

Proposed processes and procedures for funding Capital Projects within the remit of the World Federation of KSIMC

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Consultation Complete	Target before 30 April 2008

On Saturday 25th September 2004 at the 2nd Executive Council meeting of the World Federation held in Leeds, a draft proposal for the Proposed Processes and Procedures for funding Capital Projects within the remit of the World Federation of KSIMC was presented.

This was followed by a formal consultation exercise till the 15th February 2005, to enable members, Jamaats and individuals to send in their comments, thoughts, suggestions and questions. All comments were acknowledged and responded to, within 21 working days.

The object of this revision is as a result of request and recommendations that were as a result of comments received at the last EXCO meeting at Leicester in November 2007. This document is issued to the EXCO for a consultation period of 60 days. All feedback and comments to be sent to the Secretariat by end of April 2008, and responses made within 3 weeks. The final paper will be formally presented for adoption at the next EXCO meeting.

World Federation of KSIMC - Capital Projects Working Group
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Document History

Date	Issue Description
19 Feb 2008	Amended issue for consultation and approval at Stanmore EXCO 2008 Amended as part of further development - all highlighted in green
26 May 2007	Amended issue for consultation and approval at Nairobi EXCO 2007 Amended as part of further development - all highlighted
22 Oct 2005	Issued to COEJ
05 June 2005	Comments from Third Meeting incorporated into paper Issued to and approved by NASIMCO
26 March 2005	Comments from Second Meeting incorporated into paper Second Presentation: WF Third EXCO Meeting, Toronto Approved in general: pending minor amendments
25 Sept 2004	First Presentation: WF Second EXCO Meeting, Leeds Approved in principle: comments to be incorporated from community

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Synopsis

As a community, we are more and more dependent on khums to fund our capital projects. However, if we look back into the history of our community, our forefathers funded most of the capital projects from the 80% and not the 20% of their savings. With the increasing needs of our community it is imperative that we prioritise prudent utilisation of our project spend, particularly given the current economic climate where inflation sometimes exceeds investment growth, thereby eroding the worth of our money. It is important that we remember the guidance of our current Ayatullah Al Udhama Ali Hussein Seestani on this issue:

“It is highly recommended that these (khums) funds are spent with the clear intention that it is on behalf of the Imam (AS). It is incumbent to maintain priority of importance – the more important ones to be addressed first. In these times, the most important area in which Sehme Imam (AS) can be spent is to establish the correct practice of religion, propagate the divine message, spread the teachings of our religion and to provide and cover for the costs of the learned people who spend their time in learning. They have dedicated their lives to teaching the ignorant, guiding the misled, advising the Believers, counselling the aggrieved and many more such activities that contribute to the promotion of their faith and perfection of their own selves allowing them to gain proximity to the Almighty.”

Minhajus Swaliheen: Page 411, Rule No. 1265

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1. Introduction

Bismillah hir Rahman nir Rahim

Hadith

I do not fear poverty amongst my Ummah as much as I fear the consequences of poor planning.

Prophet Muhammed PBUH

- 1.1.** The Strategic Plan 2003-2008 "Creating Futures together ..." states by 2008, the WF will have developed systems and processes to ensure funding for capital projects are based on a needs analysis and delivery of census data.
- 1.2.** Processes and procedures for funding of capital projects within the remit of the World Federation of KSIMC are necessary:
- ▶ To ensure huqooq funds are spent responsibly
 - ▶ To ensure there is due care and diligence when undertaking capital projects
 - ▶ To ensure comprehensive needs analysis and feasibility of maintenance costs are done by Jamaats and regional federations before venturing in capital projects
 - ▶ To provide a framework for developing capital projects in the community globally

