International Journal of Economics, Commerce and Management
United Kingdom ISSN 2348 0386 Vol. IX, Issue 2, Feb 2021

http://ijecm.co.uk/

A CONCEPTUAL COMPARISON BETWEEN CONVENTIONAL ENDOWMENT FUNDS AND ISLAMIC WAQF FUNDS

Nada Ahmed Abdelfattah
AASTM, Egypt
n.a.abdelfattah@outlook.com

Elsayied Elsiefy
Faculty of Commerce, Alexandria University, Egypt
hwssiefy@gmail.com

Amr Youssef
AASTM, Egypt
Amraziz@aast.edu

Mohamed Ragheb
AASTM, Egypt

Abstract

Endowment portfolios and similarly Waqf portfolios are global concepts that exist ubiquitously as a charity with humankind's existence. Both types of portfolios represent two different financial contexts, the western application and the Islamic application, which had intersected in early history then separated in the modern time. These portfolios developed to be mega-funds in the contemporary time, such as Melinda Gates Foundation and IDB Waqf funds, among many others. These Mega-funds with international partners like the WHO and UNICEF play a significant role in underpinning and developing the third sector. There has lately been a good deal of research into Endowment and Waqf and the techniques for measuring their investment performance by significant contributions published during the late 20th and the 21st centuries. This research critically surveys Endowment and Waqf's background to identify the leading

theoretical and operational issues in this area. The research finds significant differences between the invested portfolio structure in both models. While the endowment portfolio uses conventional financial tools, the Waqf uses pure Islamic ones. Notwithstanding the booming of endowment and Waqf, both models are operating in a loose legal framework.
Keywords: Waqf, Endowment, Operation Reserve, Islamic Finance, Cash Waqf

INTRODUCTION

Between 2013 and 2015, the third sector's giving reached $24 Billion by 143 foundations, contributing to development in the health sector, education, agriculture, and environment. It is interesting to mention that 81% of these foundations' funds are earmarked funds or endowed funds for a restricted purpose. These indicators highlight the growing role of endowment funds and how they gain more weight for sustainable financing in the sector (Oblacewicz, 2018).

Endowment funds are a global concept that existed from the early age of human history as offerings to the temples to ask for God's grace. It consists of a property that the endower gives as a gift for charity. It was recently developed to be mega-funds like the Bill & Melinda Gates Foundation, Volkswagens Foundation, Harvard University Fund, IDB Fund, Kuwaiti Fund, and Al Rajhi Fund. These gigantic foundations are financially based on charitable funds work commonly under two models: conventional Endowment funds in the West and Islamic Waqf in Islamic countries. All these funds, with their nationalities and operations constitute the third sector and have a unique purpose, human welfare.

The Problem of the Study

Salamon (1999) stated that the third sector's rising is the failure of the American "neo-liberal consensus" over the last decades to give the global economic policies a trustworthy and unfailing example. So, countries started to search for new economic models and new financial resources. The UK calls it the "third way" because the NPOs sector, unlike the governmental and the private sectors, is directly connected with people and helps build "social capital"; therefore, it represents the strategic solution for economic and social issues. Germany calls it "the new middle" chancellor Angela Merkel is compelling states members to cut borrowing by forbidding the ECB (European Central Bank) to buy government bonds (Cizacka, 2016) and pushing them to use endowment funds instead (Elasrag, 2017).In the last two decades, many Muslim countries are reviving the Waqf role to solve social-economic problems. The wave began in Sudan in 1990 with cash Waqf, followed by Malaysia, Indonesia, and Kuwait. These countries reinvigorate Waqf activities through new schemes to match the needs of growing societies' public services (Ismail, 2013).

In recent years, the endowment and Waqf funds witnessed remarkable growth and a significant impact. Their operation now is not limited by a country's frontier or a state's regulations; they function on an international scale to bind all the nations and respond to all the social-economic issues. Despite all endeavors worldwide to revive endowment funds, governments and stakeholders face intriguingly, shocking realities and obstacles to overcome, which can be outlined as follows:

- Many Waqf funds operate in Western countries responding to the growing Muslim communities. These funds operate within the Islamic framework under the western NPOs' law system, which sometimes hinders their performance.
- Internet platforms are becoming a communication way for individuals to raise funds through "crowdfunding" (Liu and Ding, 2020). In front of these developing social platforms in an unresting momentum, endowment and Waqf funds have no control or monitor over them. More precisely, the whole third sector worldwide does not have rules or regulations to manage or measure these ongoing cash flows.
- Notwithstanding the booming of Endowment and Waqf funds, the sector worldwide does not have clear regulations that govern it; surprisingly, the sector does not have a well-structured definition for charitable organizations as well as a legal framework.

Aim and Questions of the Study

Comparative studies use the logic of comparison to understand different situations and relations (Bryman, 2011). The research's primary purpose is to compare the operational background for Endowment funds and its peer with the Islamic Waqf funds. Hence, the objectives of the study are as follow:

- to overview the operational background of endowment funds in the conventional and the Islamic environment
- to explore the standard practices in both contexts
- to explore the problems that might hinder the funds' performance
- to suggest some measures to optimize the performance of these funds

Hence to be able to find answers to the inquiry and to make an accurate comparison, the research will tackle it through the following questions:

- What is the endowment operational background?
- What is the Waqf operational background?

- What are the similarities and differences between these funds' operations?
- What are the challenges facing Endowment and Waqf funds?

Motivation and Significance of the Study

Very few specialized studies exist that explored the Endowment top in different financial contexts. Most of the studies treated the Endowment funds and Waqf funds separately, although the endowment's modern structure is based on the Islamic Waqf scheme. As a consequence, only a few papers can be found relating both funds models. The motivations for writing this paper are:

- To add to the literature's gap on this topic.
- To open new horizons for endowment and Waqf performance measurement. The study's comparative context provides a more realistic and tangible picture of the two models' operational, financial framework to shift the mainstream studies' focus on applying theories to a new dynamic stream focused on new findings, interaction, and new measures.

CONVENTIONAL ENDOWMENT

What is Endowment?

Modern endowment funds are open-ended mutual funds as defined by (Tobin, 1974), they accept capital gifts like mutual fund shares, and they receive any number of investors or donors. Bowman (2002) expounds them as investment portfolios with two main sub-entities: long term assets invested in "customized mutual fund" and operating reserves invested in highly liquid securities providing the short-term expenses. They are long-term funds made by donors. The fund's corpus is invested to generate income to be used for charitable purposes. The capital surplus is added to the principal to increase the funds' value (Riekest, 2010).

Generally, organizations use the term endowment, referring to the fund as a whole, or the restricted fund only (Fisman and Hubbard, 2003). Endowment funds have a specific financial structure; they consist of two main parts restricted and unrestricted endowment and sometimes a third party, temporarily restricted endowment (Calabrese, 2013). Calabrese and Ely (2017) reported that 41% of endowment funds are restricted, and 1/3rd are unrestricted funds.

Endowment Background

Endowment funds uniqueness

When the modern philanthropy organizations rose in the USA in the early 20th century, Carnegie Foundation and Rockefeller organization tried to differentiate their organization from the regular charity by adopting a portfolio investment model (Phillips and Jung, 2016). This was a new and different operation model other than the standard grant model adopted by charitable corporations. Despite the radical divergence of the two models, nobody urged a new legal definition and regulation (Toepler, 2016). This lack of a specific standard definition causes a continuous ambiguity about the NPOs performance measurement that affects it.

