The Nonprofit Sector in Saudi Arabia: A Descriptive Study

Abdulrahman Al-Othaimeen

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Abdulrahman Al-Othaimeen
As Saudi Arabia’s economic and social environments have become more complex, the role of the nonprofit sector has grown in importance. At the same time, the sector faces the challenges of technology changes, shifting demographics, global influences, and increasing connectedness to the private and government sectors. In past decades, charitable services depended on individuals. It has, however, moved from individual services to charitable organizations. This study describes the work of hundreds of private and community organizations and agencies that practice the charitable work. They provide similar service and programs: human service, childcare, education, health care, and consulting. Philanthropic agencies influence the economy and society by employing many people, and by receiving and spending money, granting a better life to poor people, and helping them to resolve their problems. The society also is influenced by the charitable agencies by granting a better life to poor people and helping them to resolve their problems. Charitable agencies do not appear to have an influence on the religion. This is because there is only one religion in Saudi Arabia, Islam. Charitable agencies face various barriers related to government, personnel, agencies; beneficiaries, and perception in the society. In order to improve the philanthropic work, there are many suggestions for the government and the agencies.
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CHAPTER I

INTRODUCTION

Overview of the Study

Many people all over the world go to bed without eating dinner. Some of them do not have houses or clean environments in which to live or proper clothes to wear. Some poor people go from door to door or stand by the roadsides asking for food and help. These situations have existed for thousands of years for many different reasons. Poverty is perhaps the most common factor impelling people to seek the help of others. The complications of modern life and unemployment are other reasons that cause people to look for help.

Gradually, in many societies, people began to become aware that they needed to address these growing problems. More and more individuals volunteered and offered assistance to the destitute. They spent their time, and contributed goods and money to help people in their communities and, in some cases, outside them. Though those helping may not have thoroughly understood the needs of the indigent, they began to realize that, in light of their swelling numbers, individual offers did not suffice. Gradually, people began to understand the need to organize and marshal their assistance. To this end, they established institutions to better assist those in need.

Modern societies, whatever their politics, have found it necessary: (a) to make special provisions to protect individuals against the vagaries of economic misfortune,
old age, and disability; (b) to secure basic human rights; and (c) to preserve and promote cherished social and cultural values.

Because of growing social and economic complexity, what could previously be handled, however imperfectly, by a combination of self-reliance, spontaneous neighborliness, and family ties, requires a more structured response in modern times.

Saudi Arabia's charitable nonprofit sector has long played a critical role in Saudi life (Al-Lehidan, 2002). More than 260 organizations and associations provide services to meet an extraordinary range of human needs: (a) ministering to the sick through hospitals and clinics; (b) educating tens of thousands in its schools, as well as in the community tutoring programs; and (c) providing human services such as day care, meals on wheels, adoption, job placements, and relief of the poor. Nonprofit organizations also connect Saudis to unique opportunities: to volunteer, to participate in decision-making processes, and, in doing so, to shape more just and prosperous policies and projects (Al-Lehidan, 2002).

While the purpose of this study is to describe the nonprofit sector in Saudi Arabia, the focus of it is on the charitable nonprofit organizations and agencies that are under the control of the Ministry of Labor and Social Affairs (MLSA). Next to the governmental and private sectors, the nonprofit sector is the most important sector in Saudi Arabia. The nonprofit sector offers many avenues for developing and improving the life of those in its society. This sector pays attention to people who need money to buy basic needs: food, shelter, clothes, healthcare, and childcare. Investigating and understanding the nonprofit sector may be helpful in designing
better methods to develop and improve the charitable work.

This study fills a gap in the literature, as there is no descriptive study available about the nonprofit sector in Saudi Arabia, particularly regarding charitable agencies. The study also identifies the influence of the nonprofit sector on the economy, society, and religion in Saudi Arabia.

This study is divided into six chapters. An overview of the study and the study problem comprise the first chapter. The second chapter describes Saudi Arabia's history, location, population, boundaries, coasts, climate, administration, economy, and holidays. Chapter III describes the research design and methodology. The fourth chapter presents the history of Saudi Arabia's non-profit sector, describing the various types of agencies. This chapter also has examples of nonprofit foundations that do not fall under the Ministry of Labor and Social Affairs (MLSA). The findings of the research are presented in Chapter V. A discussion of relevant issues and the conclusions appear in the final chapter. Lastly, the strengths and weaknesses of the charitable agencies in the Kingdom of Saudi Arabia and a list of suggestions for future research are presented.

The Study Problems

Many westerners know little about Saudi Arabia as a modern country. While some may know its location, few are aware of the many different services that various organizations offer Saudi and non-Saudi residents. In the United States as well as other countries, most people have incomplete and unclear notions about the nonprofit
sector in Saudi Arabia. Americans might guess that Saudi Arabia has the same kinds of nonprofit organizations that exist in the U.S., but the situation is considerably different, as this study will endeavor to show.

By searching for previous studies, I found that no research has been undertaken on the nonprofit sector in Saudi Arabia, particularly charitable agencies. Therefore, this is a good opportunity to examine and describe the nonprofit sector in Saudi Arabia in order to present a clearer picture to those who are not familiar with it. By the description in this study, it may be possible to further develop and improve services that are offered to the Saudi people.
CHAPTER II

HISTORICAL REVIEW OF SAUDI ARABIA

The kingdom of Saudi Arabia is rich with the remains of an ancient civilization which waxed and waned over the history of the peninsula. Although many archeological studies were done, few were extensive. Some western explorers touched on areas of the kingdom and compiled books on its antiquities, but they were not always accurate or comprehensive because they were mainly individual efforts.

Archaeologists have found that human settlements in Arabia began at least 40,000 years ago. The remains of ancient settlements in several areas of the Eastern Province pre-date the Sumerians by a thousand years, and many archaeologists now believe that Arabia is the cradle of the Semitic civilization.

Ancient monuments at al-Qaryat, also known as Al-Fao, and al-Ola and Taima in the Eastern Province, all support this theory. They have also shown that the Dadanian, Lehianitic, and Nabatean civilizations, all of which have left well-preserved monuments, were simply continuations of civilization which flourished even earlier in various parts of Saudi Arabia.

Centuries passed, new states came into existence, and others declined and disappeared. Islam had a major role in bringing modern civilization to its territories. As most of the population continued to live in ignorance of Islam, the Saud Dynasty took on the responsibility to establish a new Islamic country. The Saud Dynasty has its
roots in Saud ibn Mohammed ibn Markhan. His dynasty has ruled in the Arabian peninsula since ancient times. Its influence has varied widely since its foundation: at that time it expanded to cover areas very far from Diriyah, the capital, whilst at other stages in its history it extended only a short distance around the capital.

The modern Saudi nation was born when King Abdulaziz headed for Riyadh in June 1901. From the time he left for Riyadh until the time he had re-united the Kingdom, he spent 31 years in continuous struggle. After King Abdulaziz died on November 9, 1953, his sons assumed the country's leadership. King Saud ibn Abdulaziz ruled from 1953 until 1964. King Faisal ibn Abdulaziz was at the helm from 1964 until 1975. King Khalid ibn Abdulaziz reigned from 1975 until 1982, when King Fahd was given the oath of Allegiance as the King of Saudi Arabia.

Location

The Kingdom of Saudi Arabia lies at the crossroads of three continents: Asia, Africa, and Europe. It forms part of western Asia, opposite east Africa, and is separated from the latter only by the red sea. It has close links with Europe, via the Mediterranean, and the Atlantic via Gibraltar. Its unique location has allowed it to play a major role in world affairs since ancient times, for it was a transit point for people migrating eastwards, westwards or northwards.

The area of Saudi Arabia is 2,250,000 square kilometers (870,000 square miles). It covers 80% of the total area of the Arabic Peninsula. Its northernmost point, Ras Al-Sheikh Humeid, is 34° east of Greenwich, and its southeastern border is
56° east. It spans 16° of Latitude from the point where it meets with Jordan in the north to its southernmost point.

The location of Saudi Arabia, and its climate, have affected how its population is distributed, the diversity of its geography, and its agriculture. The Arabian Gulf to the east, and the Read Sea to the west, have also been major factors in the lives and movements of the people of Saudi Arabia throughout its history (see Figure 1).

![Map of Saudi Arabia and Surrounding Countries and Natural Barriers](image)

Figure 1. Map of Saudi Arabia and Surrounding Countries and Natural Barriers.

Population

The total population of the kingdom is 20,846,884, of which 5,258,079 are
non-Saudi people (Central Department of Statistics (CDS), 2000). The main cities
have populations of one or two million people, whereas the smaller villages have popu-
lations of a few hundred.

Boundaries

The following countries or natural barriers border the Kingdom of Saudi
Arabia:

Northwest: Kuwait
North: Iraq and Jordan
East: The Arabian Gulf, Bahrain, Qatar, and part of the United Arab
Emirates (U.A.E)
South: The U.A.E., the Sultanate of Oman, and South Yemen
Southwest: Yemen
West: The Red Sea

Coasts

The Red Sea coast of Saudi Arabia is 1,800 km (1,100 miles) long. Its eastern
coast on the Arabian Gulf is 610 km (380 miles) in length. Saudi Arabian territorial
waters extend to its continental shelf, in accordance with international laws giving
every state the right to benefit from the economic resources of its territorial waters
extending from its borders to the continental shelf.
Climate

The climate of Saudi Arabia varies from one province to another. The Kingdom lies in the tropics, and the nationwide average temperature is 24°C (75°F). Local averages vary considerably, from 24°C (75°F) in the western Province, rising as we descend towards the southwest until it reaches 28°C (82°F) in Jeddah and 30°C (86°F) in Jizan. In the northwest the average temperature is 22°C (72°F) in Tabouk and 28°C (82°F) in Madinah, which is 850 metres (2,800 ft.) above sea level. In the Asir region in the southwest, the average temperature is only 19°C (75°F) because of the high altitude. The central province, which is surrounded by desert, has an average of 25°C (77°F) for Riyadh, 21°C (70°F) in Hail and 23°C (73°F) in Qassim. In Dhahran, in the eastern province, the temperature is an average of 26°C (79°F).

Apart from topographical factors, Saudi Arabia’s climate is also affected by tropical winds, which cause monsoons in the west and southwest. These occur during the summer months. In the south, tropical continental winds blow, particularly in winter. The climate of the north is affected by polar winds blowing from the sea, which cause rainfall in winter. Torrential rain often occurs in parts of the Kingdom as a result of cold wind currents meeting warm ones. This rain is often accompanied by thunderstorms. Most of Saudi Arabia has a desert climate, with very little rainfall. Its location, however, between two rainy areas in the south, where the monsoon region lies, and the sea in the north, means that rain falls throughout the year in some regions.
Administration

The Kingdom is divided into regions called governorates, each headed by a Governor (Emir). The title of Emir has its roots in Islamic history, since the ruler of a province used to be called an Emir. The Emir of a region is its chief administrator, who oversees all its affairs. All governmental departments and public organizations are under his control and he is responsible for the overall development of the region.

Each governorate has a capital, where the Emir resides. A large number of towns and villages are linked to each capital, each having its own Emir but ultimately governed by the capital of the emirate. There are fourteen Governorates, which may be seen in Table 1.

Economy

Saudi Arabia's economy is a free market economy. Although it is still the world's greatest oil exporter and possesses the largest reserves of oil and natural gas, Saudi Arabia now has a thriving non-oil economic sector that produces a variety of products which it exports worldwide. In 1999 the gross domestic product (GDP) stood at 139 billion U.S. dollars. The non-oil sector's share is currently around 70 percent, with the private sector accounting for more than one third of the total GDP.

Holidays

There are two official holidays in the Islamic calendar during which all government offices, private businesses and educational institutions are closed. The
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<td>1. Riyadh</td>
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<td>13. Al-Jouf</td>
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<td>14. Qirayyat</td>
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First of these is Eid Al-Fitr, the feast of the breaking of the fast, which begins on the 25th day of the month of Ramadan and lasts through the 5th day of the following month (roughly the middle of December to the beginning of January). Eid Al-Adha,
the culmination of the Hajj, begins on the fifth of the month of Zul Hijjah and continues through the fifteenth (roughly between the end of the year and the beginning of the new year). During this time, millions of Muslims from all over the world come to Makkah to perform the pilgrimage.

