
Report No. 4

AFRICA UNIVERSITY FUND

Background

The 1988 General Conference approved a report of the General Board of Higher Education and Ministry (GBHEM) providing for the establishment of a United Methodist university on the continent of Africa. By the time the 1992 General Conference convened, Africa University was a reality following the granting of a charter by the government of Zimbabwe. On March 23, 1992, the College of Theology and the College of Agriculture and Natural Resources opened on a site near Old Mutare to 40 students from Burundi, Mozambique, Sierra Leone, Congo, and Zimbabwe.

Each successive General Conference has heard and affirmed reports on the continuing development of this international university, as evidenced by the creation of additional schools, increases in the number of faculty members and students, and the growth of the physical plant. The student body has now reached an economically sustainable enrollment level of around 1,200 students. Capital improvements are now being funded by grants from governments, foundations, annual conferences, and individuals, with the apportioned funds used to support the operating budget. From 1989 through 2006, over \$39 million in apportioned funds has been

raised to support the development and operation of Africa University.

World Service Special Gifts have also been sought since 1988. These gifts have been held and invested by GBHEM as permanent endowment funds for the university. Through 2006, contributions and investment earnings have amounted to over \$40 million, the goal originally established by the GBHEM for operational stability.

Africa University accomplished Phase I of its 1989 Master Plan at the end of 2006, including paying half of its operating revenues locally from tuition and fees, gifts and grants, and auxiliary enterprises. GBHEM now proposes that Phase II be initiated to expand the basic infrastructure of the main campus, create a distance-education infrastructure, and increase the permanent endowment fund to \$100 million to provide greater support to the operating revenues due to inflationary conditions in Zimbabwe.

Recommendations

The General Council on Finance and Administration (GCFA) has deep appreciation and respect for all who have worked diligently and successfully to bring the University to this point in its development—members and staff of GBHEM; administration, faculty, and students of the University; and all of the persons, churches, conferences, and other organizations who have supported the University with their time, energy, talent, and gifts. The Council believes that the University will continue to enjoy enthusiastic support.

The GCFA recommends:

1. That the 2009–2012 yearly apportionments be set as follows:

| Year | Annual Apportionment | Percent Increase |
|-------|----------------------|------------------|
| 2009 | \$ 2,525,000 | 1.6% |
| 2010 | 2,525,000 | 0.0% |
| 2011 | 2,525,000 | 0.0% |
| 2012 | <u>2,525,000</u> | 0.0% |
| Total | \$10,100,000 | |

2. That the GBHEM continue to seek World Service Special Gifts under the provisions of ¶ 819 of *The Book of Discipline 2004*, with a goal of \$60,000,000 for the 2009–2012 quadrennium, to be used for permanent endowment funds for the University. The GBHEM

indicates that an endowment fund of \$100 million should be able to provide a sustainable income base to support the operations of Africa University in lieu of general apportioned funds. The GCFA and GBHEM will jointly monitor growth in this fund in order to determine whether funding through apportionments can be discontinued after 2012. The Council is aware that some annual conferences have chosen to apportion amounts beyond the general fund apportionment or to engage in other efforts in order to raise endowment funds for the University. Those and similar efforts are applauded, and annual conferences are encouraged to consider this or other innovative means of supporting this part of the University’s funding which is so critical to its long-term success and stability.

3. That GCFA remit the net receipts of the fund, after payment of charges for promotion, to GBHEM. Expenses for promotion of the Africa University Fund by GBHEM, in cooperation and with the assistance of the General Commission on Communication (UMCom), are a charge against the fund and within a budget approved by GBHEM and GCFA.

4. That GBHEM administer the funds in accordance with the Phase II financial plan for the University. It is understood that this financial plan may be amended from time to time, as changing circumstances may require, by the Africa University Board of Directors in consultation with the GBHEM.

The GBHEM shall be authorized to disburse funds for the development and operation of the Africa University and to release such funds to the Africa University Board of Directors or such other structural units as may be created for that purpose, provided that GBHEM shall be accountable for such funds to GCFA under a written agreement developed in consultation with and approved by GCFA, and, provided further, that no such funds shall be released to any structural unit whose charter, bylaws, or other governing documents have not been approved by GBHEM.

5. That permanent endowment funds for the University be held and invested by the GBHEM. Permanent endowment funds include the World Service Special Gift receipts and any other funds that may be raised by GBHEM and designated, either by the donor or GBHEM, for this purpose. The GBHEM is authorized to disburse income earned from the permanent endow-

ment funds under the same conditions as set forth in §4 above. The GBHEM shall be accountable to GCFA for all permanent endowment funds raised on behalf of the Africa University.

The provisions of this report shall not limit the authority of the Africa University Board of Directors to raise and administer permanent endowment funds and/or funds for the development and operation of the University from sources other than those from which contributions to the Africa University apportioned fund or the World Service Special Gifts fund would normally be sought.

6. That an annual conference may make direct and/or designated gifts for current expense or capital funds purposes to Africa University, but only after it has met its full Africa University Fund apportionment. There may be reasonable exceptions to this restriction, but such exceptions shall be negotiated with GBHEM prior to implementation.

7. Adjustments in the provisions of this report, except for the amount of the apportioned fund, may be made by GCFA on recommendation of GBHEM, after consultation with the Council of Bishops.