

# NED ALEF

## OPERATING GUIDELINES



**NED INTERNATIONAL ALUMNI NETWORK – NORTH AMERICA**

**NEDIAN-NA**

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# NED ALEF OPERATING GUIDELINES

## A. PREAMBLE:

NED Alumni Endowment Fund (NED ALEF) is a subcommittee of NEDIAN-NA pursuant to paragraph 5.a.vi. of that organization's bylaws. NEDALEF shall be operated in accordance with these Operating Guidelines which have been prepared to be consistent with the approved NED ALEF Charter Statement under the authority of NEDIAN-NA. This document is Attachment A of the NED ALEF Charter Statement.

## B. PURPOSE OF THIS GUIDELINE

The NED ALEF Charter Statement outlines the overall structure and operation of NED ALEF. These Operating Guidelines provide details for implementing the NED ALEF objectives and the day to day operations of NED ALEF. They provide guidance to the ALEF Board of Trustees (ALEF BOT) and the ALEF Executive Council (ALEF EC) regarding the following:

- Short-term and long-term goals of NED ALEF.
- Fundraising.
- Investment Guidelines.
- Selection of activities and projects NED ALEF will support financially or otherwise.
- Guidelines for Disbursement of Funds.

This document outlines the philosophy and principles which will guide the operation of the Endowment Fund toward the desired results. The intention of this document is to provide specifics that will help in implementation of the Charter Statement consistent with their intent.

## C. GOALS OF THE NED ALEF ENDOWMENT FUND

The goal of NED ALEF is to raise, invest, and disburse funds for strong, results-based educational and research objectives of the *institution* of NEDUET. To attain the stated goal, the overriding objective of NED ALEF is to achieve and maintain growth of the endowment accounts by growing the aggregate portfolio value at or greater than the rate of inflation over the Endowment Fund's investment time horizon. Specific investment objectives will be established later in this document.

## D. DISTRIBUTION OF RESPONSIBILITY

### 1. NED ALEF BOT

ALEF BOT is responsible for setting policies on all functions of ALEF BOT and ALEF EC. The ALEF BOT will consult ALEF EC in policy matters related to functions to be executed by ALEF EC. It is also responsible for assessing the activities and projects to be funded per the objectives outlined in this document. The BOT is also responsible to delegate certain responsibilities to professional experts in various fields or other individuals, as and when deemed necessary. These include but are not limited to:

- a. **Investment Consultant.** The investment consultant may be an individual or a company who would assist ALEF BOT in establishing investment policy to meet the objectives identified by ALEF BOT; selecting investment vehicle and proportions of collected funds to be invested in each investment vehicle; measuring and evaluating investment

performance; making modifications to investment accounts, and advising ALEF BOT on other investment-related tasks as deemed requested by ALEF BOT.

- b. **Investment Committee.** A sub-committee of the ALEF BOT charged with the responsibility to oversee the management of NED ALEF assets.
- c. **Lawyer.** An attorney practicing in the state where NEDIAN-NA is registered. The attorney will advise the ALEF BOT and ALEF EC on the legal matters pertaining to operations of NED ALEF, fund-raising, and disbursement of funds to ensure that NED ALEF is conducting its operations in accordance with all applicable laws, and to protect the interests of NED ALEF.

## **2. NED ALEF EC**

NED ALEF EC is responsible for executing the day-to-day activities as outlined in the Charter Statement.

NED ALEF EC is charged with the responsibility for the management of the assets of the NED ALEF. The NED ALEF EC is responsible for implementation of policies prepared by ALEF BOT regarding the investment, selection of investment funds or professionals. The specific responsibilities of the Committee relating to the investment management of NED ALEF assets include, but are not limited to:

- a. Determining, in consultation with the Investment Consultant, the NED ALEF's risk tolerance and investment horizon.
- b. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the NED ALEF's assets.