The nonprofit sector (charitable foundations) is impacted by the climate, economy, religion, and size of Saudi Arabia. In many cases, the severe climate, hot and cold, creates particular climatic needs. For example, people may need a heater to offset the winter cold, an air conditioner in summer for comfort, and special clothing to adapt to either. This of course increases the burden on charitable agencies. The economy also affects how many people philanthropic foundations can employ and how secure their positions are. Through the assistance received from charitable agencies, the poor purchase from stores various goods to meet their basic needs, which in turn helps to stimulate the Saudi market economy. As the economy is strengthened, charitable agencies receive more donations from businessmen and the rich. As Saudi Arabia is an Islamic country, religion plays an important part in Saudi life. Due to religious law, businessmen and the wealthy pay an annual almsgiving to the poor either individually or via charitable agencies.

The Saudi government plays a major role in the nonprofit sector. In addition to overseeing and controlling philanthropic agencies via the Ministry of Labor and Social Affairs (MLSA), the government pays annual assistance to the indigent through its department, Social Guarantee. The support depends on variables such as the number of family members and the job situation of the father. The government
also provides free health care to all Saudi and non-Saudis through public hospitals. Moreover, many free centers exist to care for the aged. These "Social Care Houses" receive those old people in need of special care whose relatives are unable to care for them. Similarly, there are "Social Direct Houses" who care for youths, even though they may not come from poor families. Finally, the government supports charitable agencies by funding annual support to community agencies under the MLSA.
CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

This research is designed to describe the nonprofit sector in Saudi Arabia, which consists of charitable agencies and organizations which offer various services to people. This study will also include a brief overview of other nonprofit organizations, which includes other kinds of service such as sports clubs and scientific organizations. In addition to presenting the barriers and problems facing charitable agencies, the study will also offer suggestions that might be helpful to them.

Data describing the nonprofit sector in Saudi Arabia was collected by two methods. First, interviews were conducted with agencies' general supervisors or with agencies' workers. The interview guide included 11 questions, all of them related to the non-profit agencies in Saudi Arabia (see Appendix A). Second, a self-administered survey instrument (see Appendix B) was sent to philanthropic agencies under the MLSA's control that were not selected to be interviewed. This survey was designed to cover all nonprofit agencies in Saudi Arabia. In order to do this study, the researcher went to Saudi Arabia for three months.

When the researcher reached Saudi Arabia, he went to the Ministry of Labor and Social Affairs and met the general supervisor of the nonprofit agencies (agencies that provide free programs to their communities, specifically poor people). As a result of this meeting, the researcher found out that the nonprofit sector contains
agencies providing a variety of services. There are health, charitable, sports, religious, and educational nonprofit organizations. Moreover, there are a few special private foundations offering charitable services which the Ministry of Labor and Social Affairs does not control. Because of the variety of the nonprofit organizations in Saudi Arabia, this study focused on the charitable agencies that offer human services to people.

The general supervisor of the nonprofit sector preferred to send the study questions to selected agencies through the Ministry of Labor and Social Affairs. He also suggested choosing those agencies that had been established for more than 10 years. After selecting 64 of 243 agencies from different parts of Saudi Arabia (26% of the total of community charitable agencies), the researcher wrote letters to each of those 64 agencies (see Appendix C) and attached the questionnaire. The Ministry of Labor and Social Affairs then sent the letters. As expected, not all agencies responded. After two weeks, the researcher began to receive phone calls and faxed letters from agencies which welcomed the interviews. Of the 35 agencies responding (54.7% of the sample size), 8 of them were nonprofit agencies which were established and managed by women. Fortunately, in this sample, all geographic areas of Saudi Arabia were represented.

The researcher asked all participants if he could tape-record the interviews; however, only one would allow this. This happened in the agency of the researcher's hometown, primarily because the agency manager recognized the researcher. The length of time for interviews differed. Some were not more than 30 minutes, while
others ran longer than an hour and a half. Some of those interviewed had better verbal skills than others, which gave them the ability to pass from one topic to another and elegantly reply to questions.

The phone was used to conduct 8 of the 35 interviews because they were with women's agencies. The women who ran these agencies could not be interviewed face-to-face due to religious laws.

Two methods of note taking were used in the interviews:

1. In the face-to-face interviews, the researcher proceeded question by question, listened to the answers from agency managers or employees, and took notes. The details of each interview were written immediately after leaving the agency. For the interview that was recorded, the researcher listened to the tape after the interview and transcribed each word that had been said.

2. For the interviews conducted over the phone with women's agencies, the researcher used the same method of note taking.

A written survey was sent to all the agencies which were not selected to be interviewed. This survey included all the interview questions except question number nine (see Appendix B). This question was omitted as it had confused participants in the interviews. The researcher sent all the surveys by mail. There were 176 surveys sent out. A month later the responses began to arrive. There were 70 responses (39.77%). In fact, some agencies called to ask questions about the survey. Most of these questions regarded the purpose of the research.

As with any project, there were many challenges and difficulties in the data
collection process. All the interview questions were designed to describe the work of the nonprofit agencies in Saudi Arabia. Some participants in the interviews, however, were not interested with question number nine, "what are the nonprofit sectors' influences on religious community in Saudi Arabia?" That was because most of them did not believe that there are religious communities in the Kingdom of Saudi Arabia. That question was confusing to most of the people who were interviewed. In order to avoid confusing people, sometimes the question wording was changed to: "Is there a relationship between non profit agencies and religion?"

Another challenge was the size of the research field. Saudi Arabia, as mentioned, is 2,250,000 square kilometers (870,000 square miles), which is one-third of the size of the United States. That necessitated a great deal of travel from one area to another in order to conduct the interviews. Appointments needed to be coordinated to reach more than one person in the same or nearby areas on the same day. There was also a time limitation as the data had to be collected in a three-month period.

Moreover, it costs a lot of money to move from place to place. Transportation methods available in Saudi Arabia are limited to cars and air travel. Some of the agencies were in areas which have no airports. The distance of some of these from the researcher's base was yet another obstacle.

In addition, most of the agency supervisors in Saudi Arabia do not believe in or understand the importance of research. Their lack of comprehension may be due to their academic community being only 70 years old. Because of this the researcher sometimes had to ask for only a few minutes of their time to conduct the interview.
Some of the agencies' workers thought that the interview was an appropriate opportunity to talk about their problems or their accomplishments. Often this was a circuitous way of obtaining information, but occasionally it wasted much time.

One of the most difficult challenges was collecting data from women's agencies. Because of religious laws, a man in Saudi Arabia cannot meet a woman who is not a relative to him for any reason. In order to overcome this barrier, all the interviews of women's agencies were conducted by phone.

In summary, collecting this study data was done by: (a) traveling to the various governorates throughout the country to conduct face-to-face interviews, and (b) sending out a self-administered survey. The interviews included 35 charitable agencies that had been established for more than 10 years. The survey was sent to all other charitable agencies that had not been selected to be interviewed. Seventy agencies responded to the survey.
CHAPTER IV

HISTORICAL REVIEW OF THE NON-PROFIT SECTOR IN SAUDI ARABIA

All of us know that human beings naturally like to do good and help others—to lend a hand to those in need to relieve their misery. Since life began, people have helped each other. Religion has been a significant motivator for people to help each other and for wealthy people to assist the powerless and the poor.

Tracings and drawings have been found on ancient Egyptian temples and graves which indicated that there was volunteer social work. Normal people were displayed offering donations to poor people. Temples received such donations as ground yields and livestock cattle, which were subsequently distributed by the priests (Til, 1990).

O’Neill (2002) said:

Historians and anthropologists have also noted that in ancient civilizations, such as China, Persia, Egypt, Rome, and Greece, associations were found mainly in the merchant class, not among peasants or the upper class, whose ties were still based largely on kinship and territory. The wealthy possessed the resources to meet their needs; the poor seldom had the freedom or ability to make use of voluntary associations; and both classes relied on the powerful state for many services. (p. 38)

At the same time, there was the Greek civilization. A portion of the wealth of the Greece was channeled toward caring for wayfarers and providing food and shelters to strangers. Most of their aid to poor people came from the government treasury (Til, 1990).
Romans were divided into nobles and common people. The nobles controlled everything while the common people owned nothing. As a result of the struggle, Roman life developed as a balance between the two classes. Social services at that time were characterized by noble class people providing wheat to the needy in times of drought (O’Neill, 2002).

Charities and benefactions continued to be offered primarily through individuals, though at times various religious groups participated in them. This situation remained until human societies spread over wide areas and people confronted serious economic and social changes. As it became clear that individual offers were not enough, especially as familial and societal relationships began to experience alienation, people began to work together to create organizations to better facilitate their charitable efforts (Til, 1990).

In the nineteenth century, important developments occurred in volunteer social services. In 1869, a charitable organization was formed in London to organize national donations to help the poor. In 1884, the “Social Settlement Movement” was established to create social foundations in poor areas in Egypt. Those foundations were built on the idea that wealthy and knowledgeable people concerned about social reformation could move to lower-income areas and help the poor to improve their lives by living and interacting with them. As a reflection of those organizational efforts, some Arabic countries began to establish charitable organizations. For example, in 1878 an Islamic charitable foundation was established in Cairo, Egypt. Similar charitable organizations spread to many parts of the world. These organizations’
services were limited to financial and material assistance. Their services improved as

The motive of the charitable and volunteer activities is a religious motive of
the highest order. Islam pays attention to social volunteer efforts for it helps reinforce
social solidarity. Qur'an and prophet Mohammed's speeches encouraged Muslims to
do good deeds for one another, and even for people who are not Muslims. Volunteer
work clearly appears in one of the Islamic tenets, almsgiving. Islam urges Muslims to
donate, help, and cooperate with each other. Charitable agencies’ plans and bylaws
regard charity and benefaction as a religious duty (Al-Mazroe, 2001).

Since the birth of Saudi Arabia, their society has been considered traditional
and conservative. The set up of its structures and functions were simple, which is re-
flected in its social and religious foundations, whether official or nonofficial. Because
of this, there were very few people who had a higher education or much experience in
specific fields. In small villages, a person who had religious knowledge influenced
most of the policies. Thus, it was the leaders of the mosques, judges, and teachers
who resolved most social and economic problems. There was no need to organize life
because of the simple social structure in Saudi Arabia.

After the discovery and export of oil in 1938, the features of Saudi society
began to change. The structure and function of society started to become more organ-
ized. Many problems appeared on the surface. These changes and problems needed
to be faced, resolved, and in many cases new policies needed to be established.
Therefore, the most important social change that took place in the oil era was socially
disciplined behavior. The existing, new administration and organizational institutions supported the society's need for change. The population makeup and criteria have changed. Due to the changes in Saudi society, people developed new hobbies and needed space to practice them (Al-Ageeel, 1997).

In Saudi Arabia, charitable efforts have taken many different forms. They began with individual, family, and tribal efforts. These eventually led to another form, charitable boxes. This consisted of collecting money from wealthy people during specific times and distributing it to the indigent at religious occasions and holidays. Charitable activities gradually expanded to include health, marital assistance, and home improvements (Abo Zaror, 1981).

As a result of establishing the Ministry of Labor and Social Affairs (MLSA) in 1960, many charitable agencies were founded. Those agencies contributed to the socioeconomic level improvement of most families in their local environments. The Ministry of Labor and Social Affairs also organized domestic and charitable efforts (Abo Zaror, 1981).

Types of Organizations in the Nonprofit Sector in Saudi Arabia

Nonprofit organizations offer charitable donations and serve other public purposes. This is primarily done by giving monetary grants to qualified individuals as well as to organizations. In Saudi Arabia, philanthropic foundations must serve the public by being organized and operated exclusively for religious, charitable, scientific, educational, and/or social service purposes.
Individuals and families who usually donate large sums of money, property, or other financial assets form foundations. These assets are the basis for an endowment or principal fund from which interest is derived and used to support expenses and grant making. Some foundations are not endowed, but receive periodic gifts from their donors.

There are various nonprofit sectors in Saudi Arabia. For example, sports, health, education, social, and religion are all part of the nonprofit sector and play important roles in the lives of Saudis. These sectors are controlled by various government departments. For example, educational nonprofit organizations in the universities are controlled by university presidents, not by the MLSA. These are found in most areas of Saudi Arabia and especially in cities. In addition, there are also scientific societies at all the universities. In order to teach the Holy Qur'an, there are the Holy Qur'an Memorizing Agencies. All nonprofit organizations in Saudi Arabia are established not for a specified time period, but in perpetuity.

Two major types of philanthropic foundations in the Kingdom of Saudi Arabia exist: (1) private foundations (independent, company-sponsored, and operating foundations); and (2) public foundations (community foundations and women's organizations). Private foundations are created by individual or family donors (or by their representatives, if created by a will after death). Donors select the board of directors (or trustees), who determine the purpose for which the money will be used. The differences among the various private foundations proceed from the initial permission granted by the MLSA to practice their activities and hinges on their satisfying all the
required conditions. The MLSA gives certificates conforming to the special registry, and specifying the date and number of registration, date of publication, and main center of the society. This includes private foundations that are not established by the Royal Family members or their relatives (super private foundations). The MLSA controls these foundations, requiring their members to submit annual reports, annual budgets, programs, and achievements (see Appendix E, Article 10). The community charitable agencies and private establishments also have to follow the MLSA’s guidelines.

