reward from Allah, and knowing that any amount of pure, lawful wealth spent in a waqf is a goodly loan and a trade with Allah – which He multiplies manifold for His servant – is, in itself, an act of worship, a lofty Islamic meaning, and a great favor from Allah upon His servant. Keeping this awareness alive in the heart, accompanying it with supplication, seeking guidance through istikhara, and asking Allah for blessing, is a mercy, pleasure, and divine success. Its absence, on the other hand, opens the door to loss and lack of blessing

02 Knowledge Before Action

It is important for the endower to dedicate time to learning and understanding the meaning of waqf, and how it differs from similar legal acts like wills, gifts, and grants. Attending specialized courses in this field is also beneficial.

03 He Who Seeks Counsel Will Not Regret It

Consultation saves a person a great deal of time and effort – especially in something like waqf, which requires money, management, vision, and goals. Through consultation, the endower avoids the regret of haste and inexperience. We complete one another, and drawing on others' opinions and insights is part of due diligence and one of the secrets of success and excellence .

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AWQAF

Tips For New Endowers

04 Endowment Creates Continuity and Impact

Raising children with an understanding of waqf from the beginning, involving them in it, and instilling a desire to contribute ensure they will not become obstacles to its continuity or sustainability

05 Firmness in the Beginning

A key feature of success and excellence – especially at the start – is for the endower to clearly define the nature of the waqf, whom they trust to be on the supervisory board (nadhir), and how the waqf funds should be disbursed. This is particularly crucial if the waqf is for descendants, whose numbers may grow over time and potentially cause future disputes. Clear definition is a necessary step in all aspects of waqf and helps eliminate conflict, ensuring clarity, importance, and comfort for the supervisors

06 Flexibility of the Deed

A waqf may stall or face long periods of inactivity, and losses may be incurred by the supervisor or the waqf itself due to errors in the deed's wording – especially if the powers and responsibilities are not clearly defined. For example, a supervisor may try to update the deed, issue a new document, or appoint a new supervisor after the current one passes away, only to find that the deed's.formulation does not allow it. Therefore, the waqf deed must be carefully worded, with expert input to ensure flexibility and sustainability

Tips For New Endowers

07 No Overlapping Roles

A hallmark of a successful waqf is clear allocation of proportions – precisely defined for beneficiaries, operational costs, waqf development, investment, and management fees.

08 Choosing the Right Choice Is an Art

The supervisory board (Majlis al-Nazara) is key to waqf success. Choosing its individuals with diverse 7 to 5 members is critical. Typically, a group of expertise is ideal – including specialists in Sharia, economics, planning, finance, and creative thinking. This diversity fosters a distinctive and . advanced waqf

09 Elements of Excellence

All financial transactions, contracts, decisions, and investment-related matters must be properly recorded. Supporting documentation, fatwas, and completed transactions must be archived. This protects rights and resolves disputes before they escalate. It is preferable to have an accountant responsible for financial recording, and an employee dedicated to documentation and archiving

Tips For New Endowers

10 Updating Tools

Modern technologies and knowledge must be leveraged to ensure proper management, preservation, and operational excellence – including accurate accounting systems, governance frameworks, investment scopes, general project management, policy development and compliance, and other modern systems

11 Balance Is Perfection

It is very important that the number of staff is appropriate for the size of the waqf – not too few, which could weaken waqf management, nor too many, which could financially burden the waqf. Compensation should match duties as assessed by management – neither excessive (as the money is for charity) nor unfair compared to market standards. A balance must also be struck between investment growth and waqf income, avoiding overburdening returns or risky ventures with uncertain or unfeasible outcomes

12 Specialization Is Excellence

To avoid administrative issues in waqf, it is recommended that a dedicated committee – separate from the supervisory board – handle the disbursement of the waqf's revenue. A specialized agency can be engaged for this. Similarly, managing waqf real estate or properties should be assigned to a specific person or independent department. Investment activities should be the responsibility of a specialized committee, possibly in collaboration with one.or more investment firms