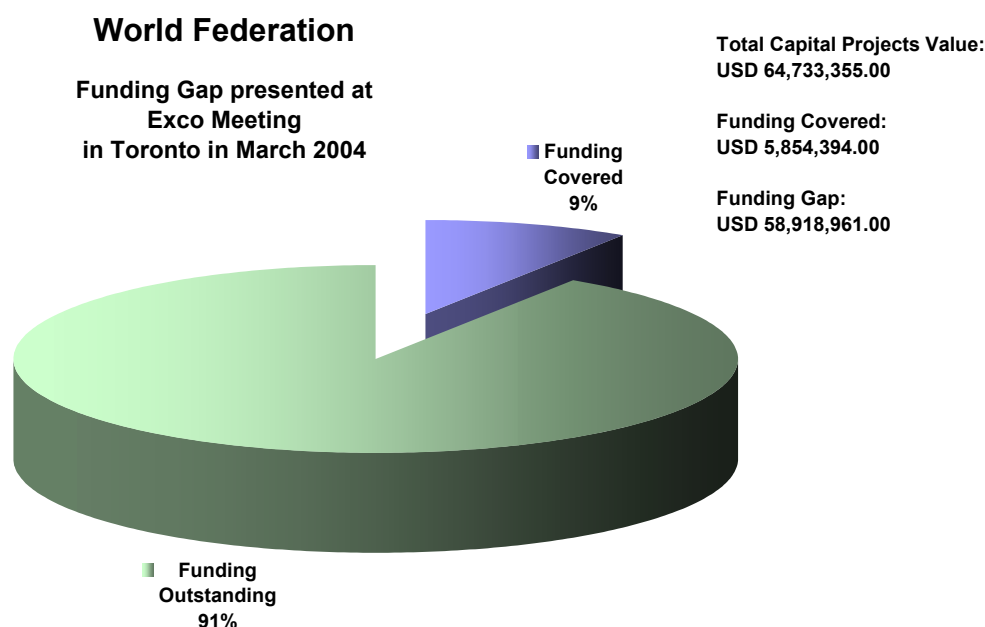
In response to the request that the Capital Projects Working Group look into the various aspects of the huqooq funding and extension of the definition of community projects, the following articles are added to this paper for discussion, comments and possible adoption:

Appendix A: Definitions of Huqooq Funds

Appendix B: Classification of Community Projects

- 1.3.** Having established a global community under the auspices of the World Federation, we can only look forward to a period of unprecedented growth over the next 10-20 years. It is imperative that our community studies demographic trends set by our movements, prioritise development, set goals and targets that are challenging but with reality checks, achievable yet pragmatic, process driven rather than just emotive responses to a situation; taking into account sustainability of maintenance costs.

2. Problems facing current Capital Projects



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- 2.1. A Capital Project is a mammoth task for any individual Jamaat to undertake without well thought out processes to ensure that the project is undertaken smoothly without financial and technical hitches.
- 2.2. Of the 120,000 Khoja Shia Ithna-asheries world wide, it is estimated that only about a third contribute to capital projects. Such a statistic needs to be redressed so that a greater portion of the community feels a sense of communal belonging and ownership. Perhaps this can be achieved by generating credibility in the decision making process for the allocation of capital to projects and transparency in its audit trail.
- 2.3. To have rational, planned and sustainable development, a pragmatic approach to capital projects is imperative. The Jamaats must make sure that donations from generous philanthropists are channelled in the right way, and in a planned fashion. We need to professionalize our thinking, our emotions and our processes, and we need to recommend our individual Jamaats to follow the guidelines mentioned below, in order to chart a smooth voyage to the completion of the project and beyond.

3. Proposed Processes and Procedures

3.1. The Project Committee

A Jamaat having identified a need for a capital project, it would be required to form a Project Committee. The Managing Committee shall assist in identifying suitable professionals capable of serving in the Project Committee.

The **function** of the Project Committee:

- ▶ Should be elected by the General Body of the Jamaat and should operate within a remit that is well defined and alongside the Jamaat's Managing Committee.
- ▶ The life of the project committee will be for the duration of the project to provide continuity.
- ▶ This Project Committee would be responsible for advising, and reporting to, the managing committee on the project on a regular basis until the completion of the project.
- ▶ Should have at least one member from the current managing committee to act as a liaison between the Project Committee and the managing committee. Nevertheless there will not be a limit on the number of the managing committee members who can be members of the Project Committee.
- ▶ Liaison between the World Federation, the regional federation and the individual Jamaat should be established through proper systems and processes. The Project Committee would be accountable to the managing committee of the day.
- ▶ Should consist of professionals as relevant to the project. These may include a professional Project Manager, other building professionals (Architect, Engineers, Quantity Surveyor, etc), accountants and financial experts.

The **remit** of the Project Committee will include, depending on the wishes and direction given by the General Body, some or all of the following:

- ▶ Prepare and present conceptual architectural plans, with square footages and initial budgets to the jamaat, regional federation and World Federation.
- ▶ Attain formal approval from the aggregate Jamaat at a general meeting.
- ▶ The Project Manager prepares a cost loaded bar chart with relevant timelines and cash flows.
- ▶ Decide on procurement method, e.g. design-build, conventional route (architect – engineer – contractor), cost-plus or management contracting.
- ▶ Architectural plans to be finalised, obtain planning approvals, and obtain approval from the General body (for comments, etc).