A closer look at the recent European philanthropy canvas shows that a divergent pattern can be detected in the concept itself depending on the countries ‘culture. In Germany, the foundation’s sector dates from centuries as a projection of the old religious ecclesiastical ones. In France, civil society is first developed through patronage and secular associations. The Anglo-Saxon model dominating the UK is integral in daily life. In a social-democratic culture like in Sweden, individuals are not responsible for collective goods. In more pious societies like Italy and Spain, the state and religious institutions lead the public benefits. This incongruity in the conception of the meaning of philanthropy reflects the deficiency of a unanimous definition of a foundation as well as standardized measurement for scrutiny and auditing (Gérome, 2010).

It is undoubtful that during the twentieth century, the American endowment sector became by far the most significant sector globally and now represents the role model for the European sector, which was marginalized if not paralyzed during and after the two world wars (Anheier and Leat, 2013).

NPOs in the USA have a unique landscape; unlike FPOs, they have no independent owners; thus, they cannot raise capital in equity markets. Moreover, instead of shareholders, they have donors who relate their donations to their stipulations. Furthermore, by law, NPOs are not subject to insolvency and are allowed to use tax-exempt bonds (Bowman, 2002). Endowment funds determine the existence of the NPOs, especially in hard times. They generate a liquid surplus to smooth the financial distress and mitigate the constrained access to capital markets (Khodjamirian, 2008). However, with all its wide range of organizations, an ambiguous picture of its operation and performance still exists. Moreover, the sector suffers in front of any financial recession, from small struggling organizations to large successful ones (Hennes, 2017).

This exclusive nature requires unique financial resources that are different from profitable firms; hence, NPOs must have diversified income resources to sustain their services and performance against financial pitfalls (Tuckman and Chang, 1991). These resources consist mainly of four sources: donations, government grants, services fees and tuitions, and revenues from invested endowment funds (Heutel and Zeckhauser, 2014), which are invested in high yielding securities (Jegers, 1997).

This different landscape explains the unusual financial behavior, so in contrast to FPOs, NPOs do not distribute their profit because of the “non-distribution constraint,” which forces them to use donations and profit to increase the equity capital without paying cash dividends (Calabrese, 2009). Moreover, nonprofits firms give their donors what is called “dividend-in-kind.” This exclusive type of dividend is neither alienable nor convertible to cash; it represents the charitable services that donors expect from nonprofits (Hansmann, 1990); thus, the NPO financial decision context is drastically different from the profit organization context.

Thus, NPOs' existence is determined by their mission accomplishment, and endowment funds are the secret key to sustain this mission, especially in hard times, as they provide savings surplus and reduce the effect of constrained access to the capital market (Khodjamirian, 2008). Not only do these funds boost any organization with liquidity and constant cash flow, but also they give it independence from any external or governmental influence (Duch, 2009).

The Operation Reserves

The endowment fund structure includes mainly two bulks. The first part is called “the true endowment” or “restricted endowment,” which is composed of donations and grants restricted by the donors' stipulations and conditions of use (Baum *et al.*, 2018). Managers are not allowed to use these restricted funds according to their decisions; they are only allowed to use earnings obtained from these assets (Calabrese and Ely, 2017). Bowman (2002) argues that even if the donor’s stipulations sometimes hamper the managers' asset allocation for profit; however, they guaranty the execution of the social duties underpinned by the donors.

The second bulk is the quasi-endowment, or unrestricted endowment, where the donors' stipulations do not constrain the fund. The organization is legally free to use the core, spend its income, reinvest it, use it as collateral for borrowing and even put it in a new endowment fund because it does not follow the UMIFA investment and guidelines (Irvin, 2007). Sometimes donations and grants that are not spent in the current year appear in the financial statement under a third chunk, which is the temporarily restricted endowment *(Bowman et al.*, 2012).

The operation reserve consists of the unrestricted funds and the “net asset” composed of the accumulated profits generated from the non-distribution constrain(Calabrese, 2011). The net asset is analogous to equity in the financial statement, excluding all fixed assets (Grizzle, Sloan, and Kim, 2015); it is also the reinvested assets, not the expended ones (Calabrese, 2012). In the literature, operation reserve has other names like rainy days funds (Weisbrod and Asch, 2010), organizational slack (Bowman, 2002), high cash holdings (Ramirez, 2011), and precautionary saving (Fisman and Hubbard, 2005).

Hence, operation reserve is the liquid cushion that prevents NPO from financial distress; it underpins the organization to retrieve the gap between the expenses and the revenues because of its unique financial nature: unrestrictedness and liquidity (Grizzle *et al.*, 2015). Moreover, it represents the assets owned by the NPOs, which they are allowed to use freely according to their needs and choices of investments, without being limited by the endowers stipulations (Prentice, 2016). Bacon (1992) and Calabrese (2011) argued that, according to the pecking order theory, NPOs managers use these accumulated liquid funds as internal financing rather than debt to reduce the cost of capital. Bowman (2002) sees that managers optimize leverage ratio depending on the operation reserve size.

NPOs mainly use three strategies to use this reserve: first, they may use it to stretch expenses; second, reinvest it in fixed assets, and lastly, preserve it as an internal capital gain (Calabrese, 2012). Buchheit and Parsons (2006) found that the NPOs' spending strategies affect the donors' decision, how the profitability of FPOs influences the investors' choices.

The Operating Reserves Initiative Workgroup (Workgroup, 2008) suggests a minimum operating reserve of three months of annual operation or a 25% ratio. Notwithstanding this recommendation, surprisingly, many NPOs report a deficit in budget and difficulties in sustaining their programs, although one-third of endowment funds are unrestricted (Calabrese, 2013). The more alarming fact is that 57% of NPOs have less than three months reserve, and 28% have no reserve at all. These facts indicate the remaining vulnerability of the sector (Grizzle *et al.*, 2015).

Another surprising fact about the operation reserve is that there is no standard budget format to report the NPO surplus reserve, much less a definition of this surplus (Bowman *et al.*, 2012). This lack of standards, by default, explains why the IRS (Internal Revenue Service) has no regulations for the NPOs' revenues accumulation reserves. Moreover, till our recent times, no code or policy stipulates the amount or the duration of the accumulated fund (Calabrese, 2012), which gives each NPO in each sector the freedom to define its profit and its use.

Intergenerational Equity and the Spending Ratio

The endowment spending ratio is the designed rule to maintain the endowment value in the long-term. It balances the endowment withdrew spending and the reinvestment of the returns (NACUBO, 2016); more simply, it is nowadays the shield of NPOs to mitigate the economic fluctuation (ACE, 2014). The main two challenges for any endowment fund are: restraining the spending and providing a sustainable income flow. Therefore, in recent times, managers use two standard methods to reach this balance, either calculating the average market value through time or calculating the spending ratio with inflation adjustment (Common Fund, 2012).

In the early beginning of the 19th century, trust and endowment funds assets were lands, generating their income from the rent. In the long term, the land's value increased over time and, consequently, the rent revenues. It was a simple mechanism that automatically prevented the fund from inflation. Hence, there was no need to define a certain spending ratio as the fund depended each year on the rent (Duch, 2009). Later, when the charitable institutions were allowed to use other financial tools, they were limited by the government's legal security list. These lists were low volatility investments that guaranteed the safety of the fund's principal, but at the same time, they were low income too.