Tips For New Endowers

13 Document ... To Stay Safe

1- Plan, organize, and clearly define duties and powers
2- Set strategies and objectives
3- Study successful case studies.
4- Learn from others' mistakes.
5- Be meticulous in wording deeds, contracts, and rights

Dealing with Anticipated Challenges

General Guidelines

01 Identify challenges and their sources: Understanding the different types of challenges a waqf may face allows for better preparedness and risk mitigation

01 Prioritizing challenges: Evaluate the impact of each challenge not only in the short term but also in the long run and its effect on the future of the waqf

01 Analysis of the challenges: It aims to identify the root cause of each issue

01 Developing possible solutions: Exploring a wide range of options

01 Set a timeline for implementing solutions

01 Evaluating the solutions: Assessing their effectiveness in resolving issues and overcoming challenges

Internal Challenges	Keys to Solutions
Weak administrative competencies	1- Focus on needs-based training 2- Attract qualified professionals and collaborate with experts and consultants - Encourage innovation among employees to enhance operational processes
Legal and regulatory weaknesses	Legal awareness and training, compliance assessment, developing a compliance achievement plan, seeking legal counsel, maintaining contact with oversight and regulatory bodies and benefiting from their services and guidelines, and developing internal regulations and policies
Lack of specialized auditing and advisory committees	Forming committees as a priority, consulting experts, documenting processes, conducting regular reviews
Strategies based on inaccurate data	Improve data quality, refine sources and documentation procedures, regularly update and audit data, update strategies, address deviations caused by poor data, and collaborate with experts
Failure to take precautions for the :waqf's future	Proactive planning including procedures to deal with potential developments; analyze trends and changes in the waqf's external environment and their potential impacts; diversify income sources to reduce future financial risks

Guidelines

External Challenges	Keys to Solutions
Changes in regulations and issuance of binding decisions	Monitor regulatory bodies and regularly review laws and regulations, ensure clear understanding of new directives, consult experts, assess impact, and develop a suitable action plan
Delays or hindrances in processing transactions with related authorities	Identify causes, communicate effectively with the entities and with the General Authority for Awqaf for support, maintain flexibility to adjust plans and timelines, collaborate and negotiate with stakeholders to receive needed support
Emergence of competitors and shrinking market share affecting the waqf's revenue	Analyze competition, develop a competitive strategy, expand partnerships, strengthen marketing efforts, diversify income sources, innovate and invest in opportunities, leverage financial tools supported by governance and competent authorities

Learning from Successful Waqf Experiences

Guidelines

- Every existing waqf has at least one success factor — otherwise, it wouldn't have survived. Hence, value can be derived from any model
- Planned benefit yields more value and effectiveness
- When selecting models, consider the following criteria

Data availability: Choose models with sufficient and reliable data on results and impacts

Context alignment: Select experiences relevant to your waqf's context and reflective of its challenges and opportunities

Proven success: Focus on models with demonstrated effectiveness in achieving intended goals

Goal alignment: Ensure the model aligns with your waqf's objectives and addresses its specific needs

Multi-dimensional value: Choose models that deliver multiple benefits suited to your waqf's requirements

Comprehensive analysis: Analyze available data on selected models to understand key .success factors

Expert consultation: Seek guidance from professionals to assess the relevance and suitability of selected models

- Techniques for Leveraging Successful Experiences

Research & Networking: Identify other waqfs operating in similar fields or facing similar challenges and study their successful cases

Lessons Learned: Analyze other key success factors and extract applicable insights to adapt to your own waqf

Partnerships & Collaboration: Build cooperative relationships with other waqfs for knowledge sharing and cooperation for achieving mutual goals

Knowledge Exchange: Organize workshops, seminars, and events to exchange expertise with successful waqfs to ensure learning and capabilities development

Resources Utilization: Benefit from training courses, publications, and research made available by other waqfs to improve your performance

Continuous Evaluation: Regularly assess outcomes from applied experiences and adjust plans and strategies accordingly

