5 Balancing Requirements & Constraints – Funding & Decision Criteria

Facility Type	*Funding Sources*	*Value Management Criteria*	*Worked Example*
Religious Facilities primarily concerned with delivering religious values.	▪ Khums ▪ Zakaat ▪ Soft-Loans ▪ Sale proceeds of existing religious property	▪ Medium-term need evidenced. ▪ Lifecycle costs can be met from sustainable level of membership subscriptions / donations.	For example, it is considered (after logical and careful analysis) that an Imambargah for 1000 worshippers will be required in the next 15 years. Accordingly, a mosque of sufficient size would be considered an appropriate use of the acceptable funding sources. The construction of an Imambargah for 5,000 worshippers would not meet our value-management criteria.
Social & Communal Facilities primarily concerned with delivering cultural values, as well as for development / maintenance of community spirit.	▪ Zakaat ▪ Soft-Loans ▪ Sale/refinance proceeds of existing commercial property.	▪ Community desirability & demand evidenced. ▪ Lifecycle costs can be partially offset from sustainable income streams, as well as some reliance on non-huqooq donations.	For example, it is considered that (after logical and careful analysis) that a dedicated senior-citizens & youth space should be constructed, with the purpose of encouraging community unity. This would be funded by upfront donations, with lifecycle costs being met from affordable youth / senior-citizen subscriptions.
Commercial & Investment Facilities primarily concerned with generating funds to support (i) religious and (ii) social & communal facilities.	▪ Investment from community members ▪ Surplus Jamaat cashflows ▪ Soft-loans ▪ Sale/refinance proceeds of existing commercial property	▪ Superior return to risk-free returns over a similar timeframe (e.g. a fixed-term Bank deposit). Lifecycle costs should be met from within the facility, without recourse to the community. ▪ Acceptable risk profile, such that "worst-case" does not affect wider charitable activities. ▪ Compliant with UK-legislation and our community principles.	For example, it is considered that (after logical and careful analysis) that £200,000 of surplus funds can be invested in a project that generates a return of 8% per annum, over 10 years. This compares favourably to the rate-of-return over a similar period, which is at that time 3% per annum. A facility that generated a 1% return and was of significant risk would not meet our value management criteria.

Source: Based upon The World Federation of KSIMC's "*Proposed Processes and Procedures for Funding Capital Projects within the remit of the World Federation of KSIMC*", published 19 February 2008 (page 14).