World Federation - Executive Council

Regional Federations

- Council of Gujerat
- Africa Federation
- Council of European Jamaats
- NASIMCO
- Middle East Federation

- Liaise with World Federation Executive Council
- Receive Jamaat's General Body approval
- Co-ordinate all projects within region
- Apply priorities to projects
- Provide support to project
- Channel resources from within region to projects

Individual Jamaat Managing Committee

- Decide on Capital Project
- Appoint Capital Project Committee (CPC) Chairman and Secretary
- Nominate one member from Managing Committee to CPC
- Receive all plans, budgets and facilitate approval by General Body
- Liaise with Regional Federation
- Facilitate project execution and publicity to Regional Federation

Capital Projects Committee

- Chairman and Secretary nominate other committee members
- Oversee various sub-committees and appoint professionals
- Present concept plans to Jamaat and General Body
- Present budgets, obtain approvals
- Decide procurement method, and ensure funding is available
- Finalise plans, cash flows, solicit tenders, negotiate
- Award Contract and oversee construction works
- Oversee funding and financial aspects of the project

Co-opt one member from
Managing Committee to
Capital Projects Committee

Planning Committee

- Demographic Data
- Needs Analysis
- Trend Analysis
- Future Needs

Technical Committee

- Size, design, areas etc
- Conceptual and detailed plans
- Cash flows and work programme
- Obtain local authority approvals
- Prepare work package and tenders
- Evaluation of work packages
- Recommend contractors

Finance Committee

- Feasibility Study and Business Plan
- Current expenditure and revenues
- Projected expenditure and revenues
- Funding Strategy
- Donor capacity within Jamaat
- Sustainability of project

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- ▶ Solicit tenders, evaluate on equal basis, negotiate contracts, etc.
- ▶ Oversee construction and completion of project.
- ▶ Planning committee
- ▶ Technical committee
- ▶ Finance and fund raising committee.
- ▶ To gather all demographic data, non financial data, do a needs analysis, and future needs analysis.
- ▶ Look into the various aspects of the project i.e. size, design and area, restrictions on land use, etc.
- ▶ Search for architects and quotations etc.
- ▶ This will be based on the needs analysis and data obtained by the planning and financing committees.
- ▶ Gather all financial related data such as donation capacity within community.
- ▶ Determine current expenditures and revenue sources, projected expenditures and revenue sources.
- ▶ Prepare a Business Plan that will show funding sources and a funding strategy for both construction and future maintenance of the project.

The **advantages** of the Project Committee will include:

- ▶ **Continuity:**
The Project Committee, working alongside the Managing Committee, will ensure continuity of the project once it is embarked upon. Thus even if there was a change in the Management Committee, it will not affect or hinder the Project Committee
- ▶ **Specialization and Efficiency:**
The formation of the committee with experts will allow for specialization of tasks and delegation of roles. This will provide quicker results as there are more individuals involved and the burden is not carried out by a handful of individuals.

3.2 The Feasibility Studies

At the initial stage the Project Committee's main objective will be to collect data by conducting a detailed survey within the community:

Demographic feasibility:

- ▶ Current membership and needs analysis.
- ▶ Demographic trends and the potential change in requirements.
- ▶ Suitability of the current and future location/s.

Financial feasibility:

- ▶ Ascertain the current financial position of the community and future sustainability of the project.
- ▶ Current revenue sources and expenses.
- ▶ Capacity within the community to generate funds.

3.3 Project Plan

- ▶ Identify what requirements needs to be met i.e. mosque, maddressa, community centre etc.
- ▶ Proposed size based on demographic trends and sustainability of the location for the next 15 years.
- ▶ Proposed cost both for building and annual maintenance expenditures, including any debt servicing or loan repayment.

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- Proposed funding sources and strategy for construction as well as future maintenance, taking into account proposed budgets, cash flows, maintenance costs, etc.

3.4 Adding Value to Community Capital Projects

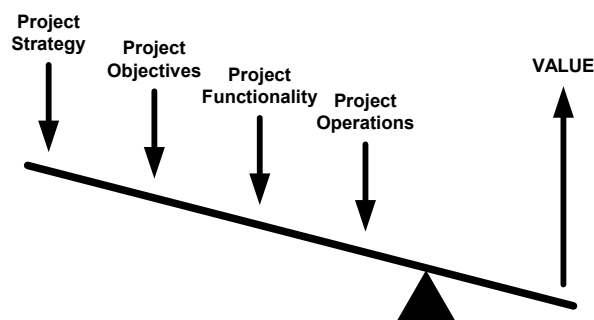
3.4.1 Critical Success Factors

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There is a significant role for Project Committees to play in promoting good design, which is not primarily a question of style or taste. It is adherence to a set of time-honoured objective principles that determine where a facility works well for all users and the community. It does not necessarily involve high cost, and it is not purely about aesthetics.