The private charitable foundations in Saudi Arabia take two forms. One of them is independent of government (all private foundations that were established by Royal decree) while the other encompasses those which are under the Ministry of Labor and Social Affairs. Nonprofit foundations may not distribute a profit (in order to maintain their nonprofit status). Private foundations under the control of the MLSA most often are established by families to memorialize the names of great scholars or thinkers. They must follow the same policies of the philanthropic community foundations which the MLSA observes and controls. They have the right to receive gifts and endowments, but do not have the right to collect donations (see Appendix E, Section 2).

There are 22 private foundations that are controlled by the MLSA. Table 2 shows the distribution of these foundations around the Kingdom of Saudi Arabia. Even though these foundations depend on volunteers, they sometimes employ staff as directors and trustees. The focus of most of these private foundations is on either
helping poor people, serving society, or attending to scientific matters. They offer human service, health, educational, religious, and social programs and projects to people who live in or around their geographical areas.

Another type of private foundation is those that are established by the Royal Family members or their relatives. These are allowed to practice their activities by Royal decree. There are seven foundations of this type. The Royal family members or their relatives created all of them. These foundations are independent of the Ministry of Labor and Social Affair, and control themselves. They are concerned with health, scientific issues, disability/rehabilitation, and care of old people. All of these private foundations are in the capital city (Riyadh), except one, the Abdulrahman Al-Sudary Charitable Foundation in Al-Jouf. These foundations, of course, have many sources of income because most of their board members are princes, ministers, and businessmen. King Abdulaziz, King Faisal, Sultan Ben Abdulaziz, and Al-Ibrahim Foundations are example of private foundations that include family members as staff and board members, even though they employ nonfamily members as staff.

Private foundations may be also organized as operating foundations to conduct
research or provide direct services. For example, they may operate an art museum, a library, or home for the aged. The interest generated by the endowment pays for staffing and administering the programs or organizations. The Al-Sudary Charitable Foundation in Al-Jouf is an example of this type of organization, and its focus is primarily on scientific fields.

Community (public) foundations are classified as public charities and are formed by groups of individuals to benefit their communities or regions. An endowment is created from the gifts of many donors, which are pooled, and the interest is used to make grants to organizations and individuals to enhance the quality of life, primarily in their geographical area. Community foundations may have separate funds that are donated by different persons. The community foundation board oversees the foundation, and its staff conducts the grant-making program. Boards of directors of community foundations (also called trustees or distribution committees) are selected to represent the community (see Appendix E, Chapter 2, Article 7, 8). Some members are chosen by certain designated public officials—for example a judge or civic leader. Public foundations are termed “public charities,” which is the charitable designation that applies to most nonprofit organizations in Saudi Arabia. There are 243 philanthropic community foundations in Saudi Arabia. They are distributed in the areas of the Kingdom of Saudi Arabia as Table 3 shows.

In addition, there is another type of public foundation in the Kingdom of Saudi Arabia which uses the money or the interest generated to make grants for specific types of activities. There are 23 women’s foundations in different cities offering
Table 3
The Distribution of Community Agencies in Saudi Arabia

<table>
<thead>
<tr>
<th>Area Name</th>
<th>Number of Community Philanthropic Foundations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riyadh</td>
<td>49</td>
<td>20.2%</td>
</tr>
<tr>
<td>Qassim</td>
<td>21</td>
<td>8.64%</td>
</tr>
<tr>
<td>Makkah Al-Mukarramah</td>
<td>36</td>
<td>14.82%</td>
</tr>
<tr>
<td>Madinah Al-Munawarah</td>
<td>16</td>
<td>6.6%</td>
</tr>
<tr>
<td>Asir</td>
<td>26</td>
<td>10.7%</td>
</tr>
<tr>
<td>Al-Baha</td>
<td>9</td>
<td>3.7%</td>
</tr>
<tr>
<td>Jizan</td>
<td>15</td>
<td>6.2%</td>
</tr>
<tr>
<td>Najran</td>
<td>3</td>
<td>1.2%</td>
</tr>
<tr>
<td>Tabouk</td>
<td>9</td>
<td>3.7%</td>
</tr>
<tr>
<td>Hail</td>
<td>16</td>
<td>6.6%</td>
</tr>
<tr>
<td>Al-Jouf</td>
<td>6</td>
<td>2.5%</td>
</tr>
<tr>
<td>Northern Border Region</td>
<td>4</td>
<td>1.6%</td>
</tr>
<tr>
<td>Eastern Region</td>
<td>33</td>
<td>13.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>243</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

grants to meet the needs of women and girls that were unmet by both philanthropic organizations and the governments in their communities. Table 4 shows the distribution of women’s foundations in the areas of Saudi Arabia.

Foundations primarily bequeath grants to qualified public charities, although they may make grants to almost any type of organization or individual as long as the purpose of the grant is “charitable” and the grantor monitors the use of the funds. Grants can be made to nonprofit organizations, individuals, and corporations, both nationally and internationally. Grant-making patterns do not change greatly from year to year. Foundation grants might support educational projects, health-related projects, human services, public society benefits, science and technology, international affairs, and religion.
Table 4

The Distribution of Women’s Agencies

<table>
<thead>
<tr>
<th>Area name</th>
<th>Number of Women’s Agencies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riyadh</td>
<td>3</td>
<td>13%</td>
</tr>
<tr>
<td>Qassim</td>
<td>1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Makkah Al-Mukarramah</td>
<td>6</td>
<td>26.1%</td>
</tr>
<tr>
<td>Madinah Al-Munawarah</td>
<td>3</td>
<td>13%</td>
</tr>
<tr>
<td>Asir</td>
<td>1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Jizan</td>
<td>1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Tabouk</td>
<td>1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Hail</td>
<td>1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Al-Jouf</td>
<td>1</td>
<td>4.4%</td>
</tr>
<tr>
<td>Eastern Region</td>
<td>5</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100%</td>
</tr>
</tbody>
</table>

Most nonprofit foundations in Saudi Arabia do not employ staff. Some unstaffed foundations employ consultants or other part-time staff for specific tasks, such as accounting, audits, and legal matters. There are 6,430 employees in philanthropic foundations that are controlled by the Ministry of Labor and Social Affairs. Fewer than 1,897 (29.5%) of these employees are women. The staff of a typical foundation may include an executive director who heads the foundation, a program officer who investigates grant requests, and a secretary who does the clerical work. A few large foundations, like the King Faisal and Sultan Ben Abdulaziz Charitable Foundations, have large numbers of employees and complex organizational structures because of their large incomes.

Boards of directors or trustees who are responsible for their financial integrity and the fulfillment of their charitable missions govern the philanthropic foundations.
in the Kingdom of Saudi Arabia. They make grants or operate programs that promote charitable purposes. They may employ a staff or use volunteers or consultants to conduct their charitable work. All the philanthropic foundations receive gifts of money, property, or financial securities. Financial assets (for those that have endowments) are invested in financial securities (stocks, bonds, etc.), and the interest and dividends earned (and sometimes additional gifts from their donors) provide the money to make grants or operate programs to benefit society (Faisal Charitable Foundation Annual Report, 2000).

The establishment of philanthropic foundations in Saudi Arabia depends on the type of the foundations and the policies of the MLSA which requires a group of at least 20 people to establish a new community charitable agency. Therefore, with the exception of private organizations, all the philanthropic agencies in which interviews were conducted or who responded to the survey had the same answer to the question of how they were established. In other words, a group of people works together in order to organize volunteer work in one region; then to make their work more official, they register the group with the MLSA as a philanthropic institution (see Appendix E, Article 1).

There are two specific types of agencies, scientific societies and sports clubs, falling under the nonprofit sector, which are prominent in modern Saudi society. A brief overview of these two is presented next.
Scientific Societies

A scientific society is one of the most important types of nonprofit agencies in that it supports scientific life. Saudi scientific societies are concerned with the development of scientific intellect in many areas of specialization. The scientific societies help their members to connect with one another. Besides offering scientific consultation, they conduct research and academic studies, hold scientific meetings, conferences, and seminars that support the scientific endeavors of members, and help to disseminate knowledge to the participants.

It is permissible for Saudi universities to establish scientific associations that work under their direct control, and to practice their activities of theoretical and practical knowledge development. These scientific societies are permitted to offer consultations and to make the results of their practical research available to the government, business, public, and private sectors (Al-Imam University Publication, 2000).

In order to achieve their purposes, the scientific societies follow varying methods: (a) encourage research and consultations, (b) write and translate books in their field of specialization, (c) undertake academic studies to develop the practical course of action, (d) offer study seminars and courses that are related to their concerns, (e) release studies and periodical publications, (f) participate in local international exhibitions, and (g) invite scientists and thinkers who have the same concerns to participate in association activities. They also organize scientific travels for their members, and hold scientific contests (Al-Imam University Publication, 2000).

These scientific societies obtain their incomes in varying ways: annual
subscription dues from their members, income from selling books and periodical publications, income from courses and programs they offer, and donations and grants by universities, corporations, and individuals.

University presidents or people authorized by the presidents manage these scientific associations. In the case of an association dissolving, for whatever reason, all the staff revert back to the university that established the association.

Sports Clubs

The Saudi government has put great effort into developing plans for sports because of its strong relevance in the lives of young people. The government recognizes its close ties with health, education, education counseling, and social consciousness. This also is because both the government and national institutions work together to achieve social development purposes and to improve individual and society standards. One of the organizations that has been effective in Saudi societal development is the General Presidency of Youth Care (GPYC)—even though its services focus primarily on childcare and youths, and only secondarily on members of society in general. The General Presidency of Youth Care defines, organizes, and controls purposes, strategies, and different activities. These programs are practiced by 153 sports clubs, and the GPYC’s offices and committees span Saudi Arabia.

Sports clubs in Saudi Arabia are considered to be part of the nonprofit sector because most of their workers are volunteers and they do not attempt to make a profit. These sports clubs provide many different volunteer services. The role of the sports
clubs encompasses cultural and social activities as well, which are defined by the General Presidency of Youth Care. These cultural activities include drama, the popular arts, literary and scientific activities, and weekly cultural programs. Social activities include camp programs, work and travel camps, general work, and scout activities (Al-Gumlas, 1999).

The sports clubs contribute to the preparation of young people supporting spiritual and moral principles. In order to realize and achieve these purposes, sports clubs offer various events. For example, they organize and execute sports tournaments, cultural seminars, and social and educational activities. They sometimes form permanent committees to develop the social talents of youths (Al-Gumlas, 1995).

Sports clubs play a positive role in Saudi life, particularly for youth. In addition to providing sports activities and games, they have social, educational, and cultural roles. They create and sponsor various competitions and social activities.

In summary, there are two major types of philanthropic foundations in Saudi Arabia: (1) private foundations (independent, company-sponsored, and operating agencies); and (2) public foundations (community agencies and women's organizations). Public foundations are deemed to be public charities which are formed by groups of individuals to benefit their communities. Private foundations are divided into two categories: (1) community agencies under the control of the MLSA, and (2) the royal private agencies. The former are established through the policies of the MLSA and receive much of their funding from them as well. The latter were created by the royal family members or their relatives and are under their own direction.
CHAPTER V

FINDINGS

Descriptive Analysis

Before discussing the major findings of the study, it is important to mention the paucity of sources on the nonprofit sector in Saudi Arabia. Many information resources, such as libraries, were checked in order to uncover data that might lend the study more credibility, but unfortunately very few sources were found.

The major findings are divided into two categories: (1) interviewed agencies findings, and (2) mailed-survey findings. As mentioned in the methodology section of the study, 35 interviews were conducted, and as predicted, the role of philanthropic foundations differ from agency to agency. Most of the foundations, however, administered the same or similar programs.

