Endowment Policy

2016-10

U.O.K.

UNIVERSITY OF KABIANGA

ISO 9001:2008 CERTIFIED

ENDOWMENT FUND POLICY

UNIVERSITY OF KABIANGA

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ABBREVIATIONS AND ACRONYMNS

DVC (A & F)	Deputy Vice-Chancellor (Administration & Finance)
EFC	Endowment Fund Committee
EFP	Endowment Fund Policy
FTC	Farmers' Training Centre
KUC	Kabianga University College
UoK	University of Kabianga

DEFINITION OF TERMS

Member of the University: Means member as defined by the University Charter 2013.

Policy: Means a set of plans or actions agreed on by an organization or a set of ideas or principles which are sensible or wise.

Endowment Fund: An endowment fund is an institutional fund or part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. It is a permanent, self-sustaining source of funding.

EXECUTIVE SUMMARY

The emerging trends in Education and Business Sectors as captured in the Constitution of the Republic of Kenya and the Kenya Vision 2030 among other national documents call for joint efforts between Universities, stakeholders, the Private sector and the general public. The trend is generating a demand for increased resources that can support various aspects of the core mandate of the University. There is an increasing competition for a smaller pool of funding available and a decrease in core institutional funding. As a result, a growing gap is witnessed between demand to expand institutional activities and institutional funding which is unsustainable.

The purpose of this policy is to create a platform where aggregation of funds comprising of gifts from donors and grants from the individuals and organisations are used to support the mission of the University. "Endowment Fund" is one of the ways institutions of higher learning can use to partner with almost everybody in the society. Endowments are typically named after the donor(s) or a person(s) the donor wishes to honour. They may be established by a one-time gift, a series of gifts, a pledge paid over a period of five years, wills, trusts, gifts of appreciated assets, or a combination of these. Gifts (added by others to the same fund) can be added to an established endowment at any time. The amounts normally depend on the donor's objectives, and the type of gift.

VICE-CHANCELLOR

UNIVERSITY OF KABIANGA
03 JUL 2017
OFFICE OF THE VICE CHANCELLOR
P.O. BOX 2030 - 20200, KERICHO.

SIGNATURE

1.0 PREAMBLE

The Kabianga Complex which comprised of the High school, Primary school and the Farmers' Training Centre (FTC) has a long history dating back to 1925. It is therefore, one of the oldest education centres in Kenya in particular and the Eastern part of African in general. The FTC started in 1959 as a result of the Swynerton Plan in the mid 1950s which advocated inter-alia the improvement of agricultural and livestock production. FTC remained under the management of the Ministry of Agriculture and Livestock Development for a period of 48 years providing training and extension services to the small scale farmers in Southern Rift Region of the country and beyond. Due to the demand for higher education in Kenya, the Government handed over the former FTC to Moi University on 8th November 2007. The first cohort of students to be enrolled reported on 26th November, 2007 for the 2007/08 Academic year.

Kenya Government, through a Legal Notice No. 77 gazetted in the Kenya Gazette Supplement No. 36 of 29th May, 2009, established Kabianga University College as a Constituent College of Moi University and on 1st March, 2013 KUC was elevated to a fully-fledged status and named the University of Kabianga upon the award of the charter by H.E. Hon. Mwai Kibaki, the 3rd President of the Republic of Kenya.

1.1 THE VISION OF THE UNIVERSITY

To be a leading university in scientific innovation for the betterment of humanity

1.2 THE MISSION OF THE UNIVERSITY

To create, preserve and transfer knowledge and technology through quality and entrepreneurial education, research, extension and partnership with Government, industry and non-state actors whilst ensuring a sustainable

1.3 PHILOSOPHY

The Philosophy of University of Kabianga is to foster intellectual development, excellence, creativity and innovation, academic freedom, equity, integrity, peace and sustainability through relentless search for truth.

1.4 THE CORE VALUES

a) Promotion and defense of intellectual and academic freedom, scholarship and relentless search for truth.
b) Fostering teamwork, collaboration, creativity and innovation, effective communication, tolerance, perseverance and a culture of peace.

c) Embracing excellence, professionalism, openness, consultation and consensus building, efficiency and effectiveness.

d) Practicing competence, meritocracy, exemplary leadership, equality, integrity and national patriotism.

e) Continuous improvement of services in order to remain competitive.