Critical factors for success will be:

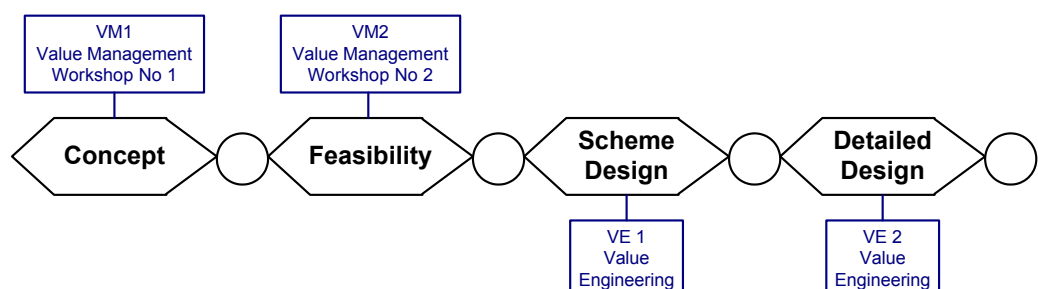
- Leadership and commitment from the project sponsors
- Clear Project Objectives / High-Level Functional and Strategic Needs
- Involvement of key stakeholders (including end-users) within the project
- Analysis of stakeholders' objectives, especially end-users
- Roles and responsibilities clearly understood by everyone involved
- An integrated approach in which design, construction, operation and maintenance are considered as a whole
- Design that takes account of functionality and appropriate build quality
- Procurement and contract strategies that are clearly thought out
- Risk and value management actively maintained throughout the project



3.4.2 Achieving Project Success

In order to assess the parameters of achieving success, the Project Committee will need to define their objectives very clear for the following:

- What are we trying to achieve?
- What must we get right in order to achieve it?
- What considerations do we need to bear in mind while designing it?
- How do the design solutions contribute to achieving the desired outcome?
- Is there enough money to pay for it?



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3.4.3 Value Management Processes

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In order to ensure that our community projects are executed successfully, we have introduced a Stage Gate Review Process which can be used as a guide
These templates are generic and can be applied equally to all religious, social and commercial projects. This Stage Gate Review is given in Appendix C

3.5 The Endorsement process

3.5.1 Stage 1: Jamaat Approval

Once the Project Committee has completed its report it should be presented to the Jamaat Management Committee for their approval. Once the Management Committee approves the proposal it should then be taken to the general body for final approval.

Proposed Criteria for General Body Approval:

- ▶ A vote of 75% of the members present and voting at a general meeting is required to approve the project.

Proposals from Jamaats / Regional Bodies:

Certain Jamaats feel strongly that the project should only require the approval of a simple majority of those members who are present and voting at the relevant general meeting. However, as a compromise they are prepared to accept a vote of up to 60% of the members present and voting at a general meeting.

- ▶ 30% of the funding should come from the jamaat funds and from its membership.

May 2007	In cases where the Jamaat requires a provisional endorsement to fulfil this 30% funding requirement, then the Regional Federation or World Federation will scrutinise the documents to ensure it meets minimum standards and issue an Approval in Principle (AIP) in order to fulfil this section of the Capital Projects guideline. This AIP will be issued on the basis that the Jamaat gives an undertaking that it will not start the construction works until they have fulfilled the remainder of these guidelines. Once the remainder of the guidelines have been complied with, the Project Plan will then be forwarded to the Regional Federation and thereafter to the World Federation Executive Council approval for final sign-off
May 2007	The Project Value will be the land and the total construction cost aggregated. However, in cases where extensions, refurbishments and new build are to be carried out on existing premises, the cost of the land will not constitute part of the Project Cost.

- ▶ For jamaats with less than 25 working households that lack any infrastructure facilities, the procedures relating to demographic surveys and future needs will be relaxed, as it is envisaged that such jamaats will lack the financial and admin resources. However, a Project Plan would still be presented to the Regional Federation for review.

3.5.2 Stage 2: Regional Federation Approval

Upon receiving the General Body's approval the plan should then be submitted to the regional federation for consideration on the following basis:

- ▶ To provide expertise where possible.
- ▶ To independently review the findings of the Jamaat.

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- ▶ To manage resources and to prioritise needs within its region.
- ▶ To assess whether adequate support can be provided for the project?

Where the Jamaat is not a member of the regional federation or that the regional federation is not a member of the World Federation, the same scrutiny process will be adhered. Such a regional federation will undertake the role as if it were a member of the World Federation provided that the jamaats on a majority vote resolve to allow the regional federation to undertake that role.

The regional federation must make its decision within 4 to 6 weeks and if possible sooner. This may involve the need to call Special General meeting of the jamaats as its Executive committee will not be empowered to make such a decision.

3.5.3 Stage 3: World Federation Final Endorsement

Once the regional federation has sanctioned the project, it would be presented to the World Federation by the regional federation for a mandate on the following submissions:

- ▶ The project plan would formalize the accountability process, thereby, ensure quality research and transparency.
- ▶ Detailed disclosure of facts and figures will enhance credibility for the project and ease fund raising.
- ▶ Consideration of prioritising projects globally on a needs analysis

Recommendations from Jamaats / Regional Bodies:

The World Federation must make its decision within 4 to 6 weeks and if possible sooner. This may involve an Executive Council meeting if available within the desired time-frame.