The most common role of philanthropic foundations in Saudi Arabia is human service. Thirty-three of the interviewed agencies responded that their main role was to offer human service to people who live in their geographic areas, particularly to poor people. This represents approximately 94% of all the interviewed agencies. Comparatively, 65 agencies responding to the survey stated that their main role was to offer human service. This represents 92.8% of the agencies replying to the survey. As with the interviewed agencies, they offered various programs, but most of them have the same idea and purpose. Figure 2 shows the philanthropic agencies roles in
Figure 2. The Roles of Philanthropic Agencies in Saudi Arabia According to Interviewed and Surveyed Agencies.
the Kingdom of Saudi Arabia

All the philanthropic agencies receive donations of either money or material goods such as groceries, cloths, and furniture, and then distribute them to poor people in their geographical areas. Money is offered to the indigent as monthly assistance or as a one-time support. The human service programs help the poor through food support, creation of houses, rent for homes, and even the purchase of houses. Many housing complexes are built by charitable agencies and rented to low-income people at a nominal cost. Some agencies distribute water to people who suffer from a dearth of water even thought they may not be poor. Many agencies offer what is termed seasonal help such as winter clothes and school bags prior to the beginning of the school year that meet most of the students' needs. Agencies may cover the monthly cost of basic services such as phone, water, and electricity for people who cannot pay.

Twenty-seven of the interviewed agencies stated that they offered human service programs to people who live in their geographical areas, representing 77% of these agencies. Comparatively, 62 (88.6%) of the agencies responding to the survey provided human service. (It should be noted that these figures refer to those agencies that offer human services programs as distinguished from those whose main role is human services as discussed on page 33.) Figure 3 shows the percentages for the programs offered by charitable agencies in Saudi Arabia.

Another human service offered by charitable organizations was care for orphans. For the interviewed agencies, there were 22 agencies (approximately 63%) whose main role was the care of orphans. Of the surveyed agencies, 65 (92%)
Table 5

Programs Offered by the Interviewed and Surveyed Agencies*

<table>
<thead>
<tr>
<th></th>
<th>Interviewed Agencies</th>
<th>Surveyed Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Services</td>
<td>77%</td>
<td>30%</td>
</tr>
<tr>
<td>Childcare</td>
<td>71%</td>
<td>0%</td>
</tr>
<tr>
<td>Education/Rehabilitation</td>
<td>60%</td>
<td>15%</td>
</tr>
<tr>
<td>Health</td>
<td>68%</td>
<td>22%</td>
</tr>
<tr>
<td>General Cultural</td>
<td>45.7%</td>
<td>1%</td>
</tr>
<tr>
<td>Social</td>
<td>28.6%</td>
<td>4%</td>
</tr>
<tr>
<td>Religious</td>
<td>28.6%</td>
<td>25%</td>
</tr>
<tr>
<td>Care of the Disabled</td>
<td>37%</td>
<td>0%</td>
</tr>
<tr>
<td>Educative</td>
<td>5.7%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Percentage totals do not equal 100%.

responded with the role of caring for orphans. Special facilities are established for lodging and feeding the orphans, and sometimes part-time centers are opened to care for them after school hours. Orphans are lodged and cared for from the time of their birth until they finish high school—sometimes throughout college. Male orphans may be encouraged to marry women in the same situation. Of course monetary and material support for orphans is derived from the agency in their geographic region.

Some of the philanthropic foundations offer human services to care for people who face accident events such as earthquakes, floods, traffic accidents, and the like. Therefore some agencies have houses to receive, temporarily, those involved in accidental events until they can replace their homes or find others. Agencies also care for
families of prisoners as they are without breadwinners. They also help adults who want to get married by giving husbands a part of the dowry, by renting homes for them, or helping them to buy furniture.

Human services, as mentioned above, help the poor through food support, creation of houses, rent for homes, and even the purchase of houses. This may also include funeral expenses and seasonal expenses caused by winter and the holidays. In addition human service may include immediate assistance for people suffering accidental events like earthquakes and floods. Some agencies help the government to clear roads in towns when they've been blocked by natural disasters. Agencies may dig artesian wells and buy excavating and purification equipment in order to supply clean water.

The study findings show that the second most common program offered by the philanthropic interviewed agencies is childcare. Twenty-five (71%) of these agencies stated that they offer childcare services and programs, whereas only one surveyed agency offers this service. Although the service is offered in various ways, most agencies created nonprofit kindergartens. Even though some of them accept children who are not low-income, priority is given to the children of the indigent, with agencies sometimes paying kindergarten tuitions. Some agencies offer programs for preparing governesses to work in either homes or kindergartens.

Of the interviewed agencies, 19 (54%) said that their role was educational and rehabilitation, while 60% of them claimed they offered educational services. In tallying the surveys, 50 agencies (71%) responded that their role was educational and
rehabilitation, while only 46% of them offered educational services. Some of the educational and rehabilitation services and programs offered include: (a) preparation of governesses; (b) use of the computer and typewriter; (c) teaching cutting out and sewing for women; (d) teaching languages (English) and improving Arabic writing; (e) elementary, middle, and high schools; (f) teaching reading; (g) teaching embroidery, cooking, and managing the home (for women); and (h) supporting and teaching classes in math, English, and chemistry. In addition to the above programs, charitable agencies may train poor family members in skills such as plumbing, carpentry, and smithery, and find appropriate jobs for them.

The health care role of nonprofit agencies in Saudi Arabia includes hospitals, dispensaries, physician offices, dentistry centers, clinical pharmacies, and ambulances. For the interviewed agencies, 10 agencies (28%) had a health role, whereas only 1 surveyed agency (1.5%) had a health role. Higher-income people may receive these services, but priority is given to the impoverished. Poor people are not charged for the services offered by private hospitals and clinical centers while others pay only a nominal cost. Many charitable agencies offer free first aid courses to people, whether poor or not. The purpose of these is to increase peoples' health awareness and to prepare them for accidents. Even though only 1.5% of the surveyed agencies listed the health role as their main purpose, the same percentage (68.6%) of both interviewed and surveyed agencies said that they offered health services and programs to people who live in their geographic area.

Healthcare service in Saudi Arabia manifests in two ways: (1) direct service
and care for patients, whether poor or not, in the agency's hospital or clinical centers; and (2) indirect service through paid operations and special medications prices for poor people. In many cases charitable agencies guarantee special care or wheelchairs for those in need.

Only three nonprofit philanthropic health foundations offer specialized and centralized health service for poor people. The Saudi Heart Foundation in Jeddah is a nonprofit benevolent organization caring for the welfare of cardiac patients, and sponsoring education and research in fields related to the human heart not only in Saudi Arabia, but in the Gulf, the Islamic and Arabic world, as well as other countries (Annual Report of the Saudi Heart Foundation, 2001).

The Al-Eman Cancer Society in Jeddah is another nonprofit health foundation. Its objectives are: (a) to provide and assist cancer patients in reducing their pain and suffering, (b) to provide education and awareness for the community, (c) to provide support services for cancer patients and their families, (d) to publish educational material regarding cancer, (e) to hold national conferences and international symposiums featuring cancer specialists and organizations in order to exchange information, (f) to support and encourage research and studies related to the prevention and early detection of cancer (Al-Eman Foundation, 2000).

The third healthcare foundation in Saudi Arabia is the Chartable Anti-Smoking Association in Riyadh. This agency informs people of the dangers of smoking, its destructive effect on the health of individuals and the society. It also encourages smokers to quitting smoking. The agency has the option to request publicity
from the media and coordinates with various government and nongovernmental organizations. It also exchanges information with similar foundations around the world in order to achieve its purposes (Annual Report, 2001).

In addition, philanthropic organizations in Saudi Arabia have a consulting role. This is undertaken through religious and educational lectures and programs. Eight interviewed agencies (22%) said they had a consulting (advising) role, while no surveyed agency made that statement. The charitable agencies were interviewed and surveyed offered various consulting programs. Of the interviewed agencies, 16 (45.7%) said they offered general cultural programs, whereas only 2 of the surveyed agencies hosted those types of programs. The consulting role is put into practice by offering religious programs to anyone who is interested. Approximately 28.6% (10) of the interviewed agencies and 54% (38) of the surveyed agencies stated that they offered religious programs. These programs included teaching religious lecturers, memorizing the Holy Qur'an classes, and distributing religious books, publications, and brochures. The difference between this role and the educational one is that the consulting role focuses primarily on religious subjects, whereas the educational role covers all fields.

Even though foundations receive and spend money, the philanthropic agencies in Saudi Arabia play a small role in the Saudi economy. Only four interviewed agencies (11.5%) said that they had an economic role, all of which were women's agencies. Three of the four were located in the eastern region which has the most industrial and petroleum companies while the remaining one was in the western area. The
four interviewed women's agencies represent 17% of women's charitable organizations. No surveyed women's agency said that it had an economic role. Even though no agency mentioned that they offered any kind of economic program in either the interviewed or surveyed agencies, the economic role appears via various activities and programs. It appears through charitable markets when non-profit products are sold. Poor family women and men do most of the productions in these markets. The economic role also appears as investment money in some projects or as interest on money for selling some items. The benefits from this go to support the different services that are offered by the agencies. Some agencies have started participating in landed investment activities by investing money in buildings, commercial centers, and vacant property when the owners want to sell. The agencies sometimes participate directly by buying or selling vacant land and sometimes in the marketplace. They then use the interest money to develop their projects and programs.

Charitable agencies did not see their primary role as an economic one, even though Islam encourages people to donate to poor people and philanthropic projects individually or through the nonprofit foundations. Donors usually require that their donations to philanthropic projects be used to assist poor people directly. The agencies do not have a lot of official jobs. This is a result of the limitation on their activities and income sources.

The social role of philanthropic agencies is undertaken by establishing and supporting youth social centers and quarter development centers (i.e., centers which serve a quarter of a city) that cater to low-income residents. For the interviewed
agencies, 12 (34.3%) had a social role, whereas 16 of the surveyed agencies (22.9%) said likewise. Most social services included helping poor people to procure jobs, thus insuring a better life for them. Agencies offering social services struggle to gain some advantages for the poor in hospitals, supermarkets, and shopping places. They also help to reconcile differences between people, particularly familial problems. For the interviewed agencies, 10 (28.6%) said that they offered social programs to people who live in their geographical areas, whereas only 8 of the surveyed agencies (11%) mentioned that they offer these kind of programs.

Some of the programs offered through the educative role help people to develop an understanding of their environment. Those agencies responding that they offered this service included six (17%) of the interviewed agencies and four (5.8%) of the surveyed agencies. Under the educative umbrella, two interviewed agencies (5.7%) and four surveyed agencies (6%) offered scientific programs. Social programs were also available through educational contests. Agencies offering this service sometimes searched for common social problems such as family poverty.

For both the 35 interviewed and the 70 surveyed foundations, two foundations reported that in addition to their major role, their secondary role was educative. This was undertaken by encouraging people to understand their environment and the events that happen around them. It also included encouraging people to develop their general education.

All the community foundations in Saudi Arabia were established in the same way. This is because of the policy of establishing a new philanthropic foundation
requires a group of at least 20 people to create a new foundation (see Appendix E, Section 1, Chapter 1, Article 1). Therefore, all interviewed and surveyed agencies had the same answer for the conditions under which their foundation was established. They explained that a group of people in one local agreed to benefit their community by organizing a charitable work and establishing a philanthropic society. They subsequently registered it with the MLSA.

For private foundations, all were established as a memorial to some famous person. For example, the King Abdulaziz Philanthropic Foundation was established to memorialize the establisher of modern Saudi Arabia. Falling under the MLSA's control, the Ben Baz Charitable Organization is an example of a private foundation recently (2002) established by his sons (after their father's death) to memorialize their father's good honor as a great religious scholar in the Kingdom of Saudi Arabia.

The philanthropic work in Saudi Arabia faces barriers in all fields. Obstacles were encountered by 29 (83%) of the interviewed agencies and 61 (87%) of the surveyed agencies. On the other hand, 6 (17%) interviewed agencies and 9 (13%) surveyed agencies said that they did not face barriers of any kind.

Because there are so many different barriers faced by the various agencies, it is impossible to identify percentages for each barrier mentioned by the interviewed and surveyed agencies. The most common barriers are presented in the following lists.

1. Barriers related to money:

   a. There are no fixed incomes for the agencies. Most agencies say that they
receive a certain monetary amount in one year, but they're liable to receive less in the next. They attribute this to the lack of a fixed income source.

b. Most of the agencies agree that their incomes are less than the money that they distribute as donations.

c. The increase of poverty in the society is the result of various factors such as economic decline, the emigration of Bedouin to the cities, the increase in the birthrate, and the scarcity of job opportunities.

d. Most businessmen live in big cities. This sometimes makes the support of charitable agencies impossible in outlying areas.

e. Businessmen sometimes lack confidence in nonprofit agencies for various reasons. That of course makes them less likely to contribute to these agencies.

f. The increase of the cost of living and such basic services as phones and water increases the burden on charitable agencies.

g. Governmental financial support is not keeping pace with the increase of poor people and the cost of the living in Saudi Arabia.

h. Many programs are canceled due to difficulties, such as a lack of money.

i. The philanthropic foundations may not engage in certain financial speculations due to religious law. For example, they cannot participate in bank shares because they generate interest, which Islam prohibits.

