



**Operational Guidelines for
Endowment Funds
(Revised)**

Ministry of Finance

2017

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1. Introduction

In accordance to section 170 of the Public Finance Act, 2007, the Operational Guidelines for Endowment Funds is issued to provide the overall guidelines for the management and operation of Endowment Funds by the concerned agencies.

The Government may, from time to time, establish endowment funds to support the socio-economic and cultural objectives. The Government shall nominate an agency to manage the endowment fund.

2. Definition and Scope

An 'Endowment Fund' is an investment fund established for designated purposes as deemed necessary by the Government to provide funding for certain essential programmes.

The Operational Guidelines will extend to all Endowment Funds established by the Royal Government such as Education Endowment Fund, Cultural Endowment Fund, and Research Endowment Fund.

The Operational Guidelines for Endowment Funds shall not extend to the Funds created through other legislations.

3. Endowment Fund's Principal Capital

Based on need, the Government may provide initial capital for the Endowment Fund to the designated Ministry or an Agency to implement the identified activities. The designated agencies may also resort to raise fund on its own with the prior approval of the Ministry of Finance.

4. Fund Management

The Royal Government shall allocate determined amount of capital for the Endowment Fund.

4.1 *Capital Fund Transfer*

On the approval of the Government, the Ministry of Finance shall authorize opening of a CD account for the operation of the Endowment Fund by the designated Ministry/Agency. The initial capital allocated by the Government shall be transferred to this account.

4.2 *Governing Board*

The Ministry/Agency mandated to manage an Endowment Fund shall institute a Board with a minimum of 5 members with the head of the Ministry/Agency as the Chairperson of the Board.

4.3 *Powers and Functions of the Board*

The Board shall:

1. Be responsible for the overall management, operation, and judicious utilization of fund for the intended purpose,
2. Adopt implementation guidelines in line with the provisions of Operational Guidelines for Endowment Funds,
3. Institute proper fund management mechanism to guide fund disbursement,
4. Approve activities, eligibility criteria and beneficiary groups,
5. Authorize committees or secretariat to disburse funds as per the set criteria and mechanism,
6. Ensure transparency and accountability in the management of the Endowment Fund,
7. Approve annual work plan and annual budget for the Fund,
8. Approve logistics and other expenditures related to the Fund,
9. Approve investment plan and investment mode for the Fund, and