In 1950, Markovitz's revolutionary "portfolio theory" was a tipping point for endowment funds. Endowment fund managers started to construct more diversified portfolios seeking more structured and modern income resources (Chabrol, 2016). Consequently, they began to face a new problem, which is inflation. In the 1960s, inflation became a critical issue for the sustainability of such funds. At that time, the standard management practices limit the fund spending and the income to yields from bonds and dividends and restrict capital gain. In 1969, William Cary and Craig Bright worked on what they considered as biased practices of endowment assets allocation; they advocated for a new spending policy of five percent adjusted on average for three to four years (Green, 2009). This ratio was to provide constant regular cash flow and preserve the funds' value over time by avoiding it to be eroded by inflation. They argued that the main problem is the lack of a clear definition of endowment income (Williamson, 1974). Shortly in 1974, James Tobin, the Yale University endowment manager, introduced his revolutionary study concerned with the endowment spending under "intergenerational Equity." According to Tobin (1974), endowment funds are more like open-ended-mutual funds. Thus, Tobin's model attempts to balance the relationship between the portfolio's growth and inflation to overcome the income fluctuation caused by the change market's discount rate and securities prices. He argues that the expected return rate must be forecasted annually with a moving average after the deduction of the inflation rate and the expenses from the expected growth rate. `He also states that this tactic will make a stable income in the long term, although it does not guarantee the portfolio's market value stability. Until recent time, almost all the NPOs follow the ratio introduced by William Cary, Craig Bright, and Tobin, even if this ratio sometimes differs from one sector to another (NACUBO 2015).

When Tobin introduced the intergenerational equity model in 1974, the market was falling, jeopardizing endowment funds (Bagley, 2014). In the last two decades, the market was no less risky with three great recessions (2007, 2009, and the Covid-19 recession). This disorderly financial environment creates more significant challenges for endowment funds' existence than to sustain a fixed spending ratio.

Furthermore, it is intriguing to find a significant gap in performance between the sector's subsectors. While large endowments (higher education) can sustain the targeted rate of return on investments, some funds are barely making a substantial rate of return on investments and suffering to fulfill their duties towards donors, beneficiaries, and even their employees (Heutel and Zeckhauser, 2014). This fact indicates that the spending ratio is not efficient nor effective for all the sectors' organizations.

NPOs, according to the law, are not forced to report the size of their endowments (Irvin, 2007); this scarcity of data was a cover sometimes to managers in the sector to manage these funds according to their benefits, ignoring the social target of their organizations (Fisman and Hubbard, 2003). Hence, wealth accumulation in the sector is a rising issue facing the mega endowment funds, questioning its credibility and accountability (Phillips and Jung, 2016). Heutel and Zeckhauser (2014) consider that the term nonprofit is sometimes misguiding as many NPOs generate income that exceeds their expenses.

Wedig (1994), Weisbrod and Asch (2010) argued that it is naïve to think that NPOs are limited only by the donors' stipulations. They see that the loose framework gave NPOs the power to undertake investments, loans, and relatively risky portfolios like the for-profit. Yet what forges the differences between them and the latter is the operation reserve and the spending ratio, which started to attract politicians and lawmakers' attention in the last decade (Meyer and Zhou, 2017).

This ambiguous image, scarce data, and unstandardized measurements raise questions between stakeholders and put the sector in front of financial challenges, social and legal pressures that menace its sustainability to fulfill its social responsibilities (Baum and Lee, 2019).

ISLAMIC WAQF

What is Islamic Waqf?

Waqf means "to hold," "to stop," according to the majority of scholars (Shafii, Ibn Hanbal, Abu Youssef) Waqf can be defined as "a property that the owner retains to be in the ownership of God for perpetuity and distributes its usufruct for the beneficiaries, and once the Waqf is created, nobody has the right to sell it or to bequeath it" (AlZuheily, 1985). According to Ibn Hanbal and Shafii, once the asset is dedicated to charity, it becomes in the ownership of God for perpetuity, inalienable, and irrevocable (AbouZahra, 1971).

Imam Malik defined the Waqf as "a detained property for a benefit for a certain time." Hence, he argued that the endower keeps restricted ownership of the endowed property. He can revoke his endowment under limited conditions (Amin *et al.*, 1994). Abou Hanifa saw that Waqf is "a property owned by the endower who retains its usufruct for defined beneficiaries."

Abou Hanifa treated the Waqf like "AL Areya" (lending), which means lending something for someone to benefit from it for a specific time (Abou Ghadda and Shahata, 2014). So, he, too argued, that Waqf can be revocable and temporary.

The AAIOFI (Accounting and Auditing Organization for Islamic Financial Institutions) definition states: "Waqf refers to making a property invulnerable to any disposition that leads to transfer of ownership and donating the usufruct of that property to beneficiaries. Waqf is also a binding commitment and, therefore, declaring a property as Waqf would spontaneously deprive its donating owner of the right of ownership." (AAIOFI, 2017).

From the old and the new definitions, a consensus can be noticed on the Waqf structure and its components: the corpus or the endowed property, the usufruct distribution, the beneficiaries, and the manager or the trustee (Nazer). These components represent the four pillars of the Waqf; without them, it cannot be created (IbnAbdeen, 2003).

In the Quran and Sunnah, Waqf is not restricted by fixed rules like the five prayers, Ramadan fasting, or the Hajj; instead, its modus operandi is very flexible according to the application. It is clear that the Prophet (PBUH) admitted different acts of Waqf, so he admitted movable assets like Khalid Ibn Alwaleed's sword endowed to defend Islam, and Hafsah (the Prophet's wife) when she dedicated her jewelry to her relatives (AlTarabolsy, 1981). Also, he acknowledged immovable assets like Mokhayreq's verge and buildings like Aisha's house endowed to serve her family (Al-Khassaf, 2005). Moreover, he admitted a different kind of beneficiaries, family members, and public people; nevertheless, he accepted to be the first trustee of an endowment for Mokhayreq's land and admitted others to be their endowment managers like in Othman's Waqf.

Therefore, this legacy asserts that Waqf is a flexible multi-dimensional tool that targets the benefit of humanity. There was no dispute between the scholars about the nature of the endowed property, so they all consent that the asset can be movable like animals, crops, books, and now a day's stocks. Imam Zufar approves all movable assets to be created as Waqf, including money "Waqf Al-Nuqud" (IbnAbdeen, 2003) or what is known today as Cash Waqf. Furthermore, Malik asserts that all movable and immovable assets are to be created as Waqf, even cash (AlTarabolsy, 1981). In recent days, the Maliki scholars admit the Waqf of the modern figures of money like shares, Sukuk, and bonds (Abou Ghadda and Shahata, 2014). Both Shafii and Hanbal approve movable and immovable assets to be created as Waqf (AbouZahra, 1971). Moreover, there is an agreement on the trustee issue and who can manage the Waqf.

The scholars recognize three main classifications for Awqaf (AbouZahra, 1971), (AlTarabolsy, 1981), (Çizakça, 2014): the first "Thury" or "Ahly" Waqf, which means family Waqf in which the beneficiaries are the endower own kin and family, the second is public Waqf were the beneficiaries are poor and needy people, and the third is the mixed Waqf which is a mix between the first two types which means that the benefits are distributed according to a defined ratio between the family of the endower and public charity (Abdullah and Ismail, 2015).

Waqf Theoretical Background

Islamic Financial Tools

After the big recession of 2007-2009, the financial market started to search for new ethical and sustainable tools other than the conventional ones. Therefore, Islamic finance or "ethical finance" was a solution for many countries to find balance and profitability. Ethical finance operates through 300 Islamic institutions with an operating capital of $1.9 trillion in 2013 and a growth rate of 10%-15% on average (Tatiana *et al.*, 2015). The European Islamic funds represent 8% of the global Islamic fund sector.

The Islamic finance model is based on the Islamic faith philosophy based on complementarity and endogeneity of values; all individuals in Islam have free will, but at the same time, they responsible for their deeds and must apply justice and beneficence (Haqqi, 2015). Thus, six pillars control Islamic financial practices:

- **No Riba**: Money is not a product. Instead, it is a means; therefore, the interest rate is prohibited as it is considered usury or "Riba."
- **Profit and loss sharing**: All the partners are equals and responsible for the consequences of their practices. Hence, they all share the risk and interests.
- **No "Gharar"**: means all the parties have access to all the needed information; this prevents information asymmetry and agency theory.
- **No "Mayser"**: means no gambling and speculations.
- **The unity and independence of the contract.**
- **Halal products**: The investment must be in ethical products.