1.5 THE UNIVERSITY ORGANIZATIONAL STRUCTURE

University of Kabianga is a corporate institution established by University Charter 2013 and it has various bodies for its effective management. These include:-

a) Chancellor
b) Council
c) The University Management Board
d) The Senate
e) Schools and Departmental Boards

1.5.1 THE CHANCELLOR

Chancellor is the titular head of the University of Kabianga.

1.5.2 THE COUNCIL

The Council is the governing body of the University through which it can act, administer property and funds, and receive monies, plant and equipment materials, gifts and grants for its use. The Council is also responsible for the welfare of staff and students and can enter into association with other universities and institutions within Kenya or otherwise as it may deem necessary and appropriate. The other function of the Council is to appoint staff and conduct disciplinary action against staff and students in consultation with relevant University organs.

1.5.3 THE UNIVERSITY MANAGEMENT BOARD

The management Board is responsible for implementing Council and Senate decisions. It is also responsible in providing directives and guidelines to the University subsystems for the enhancement of the efficient running of the University.

1.5.4 THE SENATE

The Senate is the body responsible for academic matters in the University and the final authority on all such matters.

1.5.5 SCHOOLS, INSTITUTES, DIRECTORATES, CENTRES ANDDEPARTMENTS

The Schools, Institutes, Directorates, Centres and Departmental Boards play a major role in academic and administrative functions of the University. The functions of these Boards are clearly stipulated in the UoK Charter and Statutes and they assist the Deans and Heads of Departments in the Management of their respective Schools and Departments respectively.

1.6 FUNCTIONS OF THE UNIVERSITY

a) To provide University education aimed at producing mature, competent and conscientious graduates with appropriate skills, ability and desire to contribute to the well being and development of the people of Kenya, East African region and the global community, in accordance with the national philosophy of mutual social responsibility and international conventions.
b) To provide education for national service, community outreach and development which reflect the national cultural heritage.
c) To develop and transmit knowledge and skills through research and training at undergraduate and postgraduate.
d) To preserve, produce, process, transmit and disseminate knowledge and stimulate the intellectual life and cultural development of Kenya.
e) To conduct examinations for, and to grant degrees, diplomas and other awards of the University
f) To determine who may teach, what may be taught and how it may be taught in the University.
g) To play an effective role in the development and expansion of opportunities of Kenyans wishing to continue with their education.
h) To address emerging issues of national, regional and global importance.

1.7 RATIONALE

The "Endowment Fund Policy" aims at diversifying sources of funding to the University of Kabianga. It creates a platform for aggregation of funds which comprise of gifts from donors and grants from the individuals and organizations with the requirement that they be invested in perpetuity to generate a reliable and steadily growing income stream to support the mission of the University. This is a permanent, self-sustaining source of funding that could be restricted or unrestricted. The funds of the unrestricted variety may be used in any way the recipient chooses. Restricted endowment revenue may have limitations put in place by the donor to serve a specific purpose. A common example is a University scholarship that is restricted to students pursuing a career in a certain field or could be restricted more specifically to students pursuing one very specific career.

The rationale of this policy is linked to the 2016-2020 Strategic Plan. In strategic issue on financial resource mobilization and management, the University has planned to establish endowment fund from individuals and philanthropic foundations. In the University statutes the rationale is also captured because an endowment fund is to be created as part of resource mobilization.

1.8 OBJECTIVES

The objectives of the Policy are to:-

a) Create a platform for individuals, group or organizations to invest in UoK.

b) Offer guidance and limitations regarding to donations.

c) Ensure that Endowment's assets are managed according to industry best practices and applicable laws.

1.9 AREAS OF FOCUS

a) Academic and Public Service Programmes

b) Establishing student scholarships

c) Creating professorships

d) Instituting new programmes

e) Constructing new facilities.

f) Unrestricted gifts that can support general operations or special initiatives.

g) Research

1.10 SCOPE

The policy is applicable to UoK Council, Management, staff, students and other Stakeholders and friends of the University.