## **E. FUNDING: OBJECTIVES, CRITERIA, PROCESS AND DISBURSEMENT**

### **1. Objectives:**

NED ALEF gives priority to funding proposals (for activities or projects) that will have the greatest benefit to NEDUET consistent with the objectives of the Charter Statement. These will be as grants may include, but not be limited to:

- a. Grants for research by a faculty member or a student of NEDUET.
- b. Grants to help with travel and other costs for presentation of exceptional technical papers by NEDUET faculty or students at domestic or international conferences.
- c. Grants to arrange for technical workshops and lectures by eminent engineers and scientists at NEDUET.

Projects selected for receiving grants may include, but not be limited to, those that:

- Emphasize, encourage, support and facilitate faculty research that meets originality, significance and rigor, consistent with international research quality standards.
- Emphasize, encourage, and support students to publish/present papers in reputable national and international journals and conferences.
- Support NEDUET's laboratories to expand research in current and evolving areas of interest.
- Support subscriptions of journals and proceedings of international repute.
- Provide support to activities of final year projects of substantial visibility and innovation. NEDUET Department recommendations and a review by NED EC will determine the visibility and innovation of the project to be funded.

- Provide initial support to fund small research projects that are preliminary to larger works, especially those in preparation for an external grant application.
- Provide support for local academic conferences and seminars.
- Support development and update of curriculum to realize full potential of the program consistent with the national and international demand.
- Facilitate transfer of information from professionals in North America and elsewhere to NED.

## 2. Criteria

Funding is subject to meeting the following requirements:

- a. Grants for research by NEDUET faculty or student (including research assistantships):
  - i. Applicants shall submit their research proposals to comply with the requirements issued by ALEF EC.
  - ii. The application shall clearly indicate the objective (demonstrating the need for research), hypotheses, and a brief outline of proposed research program.
  - iii. The application shall identify the costs of materials and other resources that will be needed to conduct the research.
  - iv. Preference shall be given to applied research that aims to solve the problems faced by the industry in developing countries, especially Pakistan.
  - v. Deadlines shall be established by ALEF EC to be at least one full quarter prior to an event, initiation of a project or activity.
  - vi. The NED ALEF will not consider retroactive payments for events that have already occurred or purchases already made.
- b. Grants to help with travel and other costs for presentation of exceptional technical papers by NEDUET faculty or students at domestic or international conferences.
  - i. Complete information of the conference.
  - ii. An abstract of the paper to be presented.
  - iii. Detailed breakdown of costs including travel, boarding and lodging.
  - iv. (Maximum spending limit, as determined by NED ALEF BOT may apply.
- c. Grants to arrange for technical workshops and lectures by eminent engineers and scientists at NEDUET.
  - i. Topic
  - ii. Schedule
  - iii. Information on the presenter
  - iv. Usefulness of the workshop/lecture
  - v. Anticipated fees/revenues for workshops

All applicants for grants will be evaluated based on meeting the following requirements:

- i. Applicants shall be either faculty or students of NEDUET.

- ii. Applicants shall submit a complete and responsive proposal using specified forms (Attachment A of this document). These forms may be revised and updated by ALEF EC from time to time. ALEF EC may consult with NEDUET as it deems necessary in revising the forms.
- iii. For the purposes of application, evaluation and disbursement, the calendar year will be divided into four quarters. Applications for funding must be submitted by required deadlines. Deadlines shall be established by ALEF EC to be at least one full quarter prior to the semester/quarter for which the scholarship/fellowship is granted.
- iv. The recipient shall have minimum GPA of 3.0 or minimum aggregate average of 70%. Additional requirements also may need to be fulfilled as determined by ALEF-EC.
- v. Applicants will be required to provide progress report(s) on their project or activity approved by NED ALEF, in the format and on a time frame to be mutually agreed to by NED ALEF and the applicant. ALEF EC will make arrangements by forming committees for NED alumni or other experts as needed for evaluation of proposals and reports. Should a recipient violate the terms of the award, or should he / she lose eligibility for any reason, as determined by the Officers of NED ALEF or their designated representatives, the award shall be revoked; the recipient and the institution where he/she is enrolled shall be informed of such decision.