Hence all Islamic financial instruments emphasize partnership and risk-sharing. There are three types of financial tools: asset-based contracts, equity-based contracts, and Sukuk.

Asset-based contracts are equity contracts, but they have a collateralized asset. Bay al Ajal, bay el Salam and Istina'a are all selling contracts. The first contract is an instant sale for payment at a future date; the second contract is a deferred sale with instant price, and the third is like the second instead; it concerns industrial goods. The last contract, the Murabahah, is a mark-up sale where a lender buys a commodity and sells it to the customer for the original price plus a mark-up (Cattelan, 2013). The Ijarah is a leasing contract.

The equity-based contracts are equity contracts; the Musharakah is a contract where two parties participate in capital sharing in a project. Both parties share the risk and the profits according to their shares, and they share management according to agreement contract terms. The Mudarabah is an equity contract where one partner owns the capital, and the other is a manager; it is more like entrepreneurship. The duties and profits are distributed according to defined shares (Elasrag, 2016).

Sukuk are known as Islamic bonds, although they are, like conventional bonds, have a maturity term, distribute profit, and are tradable, yet they are not debt tools. They are more likely sharing tools or equity tools backed by assets (Abu Bakar, 2017). Sukuk are a partnership between the issuer and the investor. In conventional bonds, the investor owns only the cash; in the Sukuk, the investor owns a share in a property or a project (Zakaria *et al.*, 2012). Conventional bonds ‘profits are interests due to their indebtedness structure. In contrast, Sukuk’s profits are returns on sukuk’s investment portfolio. Therefore, it is misleading to consider Sukuk like conventional bonds. Sukuk are flexible tools that can be applied to any type of Islamic contracts. So they can be asset-based Sukuk or equity-based Sukuk (Abdullah, 2008).

Perpetuity, Irrevocability, and Inalienability

Despite a unanimous agreement on Waqf’s legitimacy, a conflict about the perpetuity, irrevocability, and inalienability existed for a long time (Maghniyyah, 1997). Most of the Scholars are very rigid and sometimes obstinate about these three latent topics. They plead for the absolute perpetuity, irrevocability, and inalienability of Waqf. Hence, they ignored the fact that two prominent scholars, Abu Hanifa and Malik, argued for Waqf's temporality and revocability (Amin *et al.*, 1994); (Maghniyyah, 1997).

These three issues must. From the hadith of the Prophet: "When a man dies, his deeds come to an end except for three things: Sadaqah Jariyah (ceaseless charity); a knowledge which is beneficial, or a virtuous descendant who prays for him (for the deceased)." [Narrated by Muslim], a man can have a perpetual reward from God from three resources, one of them ceaseless charity or perpetual charity. It is evident that any object has a relative life span, as Ibn Arafa, Malik’s disciple, states that Waqf perpetuity is related to how long the asset could last (Kahf, 1999). Thus, it is manifest that the hadith's perpetuity is meant for the intention, not the object (Tahir et al., 2006); in other words, it is intended for the benefit to be perpetual, not the endowed property.

The old scholars treated the Waqf as a Sadaqa. However, Kahf (1999) stated that it is undeniable that the difference between “Sadaqa” and “Sadaqa Jariyah” (ceaseless charity), as mentioned in the hadith, is the concept of repetitiveness; the normal Sadaqa is done once. Still, Waqf or "Sadaqa Jariyah" is a property that generates repetitive income to be given for "Sadaqa." Ignoring this difference, the old scholars narrowed their interpretation and consequently limited the validity of Waqf to lands and buildings. However, movable and immovable assets were permitted by the Prophet (PBUH) (Al-Khassaf, 2005), (AlTarabolsy, 1981), believing that these are the only assets that can guarantee the perpetuity of Waqf.

Moreover, if we take the word "Jariyah" (running) in Arabic, one of its meanings is "renewable," which means that the asset can be renewable or can be changed once it lost its effectiveness and productivity to maintain the benefit. So, it can be concluded that the perpetuity's purpose is to serve the poor and the needy, not the asset or the property itself.

With a holistic perspective of "Fiqh el masaleh" (law of interest), Waqf is a whole financial system (Cizacka *et al.*, 2016) supported first by perpetuity to guaranty the accumulation of wealth. Second, by inalienability to separate it from any legacy. Finally, the irrevocability is to prevent the Waqf core assets from being taken by any authority other than the one stipulated by the founder (Mohsin *et al.*, 2016). So, the purpose of these three conditions was to sustain the Waqf capital and match its charitable and socio-economic long-term goals (Kahf, 1999). This precise mechanism matches Tobin's "Intergenerational Equity" introduced in 1974, so despite the progressive Islamic vision about Waqf, it was blocked due to the old scholars' limited interpretation.

Besides, this narrow standpoint not only blocked the development of Waqf with time, but it also stopped all other than wealthy people from making Awqaf (Abdulah et al., 2017), although the very essence of Islam practices is that all people are equal to God. Hence for centuries, Awqaf was made only by rich people who also used immovable assets for another hidden reason, protecting their properties from authorities (Çizakça, 2014). These limited practices created a misconception of the Waqf role at the managerial level and a delusional image at the social level.

Therefore, it is evident that the old scholars inflicted constraints on the Waqf by neglecting the Waqf's ten conditions, which all the scholars approve. The ten Waqf conditions are tools that an endower can use to maneuver the Waqf management to maintain sustainability and fruitfulness through time. Abou Zahra (1971) and Mohsin *et al.* (2016) stated ten main stipulations give the endower the right to change, add, and eliminate accordingly to his will. They can be as follow:

Increase (Zyada) and decrease (Noqsan): the founder has the right to increase or decrease the portion of one beneficiary or some of them. For example, if the founder gives 50% of the revenues to an orphanage and 50% to a hospital, he can change the proportion accordingly to increase the ratio of one and decrease the other one and so forth, and it goes for the same for people.

Addition (Idkhal) or removal (Ikhraj): this condition permits the founder or the manager to include a new beneficiary to the Waqf or exclude another. This requisite gives the flexibility to make the Waqf reaches real, needy people. For example, if the Waqf sponsors students, he can include new students who will start their studies once the old ones are done with their studies.

Granting (I'ta) and deprivation (Hirman): the endower may assign all or a portion of the property revenues for a beneficiary for a specific period or perpetuity; on the other hand, he can deprive a beneficiary of the alms for a while or perpetuity.

Replacement (Taghyr) and conversion (Tabdeel): replacement gives the founder the right to change how the earnings are distributed to provide the shares as salaries or buy equipment to maintain the Waqf property. Tabdeel gives the founder the right to converse the property itself or its function; for example, agricultural land may be exhausted after many years, so the endower has the right to change it with another investment or another property or land, or even used for another Waqf purpose like converting it to real estate land.

Substitution (Istibdal) and exchange (Ibdal): this gives the endower the right to substitute the unproductive Waqf property with another fruitful one**.** This means that the endower can sell an endowed property for money or other properties; also, he can sell the endowed property and buy another. These two conditions are widely discussed in the old literature. They provide numerous opportunities to sustain the perpetuity of the Waqf purpose.