The above prescribed vetting process will also increase project credibility for fund raising and ensure that limited resources are utilised most effectively for the community.

Upon satisfaction of the above, the Khums ijaza holder will issue a letter to authorise the use of Sehme Imam (as) for the capital project.

May 2007	In case such an Executive Council Meeting is not available within the time-frame of 4 to 6 weeks, then the Project Plan should be circulated to all the Executive Councillors for their approval, so that the project is not delayed'
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Feb 2008	In response to those projects that have come up to the WF for Ijaza, it appears that the constituent Federations and Jamaats have individual benchmarks to assess their respective projects. It is therefore recommended that a uniform, highly transparent and extremely auditable benchmark be introduced – so as to form a common basis for assessing and scoring any individual project. Such a benchmark can be calculated, in the form of a downloadable spreadsheet, to be available on the WF website. This template would enable individual Jamaats or Regional Bodies to self-assess their projects prior to formal submittal to the Regional Body and the WF, in order to reduce conflict and misunderstanding between the constituent bodies and their respective Jamaats.
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3.6 The Funding Process

- ▶ Contracts for the project should not be signed until at least 40% of the funds have been collected and the balance is confirmed by pledges or loans.
- ▶ The Capital Project Fund should be open by the regional federations & the World Federation for contributions so that funds are collected through out the year, making capital available for when needed and making it possible for individuals to contribute when they have funds available in their personal accounts.
- ▶ Regional federations and the World Federation should set timing for their Jamaats to submit their Capital Projects along with approx budgets a year in advance so that the Regional Federation can have a budget in mind when soliciting and generating funds.
- ▶ The World Federation will actively publicise and encourage donations to the fund. The World Federation would open a separate account for funding projects worldwide, and individuals could make donations to the account, with an option for which project they would prefer their donations to go to.
- ▶ The jamaat undertaking the project would also open an account to monitor the funds the received and its disbursement. This account would be open to public scrutiny.
- ▶ The Jamaat's project account would also ensure that overspend on any project is made only after strict contractual procedures have been used. Cost over-runs are common in the building industry, and as such, the type of project procurement is of paramount importance in order to keep overspending to a minimum.
- ▶ The Project Plan must also allow for a fixed percentage set aside for contingencies to allow for overspend. This will act as a hedge against rising costs, unforeseens and change orders made during the construction stage. In the event the contingencies are expended, the project committee will submit an amendment detailing the reasons for the escalation of costs, or organically develop ways and means of right sizing the project.
- ▶ The role of the Jamaat is to collect funds. The role of the Regional Federations and the World Federation is to support the collection of funds.
- ▶ **This systematic process of undertaking capital projects will be applicable to all those projects where the contract has not yet been signed**

3.7 Sunset Clause

Recommendations from Jamaats / Regional Bodies:

Some CoEJ members suggest that a 'sunset' clause for three years is added to the paper. Before expiry of the three years, the procedures will be revisited and amendments made in view of any shortcomings experienced within the testing period of the paper.

May 2007	The Capital Projects Working Group recommend that the present paper's end of life validity be limited to 31 March 2009. As such, all recommendations and experiences in the implementation of the various capital projects worldwide should be sent to the Capital Projects Working Group by not later than 15 January 2009. After this cut-off date, the Working Group will prepare and issue a fresh document that will replace this document before 31 March 2009, to be ratified at the immediate next World Federation EXCO meeting
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4. Submittal Template

Proposed Template Submitted to the World Federation Executive Council by the Regional Federation and presented to the Executive Council by its representative.

Name of Jamaat:

Regional Federation:

Structures:

1. Is there a Project Committee established by Jamaat?	Yes / No
2. Does the project committee consist of professionals relevant to the project	Yes / No
3. Has the project committee ensured that there are structures in place to deliver the tasks identified in the project plan?	Yes / No
4. Has the Project Committee undertaken a demographic feasibility study?	Yes / No
5. Has the Project Committee undertaken a financial feasibility study?	Yes / No
6. Has the project committee ensured that the data collected has been incorporated into the project plan?	Yes / No
7. Has the Project Committee ensured that there are funding strategies for the building and annual maintenance expenditure?	Yes / No
8. Has the Jamaat ensured that 60% of the membership at its General Meeting approved this project in accordance with its Governing constitution and bye-laws?	Yes / No
9. Has the Jamaat secured 30% of the funding for this capital project from its membership?	Yes / No
10. Has the regional federation reviewed the project?	Yes / No
11. Has the regional federation provided expertise for the Project?	Yes / No
12. Has the regional federation ensured that fundraising within the region can be managed taking into account other capital projects already in place and other foreseeable projects in the future?	Yes / No

Information on this form is correct to the best of my knowledge and understanding of capital project planning.