2. Barriers related to the beneficiaries:

a. Poor people, in search of a good place to live, often move from place to place. This movement makes it hard for philanthropic agencies to offer an
ongoing service to them.

b. Some beneficiaries lie at the agencies and trick the agencies into giving them aid. This causes a loss in time and money.

3. Barriers related to the agencies:

A. Personnel issues:

1. Most of the employees in the agencies are unskilled and do not have the proper training to engage in this kind of work. Approximately 83% of those working in philanthropic agencies are volunteers, while just 17% are officially employees. Therefore, agencies need qualified employees with proper training.

2. Volunteers may not be dependable and may not be relied upon. They may show up for a few days and then be gone for an indeterminate length of time.

3. Some agencies mention that due to the low wages, lack of functional protection, and the nonexistence of encouraging incentives, most employees do not stay in their jobs for a long time.

4. The creditability of agencies decreases when someone who does not have the society's confidence leads the agency.

5. Most of the agencies agree that they suffer from a paucity of volunteers who work in their agencies, especially women's agencies.

6. All the interviewed women agencies agree that they do not have enough volunteers to direct and run their programs.
7. Some women still have a poor perspective of those who work in charitable agencies. This may be due to a misunderstanding of the positive roles of the agencies.

8. Most charitable agencies' supervisors follow the centralization method in their management of the agencies. They do not delegate authority and like to make all decisions themselves. This, of course, limits their openness to the opinions of others.

9. Some women agencies mention that women who have memberships may be less active than they are supposed to be. Therefore, this has a negative impact on the charitable work.

10. Some people who work in charitable agencies believe that philanthropic work does not need to be organized. They think that it runs fine by the efforts of volunteers, and that it does not need to practice modern administrative methods.

B. Training issues:

1. The nonexistence of special course training for people who work in charitable agencies, and the limited number and newness of national experts who plan philanthropic work are barriers facing the agencies.

C. Agency issues:

1. Because of non-coordination between charitable agencies, especially in the same area, duplication of both solicitation and assistance exists. It tends to generate competition amongst agencies for donations and at
times causes doubling of assistance to recipients.

2. Some agencies do not make a thorough investigation into who needs their support and who does not. Therefore, their creditability suffers with people in the society.

3. Most community agencies that were interviewed or surveyed agreed that the agencies need an efficient system to: (a) recognize those in need, (b) collect donations, and (c) distribute funds.

4. Most charitable agencies still rely on old methods for running the work. This causes delays in distributing assistance and thwarts the agency's objectives.

4. Barriers related to people:

   a. Some people believe that people who work in charitable agencies are the lowest level of people. Because of that, they do not support the volunteers' work in charitable agencies and they undermine their role in society.

   b. Some of the citizens in Saudi Arabia still do not understand and appreciate the charitable agencies. Therefore, they do not support the charitable agencies' programs or at times they influence others' perspective by giving negative conceptions.

5. General barriers

   a. The vastness of the geographical areas of Saudi Arabia may limit the benefits of some charitable agencies' programs.

   b. The paucity of scientific research in the philanthropic field.
c. The MLSA's policies that organize the community and private charitable agencies needs to keep abreast of recent developments.

d. The Charitable Anti-Smoking Association does not look on those who smoke as people who need help. Instead, they consider them, for the most part, to be bad people who need to be banished. Therefore, they in general prefer to direct their assistance to nonsmokers.

e. The above agency also mentions that they face a hidden war with tobacco companies, who have so much money and power.

f. Most of the people who live in the capitols are smokers. Therefore they do not donate to the agency. This causes deficit in the financial budget.

g. There is no media coverage that supports the philanthropic agencies' work.

h. Most projects and programs that are run by charitable agencies, particularly small community ones, are not planned and are marked by randomness.

All the community agencies in Saudi Arabia get benefits from both the government and people. The government via the MLSA offers annual monetary support to every community philanthropic agency. This annual support depends on the agencies' activities, programs, and achievements. The MLSA grants money in the beginning of establishing a new philanthropic agency. They also provide annual funding to each community agency. This funding sometimes covers 80% of the total of the agency's assistance to the people it serves. Creation funding is provided to agencies to help in the construction of buildings that support the agencies' programs. This monetary support may also be 80% of the total construction price. The MLSA
sometimes offers technical support by employing experts and specialists to assess the
needs of the agency who then offer appropriate suggestions for the agency's develop-
ment. This support may involve sending MLSA's employees to work in the agency
for a period of time.

The MLSA gives material support by granting land (1500 square meters) to
each community agency for its base of operations. The MLSA also offers an emer-
gency subsidy in case any agency faces a financial crisis. The charitable community
agencies are granted land as a base for their operations, under the direction of the
council of ministers. The MLSA provides special funding for those agencies admini-
stering their care according to established policies. The MLSA regards the charitable
agencies as authorities that can train the handicapped, and it grants them special fund-
ing for their efforts. Subsidiary kindergartens of charitable agencies are supported by
principals, teachers, nursemaids, books, and clarification tools. Private philanthropic
agencies, however, do not receive any support from the MLSA (see Appendix E,
Chapter 7, Section 2, Article 69). They both accept and receive donations from peo-
ple. All of the community and private agencies (under the control of the MLSA)
interviewed (35) said that they either received assistance from the government or
donations from people. Of the agencies responding to the survey, 66 (94%) said they
received support from people, while 61 (87%) said they received funding from the
government.

The government support to the community agencies totaled $3,922,206,731
between 1969 and 2001. Figure 3 shows the annual support for the last six years from
The Last Six Years of Annual Monetary Supports From MLSA Development

<table>
<thead>
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<th>Year</th>
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<th>Series2</th>
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<tr>
<td>2001</td>
<td>262,500,000</td>
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Figure 3. The Last Six Years of Annual Monetary Supports From MLSA Development.
the MLSA to community agencies.

People's benefactions and gifts include monetary donations and goods such as furniture, clothing, and groceries. These donations include what it is called waqf (entail), which is entailing properties for poor people or for the needy. Most of people's donations come from the zakat (almsgiving) and the sadaka (charity). Philanthropic agencies, under the control of the MLSA, are granted land for the construction of their own buildings.

Support also came from the business community. Six (17%) interviewed agencies and two (3%) surveyed agencies stated that they received donations from businesses of both money and furniture. For the interviewed agencies only two (5.7%) said that they received health insurance from hospitals as a benefit for their philanthropic work. Two (3%) surveyed agencies responded that they received benefit from their memberships as subscribers in the agencies, but none of them received health insurance.

Community and private philanthropic foundations receive discounts from governmental departments with which they had business. The agencies also received discounts on some of their public service bills. For example, the electric company gives charitable agencies the least expensive price of all its customers. This discount, however, was only offered after a Royal decree required it of the electrical company.

The philanthropic foundations impact the economy in Saudi Arabia in various ways. Of the interviewed agencies, 28 (80%) stated that they had a positive impact on the economy, while 61 (87%) of the surveyed agencies made the same assertion.
Some agencies pointed out that money donated to poor people goes right back into the economy as they very shortly go out shopping for food, clothes, furniture, and other needs. Other community agencies relate this to their commercial and financial activities in domestic and international markets. Some agencies have shares in some banks and companies. Some participate in land acquisitions while others have buildings or marketplaces to lease. All of these activities impact the Saudi economy.

All of the interviewed and surveyed agencies agreed that the philanthropic foundations impact Saudi society. This influence is evident in the satisfaction of the needs of the poor. It is furthered when agencies help those in poor families to become productive members of society, not just consumers. It's a step toward resolving the age-old social conflict between economic classes somewhat euphemistically known as "the haves vs. the have-nots". Thus, all classes of citizens are protected from bad behaviors that might otherwise result from a genuine need for food or money.

The philanthropic work in Saudi Arabia is rooted in the religious perspective of a Muslim country and proceeds accordingly. In spite of this, only 16 (46%) interviewed agencies and 39 (55%) of the surveyed agencies felt that charitable agencies influence the religion. What impact there is appears through religious activities in which agencies participate.

Most charitable agencies in Saudi Arabia agreed that they could work more effectively. For the interviewed agencies, 33 (94%) said their work could be improved in various ways, while 64 (91%) surveyed agencies stated the same.

Most agencies felt that what would help their charitable work improve the
most would be a change in some of the MLSA’s policies. Of the interviewed agencies, 22 (63%) agreed that the MLSA’s policy limiting the time they would assist in the agency's development was too restrictive. The consensus among the surveyed agencies was more general with 56 (80%) of the agencies saying that a change in some of the MLSA’s policies would help their agency's development the most.

Suggestions for Development

Because there are numerous avenues for improving the philanthropic work in Saudi Arabia, it is not possible to identify percentages for each suggestion mentioned by the interviewed and surveyed agencies. The most common suggestions were as follows.

1. Suggestions related to the government (MLSA):
   a. Encourage the agencies, especially community agencies, to create official permanent locations.
   b. Create a new governmental system for managing nonprofit philanthropic agencies, community and private foundations. In addition to establishing new jobs, this would allow government employees to work in charitable agencies as official employees, not as volunteers.
   c. Transfer some employees who work in the government to work in the charitable agencies, provided that the government still pays their salaries or a part of them.
   d. Increase the financial funding from the government.
e. Increase the government's attention to philanthropic agencies in these ways:

- Appropriate media coverage.
- Distribute the zakat (almsgiving) via the charitable agencies, not via the Almsgiving and Income Authority.
- Create an independent department from the MLSA to supervise the community and private philanthropic agencies.
- Cover the cost of basic services such as phones and water, or at least decrease these costs.
- Increase the costs of basic service such as phone, water, and electricity for the general populace, but channel the excess to charitable agencies.
- Support the small agencies and the recently establishment ones.
- Do not allow the establishment of two agencies in the same area.
- Request a dedicated manager when receiving an order to establish a new agency.
- Allow more flexibility regarding policies.
- Mandate that government and business sectors must offer discounts to philanthropic agencies.
- Hold conferences and seminars to discuss and exchange opinions about how to improve philanthropic work.
- Revoke the social grantee policy that creates an extra burden for charitable agencies.
- Give the philanthropic community and private agencies a chance to
participate in international seminars to benefit from those with precedence in the field.

- Establish special courses to improve the skills of employees, such as secretary and social work courses.
- Establish educational courses in the schools that focus on the philanthropic work.
- Utilize official (governmental) machinery to collect donations.

f. In order to save money, time and effort, specialize charitable agencies. For example, establish separate human service agencies, educational agencies, health agencies, etc.

g. Change the policies to allow agencies to reelect their board members every three years.

2. Suggestions related to the charitable agencies:

a. Use modern techniques in all agencies’ works.

b. Create an appropriate system for volunteer workers.

c. Coordinate the various agencies to avoid doubling.

d. Make it mandatory that advertisements for philanthropic agencies’ work to appear in the media.

e. Encourage businessmen to participate in the charitable agencies' programs.

f. Allow property and commercial investments as they are good and safe way to guarantee the flow of money to the agencies.

g. Attract and encourage scientific meetings to develop the organizational
work of philanthropic agencies.

h. Establish general guidelines and accurate requirements for people who benefit from agencies.

i. Plan for programs and study them before putting them into practice.

j. Try to predict and avoid the problems before they happen.

k. Exorcise the notion that charitable agencies exist only for helping the poor by giving them money or material goods.

l. Decrease the dependency on wealthy people for donations.

m. Develop the accounting system only to stop the individual offers.

n. Decide on priorities and do the most important first.

o. Encourage researchers and graduate students to do more studies in the philanthropic field.

p. Modernize and improve agencies' services and programs.

In summary, the most common role of philanthropic foundations in Saudi Arabia for the interviewed and surveyed agencies was human services. Likewise, this was the most prevalent type of program offered by the agencies. Most agencies face barriers in all fields. These generally can be broken into barriers of money, beneficiaries, people donating to the agency, and the agencies themselves. The greatest need cited by most charitable agencies was for an increase in funding. The consensus among the surveyed agencies was that a change in some of the MLSA's policies is what would help their agency's development the most.
CHAPTER VI

DISCUSSION AND CONCLUSIONS

Discussion

In order to discuss and analyze the findings, the researcher will take them one by one. First I will discuss the distribution of philanthropic agencies around the Kingdom of Saudi Arabia. Each study question will be discussed and analyzed individually and separately.

Location

It is clear by looking at Table 2, which shows the distribution of private foundations under control of the MLSA, that most private foundations (63.6%) are located in the capital city of Riyadh. This is partially because the population density is greatest in Riyadh, but also because most famous and/or wealthy people looking to establish their own private organization live in the capitol.