It is clear that these stipulations ensure the perpetuity of Waqf and keep it as a dynamic tool. They give the endowment breadth and depth, so the founder can easily manipulate and manage the endowment to achieve its goals. All the contemporary scholars assert that all the Waqf Fiqh is a matter of Ijtihad; hence no one can claim a closing opinion about the topic (AlZarqa, 1999). Therefore, perpetuity, irrevocability, and inalienability must be rediscovered to open the doors for new practices and new categories of endowers, which will help Awqaf achieve society's welfare and emphasize the role of the third sector in the Islamic world. On that account, modern research reused these stipulations to redefine the stagnant issues about Waqf to develop it to be a modern tool that can resolve many of our current financial and socio-economic problems (Abdallah, 2017).

Waqf as a Financial Tool

For centuries scholars preferred immovable assets over movable assets as they are the most durable (AlZarqa *et al.*, 1994); in such a way, they limited the Awqaf to low-income portfolios, which became over time a dead body almost with no income burdening the managers and losing its charitable purpose. This was the West's case until the mid-20th century when the USA's endowers started to use diversified portfolios. The old tools that were used to manage Awqaf were as follows:

Hekr (indefinite lease right): It is long-term leasing where the tenant pays the endowment in advance a big down payment of the leased property price; this down payment sometimes equals almost the total price. Then the rest of the cost is paid as annual installments until the end of the leasing period. According to this contract, the tenant has the right to use the property according to his will. Moreover, he can sell it and bequeath it. This kind of deal was usually used for agricultural lands. It was common in the mid of the 7th -century for Waqf managers to use this contract to generate revenues to cover costs and maintain the Waqf property. Although the agreement provides cash in the short term, it does not consider the property's value appreciation over time. This issue caused the loss of the Waqf sustainable revenue in the long term, which was the main reason for Awqaf's deterioration. This is why some countries limited the period of the contract to 50 years (AlZarqa *et al.*, 1994).

Ijaratein (the dual lease right): this contract is similar to the Hekr agreement except that the sizeable down payment must be used for the Waqf property restoration, and it is the first lease. After the property restoration, it is leased again to another tenant. This contract was created after Istanbul's immense conflagration in the 17th century and the destruction of countless Awqaf properties. To encourage investors to participate in Awqaf restoration, the state introduced this tool (Zarqa, 1995).

Adding Waqf: this means to create another indirect Waqf to generate income and spend this income to sustain the main Waqf (Kahf, 1998). In the modern days, it is used under the name of Indirect Waqf (Mohsin *et al.*, 2016). These old financing modes were the scholar's Ijtihad[1] or interpretation according to their time. In a world of virtual financial platforms, Awqaf properties could not be managed the way they were handled in the Prophet's time. Modern researchers introduced new financing mods that are compatible with the Sharia'a rules and recent economic challenges. Cizacka *et al.* (2016) reintroduced Islamic tools like Mudarabah, Musharakah, and Istisna'a to be more profitable and practical to manage Awqaf assets in a modern way.

Cash Waqf: is simply the money endowment or Waqf Al-Nuqud. Many new scholars introduced Cash Waqf as an old forgotten tool. Cash Waqf is money that a responsible institution collects and distributes on defined projects and programs according to the donors' stipulation. Cash Waqf application was approved recently by many Islamic countries: India, Burma, Pakistan, Egypt, Singapore, Iraq, Syria (Mohammad *et al*., 2006), and Malaysia in 2007.

[1] Reasoning used by qualified scholars to obtain legal rulings from the sources of Islamic law

Malaysia launched many cash Waqf projects like the Penang Waqf fund, Johor shares, and Malacca Waqf shares to revive the new Waqf role in society to make it reachable for all people. In Egypt, Al Azhar university invested Cash Waqf in building warehouses in the Suez canal (Ibrahim *et al.*, 2013); on an individual level, donors give direct donations to charitable institutions like 57357 Hospital, Egyptian Food Banks, Ahl Misr Institution, and many others to finance their philanthropic programs. The reintroduction of Cash Waqf to the Muslim societies will open the door for many donors to revive the Waqf concept, which was limited for centuries to immovable assets (Ibrahim *et al.*, 2013). Due to the flexible and manageable nature of money, Cash Waqf could also be used as a tool to reduce governments' deficits and debt (Haron *et al.*, 2016).

Waqf shares or Waqf Sukuk: Another new tool is gaining ground; waqf shares or Waqf Sukuk. Waqf shares are cash, but instead of financing charitable programs directly, they are pumped into sharia'a compliant projects, and their profits fund the philanthropic programs. These shares' mechanism goes as follows: an individual, a bank, a firm, or an NPO, the founder issues waqf Sukuk or share to raise funds and design a list of beneficiaries. The shares' buyers are endowers who could be individuals or any financial entity; they endow cash and define the beneficiaries they want to target. The issuer plays the Nazir or trustee 's role; he channels the money in investment portfolios: a high risk/high return portfolio like Mudaraba with a small percentage and a low risk/ medium return portfolio like Murabaha and Ijara. Afterward, the generated profit is distributed as 70%[2] to the endowers defined by the endowers, and the remaining 30% go to feed the main fund corpus. Waqf Sukuk functions under two models; the first model is a philanthropy model, where the endower in an irrevocable and for perpetuity act gives money for a direct charitable purpose. In this case, the Waqf Sukuk are called Waqf shares, and they function like the cash Waqf. Many countries applied this model to restore old Awqaf properties or develop new social welfare projects, like Indonesia, Kuwait, Jordan, and Saudi Arabia (Qadawy, 2018). The second model is a sharing model or Mudaraba model, where the endower uses Waqf Sukuk as a shareholder in the Waqf investment projects portfolio. Therefore, he receives profits from the investment returns. Waqf Sukuk were implemented first time in Sudan and Mauritania in 1990 to finance the old Waqf properties with Istisna'a contracts. In an attempt to Waqf Restauration, the government created an independent entity under the Waqf corporation's name and started to issue Waqf shares to fund the new institution by encouraging people to participate. In the same year, Malaysia followed Sudan, issuing shares and developing new schemes (Mohsin, 2012). This model is used mainly in investment

[2] The percentage used here is an example not fixed. The distributed returns depends on the fund manager's decision.

portfolios like Istisna'a, Salam, and other Islamic contracts. Governments usually use it to restore old Awqaf properties, social development, and infrastructure. Yet this model is rarely used due to the lack of legal and Fiqh issues. In this case, the endower situation must be more precise and defined whether he is an endower or only a shareholder. Moreover, the Waqf Sukuk must be sold according to their book value or market value and whether the collected money is considered a donation or equity (Qadawy, 2018).

CRITICAL DISCUSSION

In modern times, endowment and Waqf continue to be robust, persuasive tools for wealthy people to spread their beliefs and political conventions. Mega Foundations like Melinda Gates Foundation and Open Society Foundation, among many others, play a significant role in social development and public political orientations. Likewise, in the Islamic world, AlRajhi Foundation, Community Jameel are foundations reshaping and developing the community. These large foundations have a massive impact on the public mainstream, not only on the local level but also on the international level. Therefore, it seems that endowment or Waqf will always be the elite's winning streak in front of the governments.

Although the western NPOs sector seems more structured and developed than its Islamic peer, an in-depth investigation showed a fragile structure. There is consent between the scholars (Toepler, 2016a) that the sector lacks a rigid definition that differentiates the organizational diversity that the sector includes. This missing definition would have decided many crucial aspects inseparably related to the sector:

- The sector taxability.
- The owners' hidden political orientations.
- The legal framework regulating the sector.
- The auditing authorities monitoring fraudulent acts and assuring the beneficiaries' rights.