For Allah Subhana wa Ta'ala is All Knowing.

Regional Federation President/Chairman

President/Chairman of Jamaat
undertaking the Project

5. Appendix A: Definition of Huqooq Funds

The following is extracted from the paper 'A Good Practice Guide to Disbursement of Huqooq Funds', presented at the Tenth Ordinary Conference Dubai, 15-17 September 2006

Islam asserts unambiguously that poverty is neither caused by scarcity and paucity of natural resources nor is it due to lack of proper synchronisation between the mode of production and the relation of distribution, but as a result of waste, opulence, extravagance and non-payment of what rightfully belongs to the less able segment of the society.

It is indeed very important for a person taking charge or full responsibility for the collection and disbursement of all Huqooq to understand the rationale behind the imposition of such taxes. This will enable the person make a correct judgement in areas and fields where the funds are channelled. In our community, the main funds that are collected are as follows:

a. Khums

Khums is the obligatory one-fifth of savings tax that is incumbent on all Mumineen who have liquidity surplus to their annual needs. The One-Fifth amount is further divided into two – one to be distributed amongst needy Sadaat (members of the progeny of the Holy Prophet) and the other one – in the period of the occultation of our present Imam (AS) – to be handed over to the Imam's representative or his appointed agent.

In Minhaj-us-Swaliheen, Ayatullah Seestani says: "The half that belongs to the Imam, may Peace be on him and his fathers, is referred to, in the period of his occultation, to his representative who is the authority of Jurisprudence, trustworthy and knowledgeable on how to expend these funds. These are either remitted to him or spent using his permission. The funds can be spent in places where the Imam (AS) would be pleased with, for example, alleviate the needs of Mumineen (both from the Sadaat and non-Sadaat).

It is highly recommended that these funds are spent with the clear intention that it is on behalf of the Imam (AS). It is incumbent to maintain priority of importance – the more important ones to be addressed first. In these times, the most important area in which Sehme Imam (AS) can be spent is **to establish the correct practice of religion, propagate the divine message, spread the teachings of our religion and to provide and cover for the costs of the learned people who spend their time in learning.** They have dedicated their lives to teaching the ignorant, guiding the misled, advising the Believers, counselling the aggrieved and many more such activities that contribute to the promotion of their faith and perfection of their own selves allowing them to gain proximity to the Almighty."

Minhajus Swaliheen Page 411 Rule No. 1265

b. Zakaat

Zakaat is the 2.5% tax obligatory only on certain items like cattle, produce, minerals, gold, silver, etc. According to Ayatullah Seestani, it is an obligatory precaution to pay Zakaat on all stock purchased for purposes of making profit and that remains as stock for one year. There is also a cash payment of Zakaat that is normally paid during the Eid ul Fitr period – the Zakaatul Fitr. Moreover, Sadaqa is considered a form of Sunnat and Mustahab Zakaat and all places in which Zakaat can be used, Sadaqa money can also be used.

The eight places in which Zakaat, Sadaqaat and General Charity funds can be used are classified as follows:

- Fuqara – These are poor who may be able to afford their meal for the day, but are incapable of surviving through the whole year without any external assistance.
- Masakeen – These are the destitute who cannot afford even the meal of the day for themselves or their families.
- Those who are involved in the collection and disbursement – are entitled to utilise part of these funds that would cover their expenses and time.

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- To win peoples' hearts – Be they Muminen of weak faith, or Muslims who may incline towards Shi'ism by receiving certain monies or even Kuffar (Non-believers) whose hearts may become 'soft' towards Islam if they were to receive some money.
- To free people from bondage
- To relieve people from their debts
- In the way of Allah – covering all aspects which fulfil the needs of Muslims like constructing roads, bridges, clinics, hospitals, hostels for the poor, religious schools, Mosques, book publications, etc.
- Stranded traveller who needs help to get back home.

For purposes of this paper, we will not look at any of the remaining types of Huqooq Funds, which include:

- Kaffara/Fidya
- Nadhr
- Sadaqa
- Radd-e-Mazalim
- Waqf
- Qard-e-Hasana

Recommendations

Khums

Whilst there are subjective gaps of information at the present time, it appears that an appropriate portion of the Imam portion of Khums Huqooq resources can be used towards Capital Projects, where the primary purpose would be to establish the correct practice of religion, propagate the divine message and to spread the teachings of our religion.

Zakaat

The use of Zakaat Huqooq resources towards Capital Projects appears to be much lower down in the list of permitted expenditure. This would cover the functional needs for hospitals, hostels, Musafirkhanas, Madressahs and Mosques.