Innovation & Development: Continuously innovate by adopting new practices based on successful models to fulfill your waqf's future objectives

Learning from Successful Waqf Experiences

Knowledge Insight

- Although the methodology for selecting these waqfs isn't always clearly outlined, they are regarded by literature as successful examples globally
- **From among the global experiences classified as successful waqf models**

01 Goodwill Waqf – A Model for Commercial Endowments

- Concept: Establish stores selling affordable goods, focusing on product recycling and environmental care
- Sector: Retail goods at affordable prices
- Distinctive Features: Environmental focus, recycling, socio-economic vision, partnerships with the private sector
- Lessons Learned: Feasibility of fully profitable endowments, how commercial waqfs can meet both charitable and waqf objectives, and higher profitability potential of online waqf stores compared to traditional ones

02 Tata Group Waqf – A Model for Family Endowments

- Concept: Establish multiple commercial endowments offering diverse services (hotels, energy, chemicals, (telecom, steel, automotive
- Sector: Diverse business and service sectors
- Distinctive Features: Diversity in services, societal and environmental concern, business innovation, partnerships with private sector to achieve social and economic goals
- Lessons Learned: Successful family waqf model, administrative structures for creating endowments within corporations, creation of operating waqfs and special-purpose charitable entities, merging multiple waqfs into one unified entity, licensing brands and granting rights to commercial firms in exchange for charitable services, and providing commercial waqfs to contribute to inventions for the benefit of local and global communities

03 Charity Water – A Model for Tackling Root Problem and its effects

- (Concept: Protect human life by providing access to safe water (Water changes everything
- Sector: Humanitarian – solving the water crisis
- Distinctive Features: Life-saving focus, water preservation, strategic partnerships with public and private sectors to achieve waqf goals
- Lessons Learned: Innovative charitable marketing for waqf, use of technology in waqf work, specialized waqf administrative costs), detailed reporting to %0) of endower's funds to waqf causes %100 model, directing endowers, and creative use of social media

Learning from Successful Waqf Experiences

04 The Rockefeller Endowment – A Model of Strategic Charitable Spending

- Concept: Establishing a charitable foundation to manage charitable funds in a commercial manner and create endowments
- Sector: Educational and healthcare endowments, financial grants, and consulting for the charitable and endowment sectors
- Distinctive Features: Organized, well-planned management of charitable funds; creation of new strategies and theories in philanthropy and endowments; serves as a bridge between grant-making endowment institutions and operational organizations
- Lessons Learned: Managing charitable funds using commercial and investment management methodologies; the feasibility of establishing a service sector specialized in the development of charitable and endowment work; the importance of creating educational institutions that serve Islamic endowment work

05 The Rolex Endowment – An Industrial Innovation Model

- Concept: Supporting industries and global brands
- Sector: Promoting innovation and competitiveness in industries and supporting creators
- Distinctive Features: Focus on innovation and competitiveness, partnerships with major corporations, and global branding
- Lessons Learned: A model for supporting high-quality and precision industries and brands through endowments; allocating part of endowment spending to business expansion and inventions; ensuring competitiveness and sustainability; leveraging celebrity endorsements for endowment-linked brands; and allocating part of endowment profits to benefit its employees

06 Wellcome Trust – Innovation in Funding and Supporting Scientific Research and Medical Education

- Concept: A philanthropic agreement to support therapeutic scientific research and reinvest results to grow the foundation's assets and ensure continuity of its charitable roles
- Sector: Funding scientific research and medical education
- Distinctive Features: Independence, focus on scientific research and medical education, partnerships with universities and research institutions, and funding educational and research programs
- Lessons Learned: A successful model of transitioning from a grant-making to an operational endowment institution; enabling endowers to use their scientific expertise in creating endowments; diversification of social functions within narrow or specific frameworks defined by endowers; and the critical role of internal governance systems in successful institutional endowment work