This ambiguous picture has led to a gap in the sector's performance measurement, suspicious practices, and inefficient operations. Moreover, it is essential to note that all the auditing institutions are private ones, which means that governmental supervision is missing, and all the trials to measure the sector's performance is based on subjective may be biased resources. It is also very alarming that the third sector, which is supposed to be the public shield against the government and the private sectors, transforms into the private sector's folding screen to its hidden agendas.

Despite this precarious structure, the western NPOs sector is independent and perform to underpin social welfare. It is still filling the vast gaps that the governmental and private sectors are unable to cover. New growing power between donors supports the sector and introduces new keys (Cordery et al., 2017) to I reshape it to be more independent and community-focused: 1) Demographic changes are introducing new generations more liberal and more humanitarian; 2) Technology changes are easing the donation channels and making them accessible to anybody; 3) Fundraising resources are not limited to big companies or wealthy donors; ethnic groups and social minorities instead nurture them.

On the other side of the world, the Islamic NPOs sector is not less chaotic than the West. Its unstructured, unmeasured, and unmonitored. The faith-based charity leads the scene; people practice philanthropy through the traditional channels of Zakat, Sadaqa, and Waqf. Few people go to charitable organizations; most prefer family giving and nearby poor and needy (Hartnell, 2018). In some countries like Saudi Arabia, Egypt, Malaysia, there are Zakat Institutions where people can give through them, yet there is no law obligation.

Moreover, the sector is a mix between local charity organizations and international organizations, with no legal framework to control or differentiate between them. Some countries like Egypt forces local NPOs to be licensed and monitored by the Ministry of Social Solidarity (Elshahed, 2019); however, this does not apply to international organizations. In Indonesia and Algeria, there is no legal framework that controls the NPOs; rather, it is the old law for Waqf management. In Pakistan, there is no compulsory law to manage the sector (Zulkhibri, 2014).

Notwithstanding the disorganized Islamic charitable sector, philanthropy is developing and thriving. Some countries like Saudi Arabia and UAE are including the philanthropy sector in their 2030 future agendas. In Morocco, Tunisia, and Egypt, large Foundations support social entrepreneurship (Hartnell, 2018). Yet, the Islamic sector has crucial issues to resolve to maintain its sustainability:

- Institutional weakness and accountability.
- Absence of database.
- International corporations.
- The technology growing role

This fogy environment in both contexts affects endowment and Waqf funds’ performance and hinders its mission accomplishment.

At first sight, endowment and Waqf seem to perform financially likewise, but the performance contrast was inevitable with investigations. Endowment and Waqf funds resources are donations, grants, and governmental grants, but Waqf fund can issue Waqf Sukuk whether as fundraising shares or equity shares. This option is not valid for the endowment fund; instead, it can raise funds only through fundraising campaigns or issuing untaxable bonds. This difference explains why the endowment fund has an operating reserve, as it is the protecting shield in case of financial distress or insufficient raised funds.

This means that if the Waqf fund issues Waqf equity shares, its cost of capital will be the shares issuing. As for the endowment fund, fundraising cost can be considered as its cost of capital. It is not clear which cost of capital is higher; it needs more data and more research. Moreover, if the endowment fund pays a kind- dividend (Wedig, 1994), the Waqf fund pays both kind-dividend and cash dividend.

Endowment fund portfolios tend to be more static than the Waqf portfolios. The conventional portfolio consists mainly of equity and hedge funds; these financial tools depend mainly on the market performance. It may be a hedged portfolio against risk in the short term, but in front of big recessions, it showed weaknesses and fragility like in 2007 and 2009. In contrast, the waqf portfolio includes more dynamic and diverse tools like Istisna'a, Murabahah, and Salam; they are all asset-based tools. Underpinned by Assets, these tools may be more secured in front of financial distresses, for they are not linked directly to the capital market. This means that the Waqf fund is more sustainable than the Endowment fund in the long term.

Finally, it is time to admit that the financial world has two models: the conventional portfolio model and the Islamic portfolio model. The Islamic model needs to be evaluated separately from the conventional one. It requires a new mechanism and measurement to assess its performance and to highlight its dissimilar financial features.

RECOMMENDATIONS

The previous international study that measured the third sector was (Salamon *et al.*, 1999) 21 years ago, since then radical changes happened in politics, economy, technology, and demography. Hence, a new study is urged to reflect the new NPOs' international landscape, which will help find a definition for the various entities nurturing the sector and a global legal framework to monitor and control the sector at the international level.

Since endowment and Waqf funds are becoming an international link between separate communities from diverse ethnic, religious, and intellectual backgrounds, a deeper understanding of these factors will help bridging efforts and engagement for more efficient and practical cooperation. The endowment and Waqf funds are facing new demographic and ideological challenges to be able to gain solid grounds in this tumultuous environment; they need to set a sustainable framework and have a clear vision of their existence's real purpose.

Whether in the West or the Islamic world, governments must dissect the NPOs with and without endowment funds. Governments must put a legal distinction between distinct operating entities on the charitable continuum, from small local associations to mega organizations. This distinction will help put genuine measures and frameworks suitable and convenient with these funds' unique financial structures. Other than this, all performance measurement attempts will be meaningless, fouling, and endowment, and Waqf funds will be another face of a tax haven, political agendas, and terrorism. Moreover, like the FPOs governance, governments must put a governance system to compel managers to disclose their managing plan, their choice of border members, and their financial resources.

Although the technology was not a variable for the funds' performance measuring, it could be a threat or a solution for endowment and Waqf funds. Now the Initial Coin Offering (ICO) is providing fundraising and venture financing through virtual platforms. In 2017 alone, it was valued that over US$6 billion was collected through ICOs, and has now exceeded other financing methods by over five times (Rashid, 2018). These ICOs perform through the blockchain platforms with incomparable operation processing speed, decentralized global distributed network connections, verified data safety, reliability, and intelligibility of transactions.

Hence, to deploy these new tools for the utmost value of endowment and Waqf funds, the governments and managers must collaborate to define a system to control and monitor the cash flow smoothly, moving from one side of the world to another in a click. More efforts must be done to manage social media platforms, track donors, and transferred money.

Awqaf's funds need a new thoughtful environment to be able to take off the old cloak and develop. A collaborative endeavor between Scholars, practitioners, researchers, and donors will help to reconceptualize the Waqf mission, mobilize people, and give it more space to thrive.

Islamic governments must not procrastinate trying to solve old Awqaf's problems. Governments must move on, creating a new healthy environment for new Awqaf, reaching out to people, and working on its accountability. More effort must be done to create an Awqaf's database that registers the available old Awqaf and the new one. This database network must link Awqaf all over the Islamic world.

Moreover, the Islamic governments must liberate the Awqaf's management from government control. Awqaf must be managed separately through an independent authority that includes government representatives, financial professionals, and religious scholars from all the Fiqh schools.

Governments, managers, and scholars must collaborate to study how to reintroduce the Waqf concept to the public. They must regain the people's trust through marketing and positive examples. They must also work on reconstructing Waqf accountability through trustful institutions and a clear legal and religious framework.

More studies on the endowment and Waqf funds are needed to focus on financial measurement and the hall institutional structure. A more holistic picture must be defined through studies about organizational structure, organizational behavior, organizational learning, and organizational culture. Furthermore, studies on the donors' behavior, categories, and backgrounds will help build a realistic and tangible body of knowledge about the sector.

FUTURE RESEARCH

Many studies can be conducted about the topic. Endowment and Waqf performance measurements are not limited to financial health only; more research is needed:

- To compare more funds from both models in all the charitable sectors.
- To measure the relationship between financial performance and management performance.
- To compare the legal framework of both funds.
- To compare the donors' behavior of both funds.
- To measure what is the organizational culture of these funds and how it affects their financial behavior.