Appendix B: Classification of Projects

The following are the broad classifications of Capital Projects that can be covered within the remit of a WF Capital Projects framework:

a. Religious Value

Type	Masjid, Imambarghah, Madressah, Ghushl-khana, etc, as primarily concerned with delivering religious values and functions only
Submittal Template	Original Template in Section 4 of current document
Financial Viability	Facility maintenance from sustainable income streams
General Body Endorsement	60% of an appropriate formal resolution
Funding from Community	30% from Jamaat
Balance of Funding Sources	Jamaat, Regional and Global Communities Karz-e-Hasana, interest free loans and existing appropriate (like for like) collateral property Khums and Zakaat huqooq allowed

b. Social Value

Type	Multi-purpose Hall, Sports Hall, Vocational Facility, Senior Citizens, Welfare Facilities (e.g. Subsidised Housing) Conference Centre, Centre of Learning and Excellence, etc, all of which are directed at the younger generation, primarily concerned with delivering important social and cultural values and functions to the community
Submittal Template	Original Template in Section 4 of current document, with additional items that need to be incorporated
Financial Viability	Facility maintenance from sustainable income streams. Emphasise on the need that maintenance costs do not emanate from Jamaat Membership subscriptions and Khums
General Body Endorsement	75% of an appropriate formal resolution
Funding from Community	30% from Jamaat
Balance of Funding Sources	Jamaat and Regional Areas only Karz-e-Hasana and interest free loans Existing commercial collateral property Khums huqooq excluded. Zakat huqooq allowed

c. Commercial Value

Type	Residential or Commercial real estate development, hospitals, schools, and such business ventures that bring financial value to the jamaat through investment to ensure sustainable income streams
Submittal Template	A completely revamped Submittal Template to replace Section 4 of current document
Financial Viability	A full-blown Financial Feasibility, complete with Sensitivity Analysis and Market Testing
General Body Endorsement	75% of an appropriate formal resolution
Funding from Community	30% from Jamaat
Balance of Funding Sources	Jamaat only Karz-e-Hasana and interest free loans Existing commercial collateral property Islamic Banking Khums and Zakaat huqooq excluded

Appendix C: Value Management / Stage Gate Review

No	Activity	Deliverable
A	Project Strategic Assessment [Pre-Sanction]	
	Project Plan / Execution Plan, including H/L Gantt Chart	PP / PEP
	Demographics: Current membership / growth forecast	Target population
	Current Analysis: Current accommodation figures	Current scenario
	Development Remit and Project Objectives	Requirements
	Project Definition Document	Project definition
	Existing facility analysis / evaluation	Asset condition
	Functional Requirements: Needs and Fit-for-purpose Analysis	Needs justification
	Prelim Value Management Workshop and Review	Function Definition
	Preliminary expansion plan	Report / Plans
◆	Stage Gate: Strategic Assessment Review and Sanction	
B	Business Case: Pre-feasibility Assessment	
	Project Briefing Document	Project Brief
	Preliminary Expansion Facility drawings	Drawings
	Preliminary Estimates	Estimate
	Financial Feasibility: Incorporate current financial position, revenue and spend profile, estimated project cost, generating funds, project financial sustainability, debt servicing / loan repayment, projected cashflows and balance sheets	Report
	Preliminary Risk and Mitigation Strategy	Risk Register
	Procurement Route	Recommendation
◆	Stage Gate: Business Case Review	
C	Design Development	
	Size, design and area, restrictions on land use, etc.	Report
	Planning Approval submission (Planning Permission)	Drawings
	Revised Estimates	Estimate
	Cost Report and analysis	Report
	Financial Feasibility (updated)	Report
	Detailed Risk Register and Mitigation Proposals	Risk Register
◆	Stage Gate: Design Development Review	

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No	Activity	Deliverable
D	Procurement Process	
	Value Engineering	VE Document
	Design Freeze for Execution / Construction	Design Sign-off
	Building and Engineering Specification	Tender Document
	Building Control Application (check on Procurement route)	Drawings
	Tender Documentation: Employer’s Requirements, Scope Document	Tender Documents
	Tendering Process: Tenderer selection, solicit tenders	Tender Returns
	Tender Evaluation and Recommendations	Report
	Evaluate: Best Value, Business Case compliance, funding and support	Confirmation
◆	Stage Gate: Procurement Review (Legal Commitment)	
E	Construction Stage	
	Detailed design (including Building Control)	Drawings
	Services Design and Procurement	Drawings / Scope
	Construction Works	Contract works
	Change Management	Change Register
	Valuations and Certification	Certificates
◆	Stage Gate: Construction Review (Contract Completion)	
E	Commissioning and Taking-Over	
	Test Specifications and checklist	
	Operations and Training / Facilities Management	
	Commissioning and Testing / Taking-over Certificate	
	Client Migration and Fit-out	
◆	Stage Gate: Close-Out Review (Facility Use)	

