

The Development of Financial Capacity and Sustainability

Measurements and Indicators of Endowment

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Abstract:

This study aims to propose and develop a set of quantitative indicators and measures to assess both the financial ability and the financial sustainability of the endowment, which is extremely important to assess the performance of the endowment administration, to identify the financial problems, current and future difficulties that can face the endowment, and threatens to decrease or terminate the endowment role. Quantitative measures are considered one of the most successful methods used in evaluating performance, whether for profit or charitable institutions, because of its simplicity and ease characteristics, as such measures transform a group of complex and heterogeneous variables into a unified and expressive number that enables to identify the strengths and weaknesses, and link them to the challenges and opportunities that Facing the institution, importance of both financial ability and sustainability of the endowment, the importance of developing indicators and measures for them, but the topic has not yet drawn the necessary attention, especially for the benefits that can result from the endowment in developing existing and potential endowments and managing them in the best manner.

Key Words:

Financial Capacity, Financial Sustainability, Measures, Financial Statements, Financial Analysis, Waqf.