



SARAN EDUCATIONAL TRUST

Founded 1998

Saran Education Trust (SET) – Endowment Fund Policy

Objective – SET (the Trust) provides subsidized education to children of all ages up to matriculation. The subsidy is funded through donations from friends, supporters and well-wishers of the Trust. In order to stabilize and increase the certainty of income flows from year to year, the Trust is establishing an Endowment Fund within its operations, based on this policy.

Operation of the Endowment Fund –

1. Donors will be asked to nominate their donations to the Endowment Fund.
2. The accounting of the Fund will be segregated from other receipts within SET's accounting records, ie income generated by the aggregate amounts under this head will be separately identifiable.
3. All principal balances standing in the Endowment Fund will be maintained and not be used to meet expenses.
4. Maturing investments under this head shall be re-invested in a qualifying product.
5. Income from investment of the Endowment Fund will be used to meet operating expenses of SET schools, subsidizing school fees or providing scholarships. Any investment income surplus to requirement may be added to the Endowment Fund. Other revenue surpluses may also be added to the Fund.
6. SET's Executive Committee is authorized to make investment/ re-investment decisions relating to the Fund. Decisions shall be made by a majority of all Committee members.
7. Only low risk investments shall be made with due regard for best practices in comparable organizations. The objective will be to maximize income with minimal risk and where possible the investment should yield monthly income.
8. Authorized investments shall comprise of Government securities and time deposits with scheduled banks. These investments should offer near certainty of income and security of principal. Investment in higher risk/speculative products such as derivatives is strictly prohibited.
9. Investments should be held to maturity, unless there are strong grounds for early encashment.
10. Investments with banks shall not normally exceed Rs 10 (ten) million in any one bank. This limit may be exceeded by unanimous decision of the Executive Committee. Investment in Government securities will not be subject to a limit.

This policy will come into effect when approved by a 75% majority of all members of the Executive Committee and may subsequently be amended by the same majority.

Approved by the Executive Committee on 08 April, 2017.

Managing Trustee Shadia Hussain

Secretary [Signature]

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