6. Appendix D: Capital Projects Evaluation Template

Project No
Regional Body
Jamaat Name
Jamaat Address
Jamaat President
Project Name
Project Address
Project Definition
Project Sponsor
Project Manager

Project Plan	Pre-Construction	Land	550,000	
		Professional Fees	75,000	
		Other Costs	25,000	650,000
	Construction	Construction	1,250,000	
		Externals	250,000	
		Contingency	100,000	1,600,000
		Total Project	2,250,000	2,250,000

Funding Plan	Pre-Design	Land Cost Paid	350,000	16%
		Jamaat Funds	150,000	7%
		Region 1	300,000	13%
	Pre-Construction	Region 1	450,000	20%
		Region 2	250,000	11%
		Region 3	250,000	11%
		Collateral in hand	350,000	16%
		Huqooq / Khums	150,000	7%
		Total Project	2,250,000	100%

Project Schedule Design Start Date
Funding Complete
Contract Start Date
Contract End Date:

Process Score 65% Recommend Minor Modifications before AIP

Recommend To be filled in by the WF Capital Projects Assessor / Advisor

Major Projects Over US\$ 1.5m	Medium Projects US\$ 0.5m - 1.5m	Minor Projects Under US\$ 0.5m	
0% to 60%	0% to 35%	0% to 15%	Conceptual Work required
61% to 75%	36% to 60%	16% to 35%	Minor Modifications before AIP
76% to 85%	61% to 75%	36% to 50%	AIP
86% to 95%	76% to 90%	50% to 65%	Ijaza with Specified Limitations / Conditions
96% -100%	91% to 100%	66% to 100%	Full Ijaza with Ijaza Scheule

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Regional Body

Jamaat

Evaluation Date

Performance Criteria		Rating	Weight	Score	Max
1	Strategic Assessment (Pre-sanction)				
1.1	Demographics: Current Membership	Excellent	25	3.8%	3.8%
1.2	Demographics: Current Capacity Analysis	Excellent	25	3.8%	3.8%
1.3	Comprehensive Needs Analysis	Excellent	25	3.8%	3.8%
1.4	General Body Value Management (Optioneering)	Excellent	25	3.8%	3.8%
2	Business Case: Pre-Feasibility				
2.1	Preliminary Expansion Plans	Excellent	10	1.5%	1.5%
2.2	Preliminary Estimates	Excellent	20	3.0%	3.0%
2.3	Preliminary Feasibility (Income Streams / Expenditure)	Fair	25	1.9%	3.8%
2.4	Preliminary Financial Sustainability Plan	Fair	25	1.9%	3.8%
2.5	Prelim Risk Mitigation Strategy	Fair	10	0.8%	1.5%
3	Design Development				
3.1	Architectural Drawings	Fair	10	0.8%	1.5%
3.2	Planning Approval / Building Permit	No	10	0.0%	1.5%
3.3	Revised Estimates	No	10	0.0%	1.5%
3.4	Value Engineering	No	10	0.0%	1.5%
3.5	Detailed Risk Register	No	10	0.0%	1.5%
4	Procurement Process				
4.1	Procurement: Best Risk Transfer Strategy	Excellent	10	1.5%	1.5%
4.2	Project Schedule & Cash Flow	Excellent	10	1.5%	1.5%
4.3	Tender Evaluation (Best Value)	No	10	0.0%	1.5%
4.4	General Body Approval to Legal Commitment	No	25	0.0%	3.8%
5	Corporate Governance				
5.1	Transparency and Website Updates	No	40	0.0%	6.1%
5.2	Audit Trails and Governance	No	40	0.0%	6.1%
5.4	Capacity of Jamaat to Generate Funds	No	40	0.0%	6.1%
6	Submittal Template				
6.1	Project Committee (PC) established by Jamaat	Yes	10	1.5%	1.5%
6.2	PC consist of professionals relevant to the project	Yes	10	1.5%	1.5%
6.3	PC ensured Project Delivery Structures are in place	Yes	10	1.5%	1.5%
6.4	PC undertaken a demographic feasibility study	Yes	10	1.5%	1.5%
6.5	PC undertaken a financial feasibility study	Yes	10	1.5%	1.5%
6.6	PC ensured that data included in Project Plan	Yes	10	1.5%	1.5%
6.7	PV ensured Funding Strategies for Building & Maintenance	Yes	10	1.5%	1.5%
6.8	60% Jamaat Membership Approval at General Meeting	Yes	25	3.8%	3.8%
6.9	30% Secured Funding from Membership	Yes	25	3.8%	3.8%
6.10	Regional Federation reviewed the project	Yes	25	3.8%	3.8%
6.11	Regional Federation provided expertise for the Project	Yes	50	7.6%	7.6%
6.12	Regional Federation ensured Fund-raising manageable	Yes	50	7.6%	7.6%
				65%	100%