Another type of private philanthropic foundations are those established by the Royal Family members or their relatives. They may appropriately be called “super private foundations”. All these are located in Riyadh with the exception of one, the Abdulrahman Al-Sudary Philanthropic Foundation in Al-Jouf (northern Saudi Arabia). The reason for this distribution is that the Royal Family resides in Riyadh. Likewise, the Abdulrahman Al-Sudary Philanthropic Foundation is located in Al-
Jouf because its founder was living in Al-Jouf when he established it.

The super private foundations have vast incomes compared to others, whether private or public “community” agencies. This is due to the wealth of the royal family and their relatives. Therefore, they all have official permanent centers. They have huge financial budgets. Because they have control themselves, they have a free hand for decision making. They sponsor lots of projects and programs, most of them within Saudi Arabia. For example, the King Faisal Foundation offers international annual prizes to men or women whose contributions make a positive difference. They give the prizes to those who exceptionally serve Islam and Muslims, and to scientists and scholars whose research results in significant advances in specific areas that benefit humanity. This incentive also encourages expanded research that may lead to important medical and scientific breakthroughs.

Moreover, the Sultan bin Abdulaziz Al-Saud Foundation has many projects with huge financial budgets. Some of their long-term projects include Sultan bin Abdulaziz Humanitarian City, the Sultan bin Abdulaziz Science & Technology Center, the Sultan bin Abdulaziz Special Education Program, and the Sultan bin Abdulaziz Arab & Islamic Studies Program. Sultan bin Abdulaziz Humanitarian City is set on one million square meters in Binban, a small community 30 kilometers north of Riyadh.

All public “community” charitable agencies in Saudi Arabia are controlled by the MLSA, but they are distributed in cities around the Kingdom. As seen in Table 3, there are 243 charitable agencies. Approximately 20% of them are in Riyadh. This is
because many people journey to Riyadh seeking the good life. Another reason is that most of the wealthy people and their activities are in Riyadh. All governmental apartments are also in Riyadh. This makes for an attractive city that many, both rich and poor alike, prefer to live in.

The second city that is drawing charitable agencies is Makkah Al-Mukarramah (14.8%). This is due to its renown as the Holy Land in Saudi Arabia. Poor people especially like to live there because they can get help from others who come to Makkah Al-Mukarramah to worship Allah (God) during the holidays. Saudis and others Muslims go to Makkah Al-Mukarramah frequently, particularly in the month of Ramadan and the Hajj season. Wealthy people tend to spend their money during these times.

The eastern region of Saudi Arabia has 13.6% of the community agencies. It has so many because it is the most industrial area in the country. It has most of the oil wells, the basic needs industry, and all the petrochemical industries. People in this area may better understand the importance of organized philanthropic work because of the number of workers of other nationalities residing there. By visiting charitable agencies in the eastern region, it is clear that they have developed systems to accommodate the poor and people who need help. They practice their philanthropic work with the use of technology such as computers and Automated Teller Machines (ATM) to provide monetary support to the indigent.

Asir is an area located in the southwest of Saudi Arabia with approximately 11% of the public charitable agencies. There are a lot of mountains in this area that
harbor many poor people who wander off course in need to support. Because of the
difficulty of moving from place to place in such a mountainous region, the people and
the government intentionally agreed to establish more than one agency in Asir.

Qassim has 21 community charitable agencies or 21% of the total number of
agencies in Saudi Arabia. Even though it is a small area located in the middle of the
country, it has a large number of agencies because it has lots of cities and villages. In
addition Qassim has more deserts. People there tend to be more religious than other
places and they like to participate in charitable works more there as well.

For the rest of the areas in the Kingdom, the number of community charitable
agencies are fairly evenly divided with the exception of Madinah Al-Munawarah,
Jizan, and Hail. Madinah Al-Munawarah has about 7% of the charitable agencies
because it is the city of the Prophet. Saudis and other Muslims visit it regularly,
sometimes more than once a year. During their stay, people like to make donations to
the poor. Wealthy people, perhaps moved by religious passion, are inspired to make
donations in Madinah Al-Munawarah as well. Hail and Jizan are two areas where
people are considered to be a little less educated. Hail also is a desert area with many
towns. In order to distribute assistance easily and quickly, the MLSA agreed to estab-
lish more than one agency in the area. Jizan is an area located far to the southwest
with a large population living outside of cities. In visiting the area, one notes that it
absolutely needs the number of charitable agencies, if not more.

The agencies in other areas support a limited amount of activities and pro-
grams. The scope of their work depends largely upon the donations they receive from
people or philanthropic agencies. However, they play a great role in their communities because so many people depend on their support in their daily lives.

In my opinion, the distribution of philanthropic agencies is very well suited to the size of the areas in Saudi Arabia. It also befits the populations of those areas. It is clear that due to the high population rate in Riyadh, it has the greatest number of charitable agencies.

**Women Philanthropic Agencies**

Women play a prominent role in Saudi Arabia, particularly since women began to attend schools and universities. Women realized that it was very important to participate in philanthropic work in order to help men and to attend to the needs of poor women. They also recognized that in order to encourage change in Saudi society and the economy, they had to fulfill charitable and social work. An important note is that the first two charitable agencies established in Saudi Arabia in 1963 were women's agencies (The Women's Welfare Society in Jeddah, and Al-Nahda Philanthropic Society for Women in Riyadh) (Hamad, 1978).

All the policies of the community charitable agencies that established by the MLSA apply to women agencies, except membership, which is limited to women. The purposes of women's agencies are the same as other charitable agencies with a consideration of women's interests.

There are 23 women's agencies in Saudi Arabia divided into 10 areas. They represent approximately 10% of the total of community charitable agencies. Makkah
Al-Mukarramah has the highest percentage at 26%. This is because it is considered a Holy City. Situated in the west, people here are inclined to donate, which is in keeping with their religious views. Women are more openminded here than in any other part of the Kingdom, except for the eastern region. Those living in the eastern region communicate more with countries to the East, which reinforces their openmindedness. Consequently, the eastern region has the second highest percentage of women charitable agencies. As noted in Table 4, Riyadh and Madinah Al-Munawarah each have three agencies, while the remaining areas have but one agency each.

By observing women agencies' programs, projects and activities, it is clear that they are less efficient, especially in human services, than other philanthropic agencies. This is because women in Saudi Arabia have less freedom to move from place to place, and have less contact with others than men. They, however, play great roles in charitable organizations in Saudi Arabia.

Roles and Programs

As shown above, the most common role of Saudi philanthropic agencies is human service. The main reason for this is that Islam requires Muslims to pay their almsgiving money to only eight specific categories of poor people. Donators also require agencies to channel their monetary donations only to human service programs and projects. People usually are in need to food and money in order to live. Therefore, most community agencies offer human service programs and projects to their people, especially the poor ones.
The similarity of programs that offered by philanthropic agencies in Saudi Arabia relates to what poor people need. It is clear, however, that services offered by some charitable agencies are frequency mirrored by other agencies around the country. This, in my opinion, is a disadvantage because it creates a double offer for the agencies. This also encourages non-consideration of the agencies' works. While pursuing this service, they may neglect another avenue of help.

Giving money, food, and clothes to poor people is good way to fulfill their needs, but their dependence on this could create a reliance on others and kill the work spirit. Thus, it may be better to give poor people some support and at the same time ask them to participate in a job to become productive members in their societies. This could be done by teaching them work skills and admitting them to jobs that fit their skills.

Agencies should discuss the spending of money with their donors. They should tell them that they need to spend money on other programs such as education, health, or childcare programs. Islam allows wealthy people to spend their alms on such projects. Therefore, charitable agencies ought to exploit this and raise money to improve other programs.

By comparing the findings of those agencies that have a childcare role in their philanthropic work, it is clear that there is no comparison between the interviewed and the surveyed agencies since 25 interviewed agencies mentioned that they have childcare programs and only 1 surveyed agency said the same. This is probably because most of the surveys went to agencies located in small cities and villages. Childcare
requires a lot of money to be offered. Therefore, it is likely difficult for small agencies in small cities with little financial budgets to offer childcare services. Childcare programs are a good way to protect poor people's children. They also free parents up so they can get jobs and serve their communities.

Childcare programs in Saudi Arabia currently have limitations. Typically they opening kindergartens and receive kids in the morning—then drive them to their parents' homes in the afternoon. Even though this is a normal childcare practice, it needs to be improved. Agencies and people need to be more flexible to having childcare in people's homes. People need to learn to accept this as part of a childcare program which helps them by protecting their children. Moreover, small agencies have to work hard to open small kindergartens according to their abilities.

Education and rehabilitation play a helpful role in charitable agencies in Saudi Arabia. By looking at the percentage of both the agencies that interviewed and that were surveyed, one sees that agencies agree to the importance of offering this service and including it in their philanthropic work roles. Because of the high cost of establishing schools, agencies are intentionally active in this role by offering various educational programs. They of course do not seek profits. They do this for the purpose of teaching their people—even if they are not poor—some knowledge that can help them in their daily lives.

The education and rehabilitation role can also be seen in the creation of various programs and courses to impart job skills to poor people such as secretary, cooking, dressmaking, and home maintenance. All agencies should pay more attention to
this role because it is the best way for poor people to move from being consumers to being producers. By practicing this, I think the number of poor people will decrease day after day. In the Eastern Region Charitable Agency, they have started to request that any family members over the age of 18 get a job, and they of course help them to find one. The supervisor of the agency said that even though they just started this program three years ago, 26 family have already stopped receiving support from the agency because they could depend on the work of their family members.

Some agencies have general meetings to educate their people about important issues in various subjects such as religion, environment, and health. They also distribute publications on people that encourage them to attend important events such as environmental cleaning programs. The most important thing the agencies do in this perspective is that they hold public meetings to introduce the agency to the public. By holding these, the philanthropic agencies give people creditability.

The health role of philanthropic agencies stands as a fourth consideration. Charitable agencies receive monetary donations, but donators often will not allow them to spend their donations on health projects because of religious beliefs. This of course limits the health role and makes it more difficult to practice it. As with everything else, healthcare costs a lot. Therefore, it is very difficult for both small and large agencies to practice this role. Even though the cost of governmental hospitals is free, some poor people attend special clinic centers as they need more health care. Some agencies, however, have opened small clinics to offer health service to their people free or at a nominal cost. Agencies sometimes pay the cost of a medical exam
or the medications. Specialization of health care agencies, such as the Saudi Hart Foundation in Jeddah, the Al-Eman Cancer Society in Jeddah, and the Chartable Anti-Smoking Association in Riyadh, is a good idea and worthy of consideration.

In order to improve the well-being of individuals and society, people have to be more flexible about donating money to health agencies. They have to know that many people are more in need of health care than clothes or pieces of furniture. People sometimes are in need because of their ill health—they might not be able to go to their workplaces or schools. Therefore, the responsibility falls on society’s leaders, such as religious men, to encourage people, especially the wealthy, to make their donations to healthcare charitable agencies and programs.

Few of the interviewed agencies (eight) had a consulting role, while no surveyed agency claimed that role. This may have been due to two possibilities: (1) the person who answered the survey may not have understand the question, or (2) they really did not have this role due to financial limitations.

Saudi people usually consult their community and private philanthropic agencies about the best way to spend their almsgivings. Consultation may lead to their giving the money or material donations to the charitable agency. People also ask the agencies about particular families they may want to make their donations to. They do this because most agencies are familiar with the poor families that they serve.

For the general social program offering by philanthropic agencies, the percentage doing this in the interviewed agencies is explained by how much they pay attention to practical social programs. They pay acceptable attention to this by doing the
various actions mentioned above in seeking to improve the life of their community. The surveyed agencies paid less attention to social programs. Only two of them said that they offer social cultural programs to their people. There are, however, many charitable agencies that consider social problems in Saudi Arabia. The researcher visited one that was located in Madinah Al-Munawarah. This kind of agency has no less importance that those which offer human services to the poor. This is because charitable social agencies offer supports to people even though they are not poor. They struggle to restore good relationships between couples or between relatives. They also work hard to guarantee appropriate jobs for those who cannot find them. By doing these, they keep the society away from tears and poverty.

Practicing an economic role in Saudi Arabia did not appear very often, even though four interviewed women's agencies mentioned that they practiced this kind of role. In fact, most interviewed agencies said that they had participated in such economic activity as shares and landed investments. They really did not offer economic programs or projects, and only indirectly did this. One reason for this may be that most money that the agencies receive comes through almsgiving, which, because of the religious perspective, they can get benefits from by investing in financial activities. Some agencies, in order to avoid this, ask wealthy people to buy commercial centers or residential complexes and then grant them to the agencies as endowments. Some agencies choose to avoid participating in economic activities because they are scared of an economic decline or due to little experience in this field.

