

# **FOUNDATION FUND OF THE WORLD FEDERATION OF KSIMC**

## **TERMS OF REFERENCE**

**Revised by the Fourth Executive Council Meeting of the term 2011-2014  
held in November 2012 in Antananarivo, Madagascar.  
( Clauses 2.3.6 to 2.3.10 inclusive added)**

### **PREAMBLE:**

The World Federation Foundation Fund (WFFF) is envisaged to be a strategic investment fund in order to create the necessary income stream for The World Federation's long term growth and sustainability. The World Federation continues to be a vigorous and dynamic institution serving our global community in a number of different ways, however with the income stream obtained from the WFFF, The World Federation can meet its long term objectives to self sustainability.

### **1. Formation of the WFFF Sub-Committee**

The Meeting of the Executive Council held on the 8<sup>th</sup> December 2010 in Birmingham, UK formed a Sub-Committee to be known as The World Federation Foundation Fund Sub-Committee. Furthermore, The Extraordinary Conference of The World Federation held on the 27<sup>th</sup> May 2011 in Dar es Salaam ratified the formation of this Sub-Committee and in the subsequent First Executive Council Meeting of the 29<sup>th</sup> May 2011 in Dar es Salaam this WFFF Sub-Committee was asked to formally apprise the next Executive Council of 24<sup>th</sup> September 2011 with the Terms of Reference of The World Federation Foundation Fund. The WFFF Sub-Committee has no executive powers other than those specifically delegated in these Terms of Reference.

### **2. Terms of Reference**

#### **2.1 Purpose**

To raise funding from donations to generate income in order to create the necessary income stream for the long term growth and sustainability of The World Federation. It is clearly understood that the WFFF Investment Capital shall not be used to finance any administrative costs, whatsoever of The World Federation, and thus these funds will be categorized as restricted funds for the strict usage under the guidelines of the WFFF. Any deviation from this will require explicit approval and permission from the Executive Council. Nevertheless, some of the income generated by the WFFF, may, if need be, used for meeting the deficiency of the administrative costs of The World Federation Secretariat subject to the Executive Council approval from time to time.

Any funding sourced must not create a liability for The World Federation, however in the unlikely event that there is such funding or assets available to the WFFF that could create some type of liability, then the Office Bearers will approve these special operations of the WFFF Sub-Committee, under the powers given to the Office Bearers through The World Federation Constitution.

Due to the fact that the sole beneficiary of the income generated from the WFFF is The World Federation, the Executive Council hereby confirms and approves that the donations collected for the WFFF will be exempted from the levy of the seven (7) per cent.

## **2.2 Objectives**

1. To raise funds from the community for the Foundation Fund.
2. To suggest to The World Federation Office Bearers investment decisions for The World Federation Foundation Fund when deemed necessary by the WFFF Sub-Committee.

## **2.3 The World Federation Foundation Fund Sub-Committee [WFFF Sub-Committee]**

- 2.3.1** The WFFF Sub-Committee will comprise of a team of up to five (5) people who need to be registered members of any one of our Khoja Jamaats worldwide. The Executive Council will elect the Chair, the Secretary, and the two other Executive members of this WFFF Sub-Committee. The World Federation Hon. Treasurer will be an ex-officio member of this WFFF Sub-Committee.
- 2.3.2** The Executive Council will elect the first five members Executive Team of the WFFF Sub-Committee to be the Chair, the Secretary, and the two other Executive members of this WFFF Sub-Committee. The World Federation Hon. Treasurer will be an ex-officio member of this WFFF Sub-Committee. This five member team will be elected for a term not exceeding three calendar years, or for a term ending with the next The World Federation Ordinary Conference whichever is earlier.
- 2.3.3** The WFFF Sub-Committee will meet at least once every three months or as necessary in order to review all matters related to the WFFF. In order to establish quorum for a WFFF Sub-Committee meeting at least three members of the WFFF Sub-Committee, will need to be present.
- 2.3.4** Any decision of the WFFF Sub-Committee will be on a majority basis.
- 2.3.5** The WFFF Sub-Committee is authorised to appoint and hire administrative personnel on an ad honorem or salary / fee basis, to help the Sub-Committee with respect to issues pertaining to the WFFF. However, in the event that the services rendered require expenditure, then the budget for that specific expenditure will need to be pre approved by the Secretary General of The World Federation for the WFFF Sub- Committee to proceed accordingly.
- 2.3.6** The WFFF Sub-Committee can appoint and create an Investment Advisory Team comprising of a maximum of seven individuals, consisting of the Chairman of The WFFF as an ex-officio member, professionals and independent persons from the financial, investment and other backgrounds, not limited to lawyers and or accountants, on an ad honorem basis, as long as the proposed appointments has the majority approval of the WFFF Sub-Committee.
- 2.3.7** The WFFF Sub-Committee will advise the Office Bearers/Trustees with reference to the utilization of the funds received under the World Federation Foundation Fund in order to enter into investments. In accordance with clause 5.17 of the World Federation Constitution, the Office Bearers shall be the only authority to execute any such investment decisions.
- 2.3.8** All investments made by the Office Bearers/Trustees of the World Federation, under the advice of the Investment Advisory Team of the WFFF Sub-Committee, shall be within the bounds of the Shia Ithna Asheri faith of Islam. Furthermore, proper and professional legal and tax advice