All these types of research are like puzzle pieces that together will complete the endowment and Waqf picture to be able to connect the findings and build a reliable and valid body of knowledge. These researches will underpin an undeceiving financial measurement.

REFERENCES

Abdullah, A. K. (2008) 'Asset-backed vs Asset-Based Sukuk', pp. 1–3. Available at: http://www.iefpedia.com/english/wp-content/uploads/2013/06/30_April_12_Asset_based_vs_asset_backed_sukuk.pdf.

Abdullah, R. and Ismail, A. G. (2015) 'Taking stock on the waqf-based Islamic microfinance model', *International Journal of Social Economics International Journal of Educational Management Iss On the Horizon*, 1810(4), pp. 132–136. Available at: http://dx.doi.org/10.1108/03068299110143436%5Cnhttp://%5Cnhttp://dx.doi.org/10.1108/10748121211272452.

Abou Ghadda, A. and Shahata, H. (2014) *Al Ahkam Alfiqhya wa Alosos Almohasabiya Lelwaqf*.

AbouZahra, M. (1971) *Muhadarat fi Al waqf*. second edi. Cairo: Dar Al fikr Al Arabi.

Abu Bakar, N. A. (2017) 'Islamic Finance Operational Transaction Framework : a New Insight of Islamic Finance Implementation in Malaysia and Japan', V(11), pp. 365–378.

ACE (2014) 'Understanding College and University Endowments', *ACE*, I(2), p. 58. doi: 10.1001/jama.1883.02390020026006.

Al-Khassaf, A. bin A. A.-S. A. B. (2005) 'Kitab Ahkam Al Awqaf', p. 351.

AlTarabolsy, A. (1981) *Al-Is'Af fi Ahkam Awqaf*. Bayroot, Lebanon: Dar AlRaed Al Arabi.

AlZarqa, M. (1999) *Al-Madkhal al-Iltizam al-'Ammah fi al-Fiqh al-Islami*. First Edit. Damascus, Syria: Dar Al Qalam. Available at: www.moswarat.com.

AlZuheily, W. (1985) *AL Fiqh Al Islamy WA Adelatoh*. Second Edi. Damascus, Syria: Dar Al Fikr.

Amin, hassan A. *et al.* (1994) *Edarat wa Tathmeer momtalakat AL waqf*. Second Edi. Edited by H. A. Amin. Jeddah,KSA: IsDB, Islamic Institution for Research and Training.

Anheier, H. K. and Leat, D. (2013) 'Philanthropic Foundations: what Rationales?', *Social Research*, 80(2), pp. 449–473. Available at: https://media-proquest-com.ncat.idm.oclc.org/media/pq/classic/doc/3108882431.

Bagley, L. (2014) *Foundations and Endowments Specialty Practice Intergenerational Equity and the Endowment Model*. Available at: www.suntrust.com/foundationsandendowments.

Baum, S., Hill, C. B. and Schwartz, E. (2018) *College and University Endowments In the Public Interest ?* Available at: http://www.sr.ithaka.org/wp-content/uploads/2018/05/SR_Report_college-university-endowments_05222018.pdf.

Baum, S. and Lee, V. (2019) *The role of college and university endowments*. Available at: https://www.urban.org/sites/default/files/publication/100536/the_role_of_college_and_university_endowments.pdf.

Bowman, W. (2002) 'The Uniqueness of Nonprofit Finance and the Decision to Borrow', *Nonprofit Management & Leadership*, 12(3), pp. 293–311.

Bowman, W., Tuckman, H. P. and Young, D. R. (2012) 'Issues in Nonprofit Finance Research: Surplus, Endowment, and Endowment Portfolios', *Nonprofit and Voluntary Sector Quarterly*, 41(4), pp. 560–579. doi: 10.1177/0899764011411925.

Bryman, A. and Bell, E. (2011) *Business Research Methods*. THird Edit. New York: Oxford University Press.

Buchheit, S. and Parsons, L. M. (2006) 'An experimental investigation of accounting information's influence on the individual giving process', *Journal of Accounting and Public Policy*, 25(6), pp. 666–686. doi: 10.1016/j.jaccpubpol.2006.09.002.

Calabrese, T. D. (2009) 'Why Do Nonprofits Retain Unrestricted Net Assets? Evidence from Panel Data, and Policy Implications', *Aspectos Generales De La Planificación Tributaria En Venezuela*, 2009(75), pp. 31–47.

Calabrese, T. D. (2011) 'Testing Competing Capital Structure Theories of Nonprofit Organizations', *Public Budgeting and Finance*, 31(3), pp. 119–143. doi: 10.1111/j.1540-5850.2011.00989.x.

Calabrese, T. D. (2012) 'The Accumulation of Nonprofit Profits: A Dynamic Analysis', *Nonprofit and Voluntary Sector Quarterly*, 41(2), pp. 300–324. doi: 10.1177/0899764011404080.

Calabrese, T. D. (2013) 'Running on Empty The Operating Reserves of US Nonprofit Organizations', *Nonprofit Management and Leadership*, 20(3), pp. 83–96. doi: 10.1002/nml.

Calabrese, T. D. and Ely, T. L. (2017) 'Understanding and Measuring Endowment in Public Charities', *Nonprofit and Voluntary Sector Quarterly*, 46(4), pp. 859–873. doi: 10.1177/0899764017703712.

Cattelan, V. (2013) 'Islamic Finance in Europe', *Islamic Finance in Europe*. doi: 10.4337/9781781002513.

Chabrol, M. (2016) 'Le Fonds de dotation à la française et l ' endowment fund aux Etats-Unis'.

Çizakça, M. (2014) 'Risk sharing and risk shifting: An historical perspective', *Borsa Istanbul Review*, 14(4), pp. 191–195. doi: 10.1016/j.bir.2014.06.001.

Duch, K. H. (2009) 'Determinants of Endowment Spending Rates at Institutions Of Higher education', *Aspectos Generales De La Planificación Tributaria En Venezuela*, 2009(75), pp. 31–47.

Elasrag, H. (2016) 'Islamic finance for SMES.pdf', (73913). doi: MPRA Paper No. 73913, posted 22 September 2016 13:32 UTC.

Elasrag, H. (2017) 'Towards a new role of the institution of waqf', *Economic Policy*, (2116), pp. 0–33. doi: MPRA Paper No. 80513, posted 1 August 2017 05:31 UTC.

Elshahed, H. (2019) 'NGO and Media Appeals Usage in Egypt : Ramadan as a Case Study', *Global Media Journal*, 17(32), pp. 1–8.

Fisman, R. and Hubbard, R. G. (2003) 'The Role of Nonprofit Endowments The Role of Nonprofit Endowments', *The Governance of Not-for-Profit Organizations*, I(January).

Fisman, R. and Hubbard, R. G. (2005) 'Precautionary savings and the governance of nonprofit organizations', *Journal of Public Economics*, 89(11–12), pp. 2231–2243. doi: 10.1016/j.jpubeco.2004.10.005.

Gérome, F. (2010) '« Charities » et assoCiations : une étude Comparative FranCe – royaume-uni du Comportement des donateurs et des stratégies de ColleCte', pp. 39–57.

Green, S. L. (2009) 'Why 5 percent? An analysis of optimal endowment spending rates', *Studies in Economics and Finance*, 26(4), pp. 216–231. doi: 10.1108/10867370910995681.

Grizzle, C., Sloan, M. F. and Kim, M. (2015) 'Financial factors that influence the size of nonprofit operating reserves', *Journal of Public Budgeting, Accounting and Financial Management*, 27(1), pp. 67–97. doi: 10.1108/jpbafm-27-01-2015-b003.