Practicing an economic role is a very important issue that all agencies have to
pay more attention to. This will guarantee their income, and will allow them to plan their future early. By doing this they know how much they will get and how much they will spend. Agencies where the economic role is practiced do not have the financial problems of those where no economic activities occur. It may be recommended to participate in landed investments because it less risky than others.

For the educative role only a few of the agencies interviewed (17%) and surveyed (5.8%) said that they had this role in their agencies, or tried to practice it by holding some public meetings to educate people. This small percentage represents what's going on in Saudi Arabia. As a Saudi citizen, I hear little about agencies sponsoring activities related to educational issues. The reason for this might be that decision makers in the agencies may still believe that the most important thing to do is to help poor people by giving them money, food, and clothes. In order to protect people from many bad things, mind and body nourishment is the best method.

Establishment of a New Nonprofit Agency

Establishing a new philanthropic or private agency in Saudi Arabia can only be done one way (see appendix E, Section 1, Article 1, and Section 2, Articles 62 and 63). Thus the government (MLSA) controls and observes all charitable agencies, except those which are related to the Royal Family or their relatives. By stipulating many requirements (see Appendix E), the MLSA protects the agencies from cheating or manipulation.
Barriers

Most interviewed and surveyed agencies believed that their philanthropic agencies met with various barriers. These barriers were divided into five categories: (1) barriers related to money, (2) barriers related to the beneficiaries, (3) barriers related to the agencies, (4) barriers related to people, and (5) general barriers. The scope of the study limits the number of barriers that charitable agencies might face. In general, I can say that I agree with most of them, but it is possible to overcome some of them with advanced planning. For example, I believe that agencies having problems with less income can overcome this by participating in landed investments and planning in advance for their projects and programs. They also should not begin any program until they have guaranteed its budget. For the lack of the confidence between agencies and donors, I think the best way to resolve this is by working hard and showing the society their achievements.

In search of quick help, some poor people might lie at agencies. Therefore, agencies need to create investigation steps that allow them to know all the data about their clients. These steps have to guarantee no lying or deception. They have to review these steps and procedure, and updating their documents from one time to another. Benefactors understand that support should go to those who really need it, and lying and deception only robs the benefits of others more deserving.

There are many barriers caused by the agencies. In order to improve the philanthropic work, I suggest that agencies or the MLSA resolve these barriers as much as they can. They have to elect good employees who have the requisite skills to
work in the charitable agencies. They can overcome the weakness of some agencies’ employees by enrolling them in the appropriate courses. The agencies should create policies that retain volunteers and keep them working and participating in the philanthropic projects and programs. Employees in the charitable agencies should feel safe while being in the agencies. Giving better salaries, health insurance, or any other advantages may help.

Some people in Saudi Arabia, for reasons unclear to the researcher, look down on people who work in charitable agencies, whether employees or volunteers. They believe that they are the lowest level of people. This is because most volunteers are religious people, so others might not like them and their works. They sometimes speak negatively about workers in philanthropic agencies. This of course influences others' opinion about the charitable agencies. To counteract these negatives, the agencies have two strategies: (a) work hard and show society their achievements, and (b) elect good people to lead the agencies such as religious men and judges.

Many Saudis still have no idea about the purpose of charitable agencies. They believe the role of the agencies is only to collect money from the wealthy and distribute it to the poor. This narrow view causes them to avoid participating in the charitable agencies programs, and sometimes gives them bad ideas about them. The media has the most responsibility for changing peoples' thoughts about philanthropic foundations. By showing various advertisements about the works of the charitable agencies, people might change their opinions. This does not mean that the agencies do not need to work hard to prove to people that they offer good service to the society.
in general.

The vastness of geographical distances in the Kingdom of Saudi Arabia makes it difficult for philanthropic agencies to reach all of the poor with appropriate assistance. Many very poor Bedouins came from outside the cities and towns. As charitable agencies do not recognize them because of their recent arrival, they are not allowed to benefit from the programs. It really is a barrier facing the agencies located in the cities because Bedouins usually immigrate to the cities seeking a better quality of life, but sometimes they come only to get assistance and then go back to their original locations. In my opinion, only by sending investigative and support teams to the deserts, can the agencies resolve this problem.

The Charitable Anti-Smoking Association suffers from society neglect, especially from wealthy people. This is clearly because most Saudis do not look at smokers the same way they look at poor people. This also is because a lot of wealthy people are smokers. Therefore, they will not support any association that may stop them from doing something they like. I think the MLSA has to increase the annual support to the Charitable Anti-Smoking Association so that it can complete its programs. The Ministry of Health also has a responsibility to help this association by supporting it with money and materials, such as machines and medications.

Benefits

Benefits that the community agencies receive as nonprofit agencies are less than what is expected. Charitable agencies play a main role in Saudis life, especially
for poor people. What agencies mention as benefits from the government and society are not in fact benefits as they entail extra responsibilities that the agencies must meet for the government and society. The agencies struggle until they really reach those in need of assistance. The employees and volunteers spend much of their time, leaving their homes and families alone, without getting any advantages from either the government or the people. The only benefits are the decrease in electric bills, the piece of land that is given by the MLSA, and the health insurance that only one agency receives. Even though some agencies may finish their deals in the governmental departments faster than others, this is not considered a benefit. This is considered as help from individuals. Moreover, some agencies that have been interviewed did not get the discount on electricity because they were not informed about it.

Community agencies and their employees and volunteers should receive more benefits from the government and from the society. The government has to grant the charitable agencies employees more monthly rent and guarantee a good position and job environment to them, in order to retain them for a long time working in the agencies. Government and business companies are supposed to rent flight tickets when they need to go from place to place. They also should give agencies cars to make their movements easier. Employees and volunteers who work in the charitable agencies should to be treated as people who serve all the society sections.

For the private philanthropic foundations, they, according to the MLSA's policy, do not receive any support, either money or materials, from the government. This of course is the disadvantage with private agencies. The private agencies play
the same role that community agencies play. They also are in need of government and people's support in order to achieve their goals, even though their agency was established by private people.

Influence on Economy

The influence of philanthropic agencies on the economy in Saudi Arabia is less than what was expected, even though 80% of the interviewed agencies and 87% of the surveyed agencies said that the charitable agencies impact the Saudi economy. This is due to the following reasons:

1. The MLSA's policy prevents the agencies from entering into financial speculations (see Appendix E, Section 1, Article 2).
2. Islam requires that almsgiving be spent on poor people directly, and does not sanction spending the money on other projects or programs.
3. The agencies do not have the abilities and experiences to practice financial activities.
4. The decline of the economy in the Kingdom of Saudi Arabia and the entire world.
5. Because of religious views, all donators request that their donations be spent on poor people directly, even though Islam allows people to spend their charities on something else.
Influence on Society

The most important influence of philanthropic agencies is on Saudi society. All the interviewed and surveyed agencies agreed that charitable agencies (community and private) influence the society. The community, private, and Royal private agencies and foundations play an effective role in society in Saudi Arabia. They are considered a connecting link between wealthy and poor people. The charitable agencies transferred the charitable work from the individual to the organization. Since the spread of charitable agencies throughout Saudi Arabia, the phenomenon of begging has decreased. Now, each agency has files for most of the poor people who live in their geographical area. Many wealthy depend on the philanthropic agencies for the distribution of money and support to the poor. Most people, especially those who live in the cities, get their daily, monthly, and seasonal support via the charitable agencies. By sponsoring and participating in various programs and projects, the importance of philanthropic agencies to Saudi Arabia might be next to the governmental sector.

Influence on Religion

In Saudi Arabia there is no religion except Islam. Therefore, the influence of the charitable agencies on religious communities does not seem to exist, even though the charitable work proceeds from the Islamic perspective. By sponsoring religious programs the impact of the agencies on religion might exist, however. In Saudi Arabia the responsibility of giving religious lectures and teaching religious classes is not related to the charitable agencies. Therefore, their influence on the religious is
little as expected.

Improvement

The percentages of the interviewed agencies (94%) and of the surveyed agencies (91%) explained how much people who work in the charitable agencies looked forward to improving their work. In my opinion, as much as "any work" achieves its purpose, it stills need to be improved. Therefore, the answer to this question comes as expected. Those agencies that say the charitable work does not need to be improved do not have any justification for their opinions. For the interviewed agencies, only two agencies said that they needed no improvement. The reasons for this, as they mentioned, is that charitable agencies are still at a low level of importance. They believe that the only role that the charitable agencies play in Saudi Arabia is dividing money for poor people, and that this does not need to be developed. For the surveyed agencies, six agencies said that the charitable agencies do not need to be improved. As it was a survey, they did not explain their reasons. I think, however, that they did not understand the question.

Suggestions for Change

Charitable agencies, including both the interviewed and the surveyed, mentioned many policies, people's views, and governmental duties to be done in order to improve the charitable agencies' work. By listing these requirements, it became clear that the government has the most responsibility for improving the charitable work.
For example, many agencies said the MLSA should encourage the community agencies to create official permanent locations. The way of doing this, in my opinion, is to give a piece of land to every agency that needs to create an official location and support it by paying part of the total cost. It is very important to create official buildings to receive the clients and sponsor the agency's programs and projects. Even though I agree that government should increase its annual support, I believe that the agencies should find ways to collect money. This may be done by participating in landed investments, or by practicing commercial activities.

The government also should encourage the media to present the role of the charitable agencies and their programs and achievements in a better light. For example, it may be a good method to encourage philanthropic agencies by giving them a special discount if they make their advertisements on the TV or over the radio. The government also should encourage researchers and university professors to undertake studies in charitable field. It would be a very good opportunity to study charitable agencies in order to find the best ways to develop them.

I think that agencies need to improve the way they operate. This could be done by using modern development techniques such as using computers in their work. The advantage of this would be the savings in time and effort. The agencies should work toward coordination. They could coordinate their efforts to collect money and ways of distributing it. They also should coordinate their programs and projects, just to avoid doubling. In my opinion, this does not mean that Saudis themselves should not change and improve their thoughts about charitable agencies and people who
work there, even though they are official employees or volunteers.

**Strengths and Weaknesses**

In Saudi Arabia, the charitable agencies take their strengths from religion. This is because Islam encourages people to do good and help each other. The charitable work in the Kingdom of Saudi Arabia starts from lofty principles which foster social solidarity. Philanthropic agencies receive most of their money from people. They receive almsgivings (zakat) and charities (sadaka). People pay their money to the agencies not only to help society's poor people, but also because they believe that in so doing, they will receive recompenses from Allah (God). Thus, they have a strong relationship with people in their communities. Charitable agencies do good and hard work in the field in Saudi Arabia, especially in human service programs. Moreover, most charitable agencies are lead by people who have a high station in their societies, like religious men, judges, and community leaders. This gives them more creditability and power. By achieve their purposes, the agencies will become stronger and build the society's confidence in them.

On the other hand, the weaknesses of philanthropic agencies in Saudi Arabia are shown in the following points:

1. The misunderstanding of their role by some people in Saudi society.
2. The dearth of money in all agencies with the exception of those which are in big cities.
3. The dependence on volunteers who, for the most part, do not continue to
work for long periods of time.

4. Because all charitable agencies want to practice all roles, they cannot concentrate on any one objective and achieve it. In other words, they lose their concentration because they divide their energy among more than one or two objectives.

5. With precious little media coverage, the philanthropic agencies will not achieve their purposes as they should.

Suggestions for Future Research

1. It is very important to narrow the study field. In this study, it was very hard to cover all the areas in the Kingdom of Saudi Arabia. In this prospective, I suggest choosing one area and studying its charitable agencies.

2. The research questions should be multiple choice questions. In other words, questions that do not leave the door open for the interviewee to launch into whatever topic they feel like. It was very difficult, sometimes, to stop people once they started talking. This cost the researcher lots of time.

3. In the case of an interview, it is vital to set a definite appointment time with a person before going to see them. Sometimes it costs a lot of money and time only to arrive prematurely.

4. In my case, it was very difficult for me to get information about the study while I was in the United States. Writing a research paper about a particular subject of Saudi Arabia while I was in the United States was very hard because of the
distance from the study field. Therefore, it was very important in a case like this to bring all data that may be needed before starting to write the research.

Conclusions

Perhaps the central conclusion that flows from the foregoing is that private, nonprofit organizations continue to play a significant role in Saudi society despite the expanded role of government over the past half-century or more.