will be sought, when and where needed, in order to ensure that the WF Foundation Fund complies with local tax and Government regulations where the assets are located, and to use international tax treaties to the benefit of the World Federation, where applicable.

**2.3.9** The Investment Advisory Team will meet at least once every three months or as deemed necessary, in order to review the state of the investments of the WF Foundation Fund and to recommend any new investments, as well as appraise the current investment portfolio.

**2.3.10** In order to establish quorum for the Investment Advisory Team meeting, at least 50% of appointed members will need to be present. In addition, all decisions of the Investment Advisory Team will be on a simple majority basis.

**2.3.11** The Chairman of The WFFF in his capacity as the ex-officio member of the Investment Advisory Team will have the right to choose the Chairman of the Investment Advisory Team.

## **2.4 Reporting**

**2.4.1** The WFFF Sub-Committee will report on a quarterly basis to the Office Bearers of The World Federation and at every meeting of the Executive Council.

**2.4.2** The WFFF Sub-Committee will also present written reports of current financial status of the fund where applicable, at every Executive Council Meeting and Conference of The World Federation.

## **2.5 Funding**

The funding limit for investments will be set from time to time by the Executive Council.

## **2.6 Authority**

**2.6.1** The Office Bearers of The World Federation will have the authority to examine any activity of the WFFF Sub-Committee within its Terms of Reference.

**2.6.2** The WFFF Sub-Committee shall not delegate its authority to any third party or Sub-Committee without the prior approval of the Executive Council.

**2.6.3** All fundraising activities and the modus operandi of these activities will be part of the remit of the WFFF Sub-Committee, which will coordinate these activities with the Office Bearers and the Secretariat accordingly. The funds collected for the WFFF will be deposited in a separate bank account of The World Federation. All financial transactions directly or indirectly, will be coordinated through the Hon. Treasurer in his ex-officio capacity of the WFFF Sub-Committee.

## **2.7 Conflicts of Interest**

For purposes of this provision, the term "interest" shall include personal interest, interest as director, officer, member, stockholder, shareholder, partner, manager, trustee or beneficiary of any concern and having an immediate family member who holds such an interest in any concern. The term "concern" shall mean any corporation, association, trust, partnership, limited liability entity, firm, person or other entity other than the organisation.

No transaction conducted by The World Federation shall be voidable by reason of the fact that any WFFF member or Office Bearer has an interest in the concern with which such transaction is entered into, provided:

- [a]** The interest of such WFFF member or Office Bearer is fully disclosed to the WFFF Sub-Committee and the Office Bearers.
- [b]** Such transaction is duly approved with full documentation by the Office Bearers not so interested or connected as being in the best interests of the organization.
- [c]** The WFFF member or Office Bearer concerned identifies the conflict of interest and clearly indicates in writing to the WFFF Sub-Committee and Office Bearers that a potential, actual, direct or indirect conflict of interest exists or may exist.
- [d]** No interested WFFF member or Office Bearer may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting at which such transaction may be authorised.
- [e]** The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

## **2.8 Review**

The Executive Council will have the power to change or amend these Terms of Reference at any time.