2.0 THE ENDOWMENT POLICY

2.1 INTRODUCTION

The Policy shall be named "Endowment Fund Policy" EFP of the University of Kabianga (UoK)

The Policy shall be under the Finance Department in the Division of Administration and Finance but under the terms and conditions of the specific Endowment Fund.

2.2 ELIGIBILITY REQUIREMENTS

The policy will adhere to the requirements of the Kenya Constitution and the regulations governing the specific Endowment Fund.

2.3 IMPLEMENTATION FRAMEWORK

The implementation of this EFP will be institutionalized within the organization structure of UoK.

2.4 ORGANIZATION AND MANDATE

The policy will be supervised by the DVC (A&F) under the general Act of the University, in line with the purpose of the Endowment Fund.

2.5 THE ROLE OF THE UNIVERSITY COUNCIL

a) Approve the EFP.
b) Approve short, medium and long term implementation plans under EFP.
c) Allocate financial resources for the implementation of the EFP.

2.6 THE ROLE OF THE UNIVERSITY MANAGEMENT.

a) Recommend to Council to approve drawn proposals for consideration by potential individuals, groups or organizations;
b) Recommend to Council to approve proposed financial resource allocation for the implementation of unrestricted funds;
c) Recommend to Council to approve work plans, strategic plan, financial progress reports and budgets of specific Endowment Funds;

d) Present the EFP to the University Council for approval; and

e) Ensure implementation of the EFP through the existing University structures.

2.6 THE ROLE OF THE SECRETARIAT

The Secretariat will have the mandate to:

a) Take a lead in coordination and implementation of the EFP;

b) To initiate mobilization resources for the implementation of the EFP.

2.7 IMPACT OF ENDOWMENT FUND POLICY

The EFP will:

a) Diversify sources of funding and increase funds to the institution;

b) Create a platform for individuals to support UoK and therefore leave a legacy;

c) Lead to improved infrastructure within the Institution; and

d) Lead to increased research, scholarships and Professorships.

2.8 ENDOWMENT FUND PROCEDURES

Endowment Fund Policy shall operate according to the procedures laid down by each individual endowment fund. This Policy shall encourage and facilitate proposals in search of potential donors or friends of the University. Endowment Fund Policy will ensure formation of Committees to manage specific funds under endowment fund.

2.9 TERMS AND CONDITIONS

Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the managing committee. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

a) The duration and preservation of the Endowment Fund;

b) General economic conditions; and

c) The Endowment Fund Policy guidelines.

2.10 ENDOWMENT FUND COMMITTEE (EFC)

There shall be an Endowment Fund Committee consisting of not less than six and not more than nine persons. Their roles will include but not limited to the following:-

a) Define the purpose(s) of the endowment fund, and communicate those purposes to the University Management;
b) Plan and carry out activities that create visibility for the fund;
c) Ensure that investment activities are operating within applicable state law/s;
d) Plan and carry out fundraising activities for memorial gifts, bequests and major lifetime gifts;and
e) Oversee the investment assets of the Fund and monitor the management of the Fund's assets for compliance with University rules and regulations guidelines.
f) Consider and make decisions about special purpose gifts;

2.11 TERMS OF REFERENCE FOR EFC

The TORs of the EFC include:

a) Determining and propose types of investments relevant to the Institution;
b) Making a reasonable effort to verify facts relevant to the management and investment of the fund; and
c) Monitoring and evaluating the implementation of specific investments.
d) Developing mechanisms to acknowledge contributions by philanthropists
e) Developing mechanisms to handle those who want to be recognized and those who don't want to be recognized
f) Any other matter/s relating to the endowment policy.

2.12 MEMBERSHIP

The membership of the committee is as follows:

i. Two (2) members from Council,
ii. Three (3) from Management and
iii. Two (2) from relevant University Departments

NB//: An implementation committee will be appointed within the EFC

3.0 AMENDMENT OF THE POLICY

This policy shall be revised after every three (3) years and/or when need arises.

4.0 MONITORING AND EVALUATION

The policy implementation shall be monitored and evaluated using appropriate mechanisms. The Actors will include Management and relevant Heads of Academic and administrative units.

5.0 CONFLICTS OF INTEREST

The members of the EFC shall comply with the terms of University's Conflict of Interest Policy when discussing on matters before the committee.