Hansmann, H. (1990) 'Why Do Universities Have Endowments?', *The Journal of Legal Studies*, 19(1), pp. 3–42. doi: 10.1086/467841.

Haqqi, A. R. A. (2015) 'The Philosophy of Islamic Political Economy: Introductory Remarks', *Journal of Islamic Studies and Culture*, 3(1). doi: 10.15640/jisc.v3n1a13.

Haron, M. *et al.* (2016) 'Cash waqf collection: any potential factors to influence it?', *International Journal of Business, Economics and Law*, 9(2), pp. 27–33.

Hartnell, C. (2018) *Philanthropy In The Arab*, *Philanthropy For Social Justice And Peace*.

Hennes, N. (2017) 'Performance Measurement In Nonprofit Organizations'.

Heutel, G. and Zeckhauser, R. (2014) 'The Investment Returns of Nonprofit Organizations, Part I', *Nonprofit Management and Leadership*, 25(1), pp. 59–75. doi: 10.1002/nml.21101.

IbnAbdeen, M. (2003) *Rad AL Mukhtar*. Special Ed. Edited by A. AbdelMawgood and A. Moawad. Riyadh,KSA: Dar Alam Alkotob.

Ibrahim, H., Amir, A. and Masron, T. A. (2013) 'Cash Waqf: An Innovative Instrument for Economic Development', *International Review of Social Sciences and Humanities*, 6(1), pp. 1–7.

Irvin, R. A. (2007) 'Endowments: Stable largesse or distortion of the polity?', *Public Administration Review*, 67(3), pp. 445–457. doi: 10.1111/j.1540-6210.2007.00728.x.

Jegers, M. (1997) 'Portfolio Theory and Nonprofit Financial Stability : a comment and extension', *Hispanic Journal of Behavioral Sciences*, 9(2), pp. 183–205. doi: 10.1177/07399863870092005.

Kahf, M. (1998) 'FINANCING THE DEVELOPMENT of AWQAF PROPERTY', pp. 1–45.

Khodjamirian, Y. (2008) 'Capital Structure of Nonprofit Organisations : A Dynamic Framework', *London School of Economics*. Available at: cholar.google.com/scholar?hl=en&as_sdt=0%2C5&q=Capital+Structure+of+Nonprofit+Organisations+%3A+A+Dynamic+Framework&btnG=.

Liu, J. and Ding, J. (2020) 'Requesting for retweeting or donating? A research on how the fundraiser seeks help in the social charitable crowdfunding', *Physica A: Statistical Mechanics and its Applications*. Elsevier BV, 557, p. 124812. doi: 10.1016/j.physa.2020.124812.

Meyer, H. D. and Zhou, K. (2017) 'Autonomy or oligarchy? The changing effects of university endowments in winner-take-all markets', *Higher Education*. Higher Education, 73(6), pp. 833–851. doi: 10.1007/s10734-017-0109-1.

Mohammad, M. T. S. and Mar Iman, A. H. (2006) 'Obstacles of the Current Concept of Waqf to the Development of Waqf Properties and the Recommended Alternative', *Malaysian Journal of Real Estate*, 1(1), pp. 27–38. Available at: http://eprints.utm.my/501/.

Mohsin, M. (2013) 'Financing through cash-waqf: a revitalization to finance different needs', *International Journal of Islamic and Middle Eastern Finance and Management*, 6(4), pp. 304–321. doi: 10.1108/IMEFM-08-2013-0094.

Mohsin, M. I. A. (2012) 'Waqf-shares: New product to finance old waqf properties', *Banks and Bank Systems*, 7(2), pp. 72–78.

Mohsin, M. I. A. *et al.* (2016) 'Financing the Development Of Old Waqf Properties', *Palgrave Studies In Islamic Bankind, Finance, and Economics*. doi: DOI 10.1057/978-1-137-58128-0.

Muhammad Jawad Maghniyyah (1997) 'Waqf, Hajr and Wasaya : According to Five Schools of Islamic Law', 8, p. 33.

NACUBO (2016) *Study of Endowments*, *National Association of College and University Business Officers and Commonfund Institute*. Washington. Available at: www.commonfund.org.

Phillips, S. and Jung, T. (2016) 'A New "New" Philanthropy: from impetus to impact', *The Routledge Companion to Philanthropy*, (1), pp. 5–34.

Prentice, C. R. (2016) 'Why So Many Measures of Nonprofit Financial Performance? Analyzing and Improving the Use of Financial Measures in Nonprofit Research', *Nonprofit and Voluntary Sector Quarterly*, 45(4), pp. 715–740. doi: 10.1177/0899764015595722.

Qadawy, A. (2018) 'Resources Waqf Funds Securitization as a Mechanism to Finance Development Projects', *the Academy for Social and Human Studies*, (19), pp. 80–89.

Ramirez, A. (2011) 'Nonprofit cash holdings: Determinants and implications', *Public Finance Review*, 39(5), pp. 653–681. doi: 10.1177/1091142110381638.

Rogers, F. (2012) *Endowment Spending : A Look Back*.

Salamon, L. M. *et al.* (1999) 'Global Civil Socity in Comparative Perspective in Dimensions of the Nonprofit Sector', *Global Civil Society: Dimensions of the Nonprofit Sector*, p. 534. doi: 10.1007/978-1-4419-5707-8_22.

Tatiana, N., Igor, K. and Liliya, S. (2015) 'Principles and Instruments of Islamic Financial Institutions', *Procedia Economics and Finance*. Elsevier BV, 24(July), pp. 479–484. doi: 10.1016/s2212-5671(15)00613-9.

Toepler, S. (2016a) 'Foundations in Germany and the USA : Comparative Observations'. doi: 10.1007/978-3-319-40839-2.

Toepler, S. (2016b) 'German Philanthropy in Transatlantic Perspective'. doi: 10.1007/978-3-319-40839-2.

Tuckman, H. P. and Chang, C. F. (1991) 'A Methodology for Measuring the Financial Vulnerability of Charitable Nonprofit Organizations', *Nonprofit and Voluntary Sector Quarterly*, 20(4), pp. 445–460. doi: 10.1177/089976409102000407.

Wedig, G. J. (1994) 'Risk, leverage, donations and dividends-in-kind: A theory of nonprofit financial behavior', *International Review of Economics and Finance*, 3(3), pp. 257–278. doi: 10.1016/1059-0560(94)90011-6.

Weisbrod, B. a and Asch, E. (2010) 'Endowment for a Rainy Day', *Stanford Social Innovation Review*, Winter, pp. 42–47. Available at: http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:Endowment+for+a+Rainy+day#0.

Williamson, J. P. (1974) 'Endowment funds: income,growth,and total return', *The Journal of Portfolio Management*, 1(1), pp. 74–79.

Workgroup, T. N. O. R. I. (2008) 'An Organizational Imperative for Nonprofit Financial Stability', *The Nonprofit Operating Reserves Initiative Workgroup*. Available at: http://www.nccs2.org/wiki/index.php?title=Nonprofit_Reserves_Workgroup.

Zakaria, N. B., Md Isa, M. A. and Abidin, R. A. Z. (2012) 'The Construct of Sukuk, Rating and Default Risk', *Procedia - Social and Behavioral Sciences*. The Authors, 65(ICIBSoS), pp. 662–667. doi: 10.1016/j.sbspro.2012.11.181.

Zarqa, M. A. (1995) 'Financing and Investment in Awqaf Projects: A Non-Technical Introduction', *Islamic Economic Studies*, 1(2). Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3167768.

Zulkhibri, M. (2014) 'Regulation governing non-profit organisations in developing countries: A comparative analysis', *International Journal of Law and Management*, 56(4), pp. 251–273. doi: 10.1108/IJLMA-10-2012-0035.