### **3. Approval Process**

In consultation with ALEF BOT and the VC-appointed representative of NEDUET, ALEF EC will assign two members of ALEF EC or NEDians delegated by ALEF BOT to perform ranking of applications/proposals. Based on the ranking and available funds, ALEF EC shall submit its recommendations to ALEF BOT for approval of funding. The BOT shall consider grants in March, June, September, and December. The grant review process should be completed within three to six weeks. All grants decisions will be communicated using a written notification from ALEF EC to ALEF BOT and from ALEF EC to NEDUET.

### **4. Disbursement**

Disbursement in amount(s) determined by NED ALEF EC, or their designated representatives, will be made out to and mailed to the institute directly where recipient is enrolled; such payments will be credited to the student account of specific recipient.

## **F. FUNDING POLICY**

NED ALEF will meet its funding support obligations and be consistent in regards to spending from year to year. Therefore, in order to achieve a relatively stable spending pattern – while allowing for investing in financial instruments to increase the value of invested funds – NED ALEF will allocate funds for supporting its mission on the total value of the investment portfolio.

It will be important to demonstrate a positive impact on NEDUET in the near-future, so that NED ALEF can establish its credibility by funding worthwhile projects. This, in turn, will motivate donors to help achieve the objective of NED ALEF enhancing NEDUET's academic standing.

The following will be the spending / investment formulae for collections made during the calendar years for the initial five years:

Year	Maximum Percentage of funds <i>collected in the given year</i> that may be spent in that year	Minimum Percentage of funds <i>collected in the given year</i> that must be allocated to long-term investment	Percent of returns from the total long-term investment portfolio that may be made available for spending
1 – 2014	40%	60%	0%
2 – 2015	30%	70%	0%
3 – 2016	20%	80%	0%
4 – 2017	10%	90%	50%
5 – 2018	00%	100%	100%

“Spending” will include funding of projects as well as legal and professional expenses of NED ALEF.

**G. INVESTING:**

**1. GENERAL INVESTMENT PRINCIPLES**

- a. Investments shall be made solely for achieving the overall objectives of NED ALEF.
- b. Investments shall be made with the aim of achieving a return on investment of the assets *while preserving the principal investment.*
- c. The financial instruments for investment shall be selected with the care, skill, prudence, and diligence under the circumstances then prevailing and considering the advice of professional financial advisor(s) engaged for this purpose.
- d. Investments shall be diversified to minimize the risk of large losses.
- e. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

**2. INVESTMENT MANAGEMENT POLICY**

- a. Preservation of Capital - Investment funds or managers shall be selected to make reasonable efforts to preserve capital, understanding that losses may occur. BOT shall be responsible to select investment manager(s).
- b. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Endowment Fund recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Endowment Fund’s objectives. However, the investment funds or managers are expected to make reasonable efforts to control risk and will

be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

### 3. INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of NED ALEF is to emphasize total return; that is, the aggregate return from capital appreciation, dividend and interest income.

The primary objective in investment management for NED ALEF assets shall be:

**Preservation of Spending Power** - To achieve returns in excess of the rate of inflation over the investment horizon in order to preserve and continue the activities outlined in the objectives of the NED ALEF through its spending power from Endowment Fund assets.

The secondary objective on the investment management of Endowment Fund assets shall be:

**Income and Growth** - To achieve a reasonable total return of current income and growth. Returns from "high risk" portfolios are not predictable and will likely be unnecessarily volatile. Alternatively, returns from "very conservative" portfolios will likely result in low earnings. Therefore, the Endowment Fund shall tend toward a more "moderate" investment strategy balancing the need for total income with the need to preserve principal.

#### ATTACHMENTS:

**ATTACHMENT A - Grant Application Form**

**ATTACHMENT B – Proposal Review Form and Award Notification Letter**