07 Mozilla Foundation – A Model of Endowed Social Media and Internet Platforms

- Concept: A charitable organization to prevent internet monopolization and provide open-source platforms for all
- Sector: Commercial dealings with search engines, support for educational initiatives and internet development
- Distinctive Features: The endowment idea itself, modernity and relevance of its activities, a detailed charter and constitution for governance, partnerships with non-profit entities to establish special funds supporting education and scientific research in internet development, and granting scholarships for electronic product development
- Lessons Learned: A successful model of digital endowment in terms of financial returns and global impact; electronic endowments can produce profitable digital products; partnerships can launch multi-sector projects and programs which serve various sectors

Learning from Successful Waqf Experiences

Knowledge Insight

- Numerous successful local endowments exist across all sizes—large, medium, and small—and aligned goals-2030 billion to the national GDP and Vision 7.4 contribute over SAR
- Notable examples include: King Abdulaziz Endowment: Supports the Two Holy Mosques, Sulaiman bin Abdulaziz Al Rajhi Endowments, Al-Mousa Endowment, and Abdullah Bakhsh Endowment
- We focus here on selecting successful models distinguished by their endowment concepts and national roles
- **From among the local experiences classified as successful waqf models**

01 Princess Al-Anoud Endowment – Real Estate Investment

- Concept: Real estate as a suitable financial container for will-based endowments
- Sector: Empowering segments of Saudi society
- Distinctive Features: Non-traditional real estate investment, documentation and compliance, risk diversification in real estate
- Lessons Learned: Real estate investment has advantages but requires expertise in property selection and investment management

02 Sheikh Mohammed bin Abdulaziz Al Rajhi Agricultural Endowments – Agricultural Investment

- Concept: Massive agricultural date palm endowments contributing to national food security
- Sector: Improving and developing palm cultivation and related research
- Distinctive Features: Highest palm productivity, advanced technical operations including mechanized pollination and harvesting, a data system for each palm tree tracking all growth stages, brand ownership, workforce development, and a research center
- Lessons Learned: The importance of endowment nature and field, sustainable development contributions, global achievements, agricultural innovation, and the role of research in improving products and returns

03 National Industrial Company Endowment – Industrial Investment

- Concept: Active participation in national development through a national industrial system that supports national industry and directs its returns toward charitable activities
- Sector: Manufacturing plastics, paper products, construction materials, food, packaging and containers
- Distinctive Features: Alignment with national development plans, value addition to the national product, ambitious export strategies
- Lessons Learned: Relevance of endowment nature and scope, contributions to national development plan, investment diversification, market analysis, and meeting local and global competitive standards

Conclusion

- A Call to All Interested Parties
- Gratitude and appreciation to contributors and supporters

When predecessors love something, they give it for Allah’s sake”

A Call to All Interested Parties

We invite all endowers and those interested in endowment work to engage with us and provide feedback on this guide.

Your voice, expertise, and experiences are at the heart of our mission. We are committed to enhancing and evolving this guide to make it more effective in supporting endowment activities. Please don't hesitate to share your thoughts and suggestions—they help shape a brighter and more sustainable future for endowments and the communities they serve.

Thank you for your engagement and valuable contributions.

For inquiries and suggestions regarding the Endowers' Guide:

cp@awqaf.gov.sa

Gratitude and appreciation to contributors and supporters

We extend our sincere thanks and appreciation to everyone who contributed to the preparation and development of this guide. We hope it will provide comprehensive guidance to endowers across the Kingdom of Saudi Arabia and support the success, growth, and sustainability of the endowment sector's impact, and contribute to sustainable development in our blessed nation.

To them, we extend all thanks and appreciation for their valuable contribution and continuous support in our journey to build a better future for the waqf sector"

Special thanks to:

Awqaf of Ali Abdulaziz Al-Dowayan for sponsoring the guide

Experts, Consultants, and Specialists

أوقاف علي عبدالعزيز الضويان
Awqaf Ali Abdulaziz Al-Dowayan
عطاءٌ بإحسان

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