Through the study, the nonprofit sector was found to include various foundations and associations that practice different types of work. There are charitable nonprofit agencies, sports nonprofit clubs, and scientific societies as nonprofit foundation in universities, health, and religious nonprofit foundations. The study also explains the size of the nonprofit philanthropic organizations in Saudi Arabia and their work. There are three types of nonprofit charitable agencies in Saudi Arabia: (1) private agencies that were established by the Royal family members or their relatives, and these they control themselves; (2) private and community agencies that are under the MİSA control, and were created by individuals, a group of individuals, family donors, or sometimes by their representatives (if created by a will after death); and (3) public agencies (community foundation and women’s organizations).

It is clear that most of the charitable agencies are located in Riyadh, the capitol city of the Kingdom of Saudi Arabia. This is because of the large population of the city and because the greatest businesses and commercial activities are found there.

Most of the nonprofit philanthropic agencies, private and community, in Saudi
Arabia offer the same, or at least, similar roles and programs. Most of them provide human service, childcare, education, health, consulting, and rehabilitation programs and projects. The most common role, however, is human service. This is because most poor people need this kind of service more than others. In addition, all the foundations were established in the same way. This is because of the MLSA's policy that requires a group of no fewer than 20 people to establish a community agency.

Moreover, most of the representatives of the interviewed or surveyed agencies agreed that nonprofit charitable agencies face various barriers. The lack of money and instability of financial resources, both from the government and people, is one of the barriers that face the charitable agencies. The increase in the cost of living is another barrier that adds to the burden of charitable agencies. For some reasons, businessmen do not always have confidence in the agency. This actually impacts the agency's income.

Movement and lying of poor people cause difficulties in delivering assistance. In many cases agencies stop programs because of the movement of poor people searching for the good life. Due to deception and forgery a lot of money and effort goes to people who do not really need them. Most people working in nonprofit agencies in Saudi Arabia (both volunteers and employees) often lack basic work skills and have no training for working there. This makes it hard for them to do the work properly. Therefore, most workers do not continue working for philanthropic organization for a lengthy period of time. Another reason agencies have trouble retaining staff is that they do not pay well due to their small size and lack of money.
agencies have to plan their projects early, and try to comply with their annual budgets.

Nonprofit organizations are essential to society as critical and valued partners with government and the private sector. They provide an opportunity for personal and institutional philanthropy and serve as a vital mechanism for collective action based on the common good. Nonprofit organizations create the structure that allows us to bring out the best in individuals and communities in a variety of forums. They serve the needy, educate and develop our youth, nurture artistic expression, enrich our culture, and provide a forum for community voices to be heard.

The study also suggests narrowing the field of the research. This means that choose one area from Saudi Arabia and then make the study in that area. It is very hard to cover all areas in a country as large as Saudi Arabia. In order to limit the answers, it would be better if the answer to the study's question stemmed from a multiple choice question. Because of the fare for the great distance between Saudi Arabia and the United States, it was very difficult to get data after returning to the U.S. Therefore, it is crucial to bring every bit of information that the research might need in order to avoid this kind of delay and confusion.
Appendix A

The Study Questions
The Study Questions

□ What is the role of the nonprofit sector in Saudi Arabia?
□ How was your agency founded?
□ What kind of programs and benefits does your agency provide?
□ Do you think that there are barriers/problems in the nonprofit sector in Saudi Arabia?
□ What are the barriers/problems in nonprofit sector in Saudi Arabia?
□ What benefits do agencies get as nonprofit agencies?
□ What is the nonprofit sector’s influence on the economy in Saudi Arabia?
□ What is the nonprofit sector’s influence on Saudi society?
□ What is the nonprofit sector’s influence on religion in Saudi Arabia?
□ Do you think that the nonprofit sector in Saudi Arabia needs to be improved?
□ What is the policy change needed to improve the nonprofit sector in Saudi Arabia?
Appendix B

Survey Instrument
Please answer the following question then return them to the attached address:

1. What is the role of the charitable agencies in Saudi Arabia?
   - Human service □
   - Education □
   - Consulting □
   - All mention □
   - Others □

2. How is your agency / foundation established?
   - Because of the existences of poverty □
   - As others □
   - To serve the society □
   - Others □

3. What are the programs and benefits that your agency provides to people?
   - Human service □
   - Health □
   - Rehabilitation □
   - Consulting □
   - All mentioned □
   - Others □

4. Do you think that there are barriers or problems that face the charitable work in Saudi Arabia?
   - Yes □
   - No □
5. If the answer is yes, what are the barriers or problems?

- Littleness of good employees
- Lack of sources
- Nonexistence of
devote oneself to the job
- Society misunderstanding
- Large number of requirements
- Littleness of government support
- Disorganization
- Others

6. What benefits do your agency get as nonprofit agency?

- Material donations from people
- Government supports
- Grants
- Money donations from people
- Others

7. What is the nonprofit sector's influence on the economy in Saudi Arabia?

8. What is the nonprofit sector's influence on Saudi society?

9. Do you think that the nonprofit sector in Saudi Arabia needs to be improved?

- Yes
- No
10. What is the policy change needed to improve the nonprofit sector in Saudi Arabia?

Change the present system □ Use the developed technique □ Change the controlling department □ Make coordination between the agencies □ Create courses □ Create new governmental jobs for the agencies □

Others □

Thank you for your response

Abdulrahman M. Al-Othaimeen
Appendix C

Letter to Community Agencies
Dear Manager,

Due to that fact that I in process of collecting data about the nonprofit sector in Saudi Arabia in order to get a master degree, I hope to answer the attached question then send them back to me at the following address:

Qassim/Onizah

P.O. Box 1929-81888

Abdulrahman M Al-Othaimeen

I wish also to attach a copy from your annual report or any brochures that explain the agency’s purposes. I would like also to emphasize that all data will use only for the research purposes. For any question, please call the researcher at 055130006. I appreciate your response.

Sincerely,

Abdulrahman M. Al-Othaimeen
Appendix D

Ministry of Labor and Social Affairs
(MLSA) Guidelines
In the Name of Allah, the Most Merciful, the Compassionate

Kingdom of Saudi Arabia
Ministry of Labor and Social Affairs
The Ministry’s Deputyship for Social Affairs
The General Administration for Philanthropic Foundations and Societies.

First- List of Philanthropic Foundations and Societies (LPFS)
Second-Executive Code of Principles for the LPFS.
Third- An Exemplary Model for the Charter for Philanthropic Societies.
First: List of Philanthropic Foundations and Societies (LPFS)
Issued by the Cabinet Resolution No. 107 on 25/6/1410H
And published in *Ummul Qura Official Journal*, issue no. 3296 on 21/7/1410H
Section One
Philanthropic (Charitable) Societies

Chapter One
Establishing a Society and Its Goals

Article 1:
A philanthropic society may be established if twenty or more fully qualified Saudi nationals, none of them condemned in any criminal act concerning moral character and integrity (or condemned but revenerated), submit a request for this purpose, and after its approval by the Ministry of Labor and Social Affairs (MLSA).

The Society shall have a Legal Character (or Corporate Body) status by registering it in the Special Registry prepared by the MLSA for this purpose. The Society’s Charter shall be published in the Official Journal. The executive principles of this List explains the conditions and situations pertaining to this Registry as well as the procedures for registration and the data that must be recorded. And it is unlawful to register if the Society’s Main Charter includes rules that oppose this List, other Regulations, or the General Rules of Government, or that it contradicts the Society’s general etiquette of conduct.

Article 2:
The Charitable Society aims to provide social services in cash or material forms, as well as educational, cultural, or health services of relation to human services, without aiming to achieve material gains. The Society’s Main Charter shall specify its objective. It is prohibited that the Society go beyond its specified objectives or that it enters in any business partnership (mudaarabah: Financial Speculations).

Article 3:
It is not allowed for the Society to establish branches except with the approval of the MLSA. And it is a must that the branch, or any modification to the Main Charter be registered in accordance with the aforementioned regulations.
Article 4:
The MLSA shall give a certificate conforming to the Special Registry, and specifically including the date and number of registration, date of publication, and the Society’s main center.

Article 5:
The Main Charter of the Society shall include all the basic regulations and information, particularly the following:

1-The Society’s name, headquarter, and its domain of services.
2-The purpose of its establishment.
3-The name, age, profession, and residency of each of its founding members.
4-Membership conditions and types as well as the duties and rights of members.
5-The Society’s resources and means of their utilization.
6-Specification of the beginning and the end of the fiscal year.
7-Ways of financial auditing.
8-Stepulations regarding the Society’s representation by organizations and their fields of specialization as well as the methodology of choosing their members and the way of termination of their membership.
9-The regulations followed in the process of voluntarily dissolution of the Society, and the designation of the party to whom its properties will be allocated.
10-Any other information that does not contradict the rules of this List and the decrees issued thereof. It is prohibited to state in the Main Charter that the Society’s property be turned, following dissolution, to other than those legally registered societies and whose work is in the same field as that of the dissolved society.
The Minister of Labor and Social Affairs shall publish a Main Charter Form as a guide for the charitable societies to use in setting their Charters.
Chapter Two

The Administrative and Financial Organization

Article 6:
The Society shall be composed of the following organizations:
1-General Assembly (G.A).
2-Administrative Board (A.B).
3-Standing Committees as set up by the General Assembly or the Administrative Board. The specialty of each committee must as specified in the decree of its establishment.

Article 7:
1-Except for the Founding G.A, the G.A shall be composed of the members who had fulfilled their duties towards the Society and who had at least one year of membership.
2-The GA shall conduct its meetings in the Society’s headquarters, and it may be conducted in another place once approved by the MLSA.
The executive rulings of the List shall determine the timing of the G.A’s meeting, the method of invitation to the routine and extraordinary sessions, the conditions validating the meetings and the rulings thereof, and that is related to these matters.
3-The MLSA must be informed of every GA meeting at least fifteen days prior to its commencement. A copy of the letter of invitation, the agenda, and the documents pertaining to the topics on the agenda must also be forwarded to the MLSA.
The MLSA has the right to send a representative to attend the meeting. A copy of the meeting reports must be sent to the MLSA in a period not to exceed thirty days from the day of conclusion of the meeting.

Article 8:
1-Members of the Society’s A.B shall be chosen through secret balloting and in the presence of an MLSA delegate.
2-The Society’s Main Charter shall define the term of the A.B such that it must not exceed four years.
3-The MLSA must be informed of the names of candidates for the A.B membership at least ninety days prior to the election schedule of the A.B. If the MLSA does not inform the Society of its remarks thirty days before the election date, then this should be considered as an approval by the MLSA of the nominations.

The MLSA reserves the right to send a delegate to attend the polling process in order to make sure that it proceeds according to the Society's Main Charter. It also has the right by virtue of a "causitive decision" to cancel the polling results in a period of fifteen days from the day it becomes informed of such results.

4-The MLSA must be informed by providing a copy of each report of the A.B meetings and of all the decisions taken therein within ten days from the day it was issued. The MLSA reserves the right to object to these decisions within twenty days from the day it is informed of them.

5-The executive rulings of this List clarifies the rulings covering the proceedings in the A.B

**Article 9:**

The MLSA has the right to appoint a temporary A.B for the Society as deemed necessary to fulfill the Society's aims & interests.

**Article 10:**

The Society's A.B should submit to the MLSA a copy of the final account for the last fiscal year, and a copy of the estimative budget for the new year on the appointed date dictated by the executive principles and signed by the Chairman of A.B or his deputy, cashier, Society's accountant and general secretary.

**Article 11:**

1- The Society should keep documents and special records in its HQ according to the precepts of executive principles for this List.
2- The Society should write down the name of every member, his age, profession, address, date of joining of the Society, membership fees and every change that affects this information in a special record.

3- The Society should record the reports of sessions and decisions of the G.A and the A.B in addition to decisions made by the Society’s manager upon authorization from the A.B Every member in the Society has the right to examine such records.

4- The Society should write down its accounts in a register declaring in detail all expenses and incomes including donations and their sources.

5- The Society should have an authorized lawful accountant.

6- The Society should deposit its cash money in its name in one of the Saudi banks. Money should be drafted only by the signatures of two officials in the Society as identified by the executive principles.

7- The Society should state its name, registration number and its activity in all its registers, books, writings and publications.

Article 12:

1- The MLSA provides the determined subsidies to the registered Society.

2- The Society has the right to collect donations and accept gifts and wills provided that this does not contradict with the regulations and instructions regarding such matters.
Article 13:
The MLSA has the right to entrust the administration of one of its buildings, establishments, or its social centers to the Society that proves its ability to carry on such matter. In this case, the necessary sum of money will be paid to the Society from the budget of the authorized party.

Chapter Three
The Dissolution of the Society

Article 14:
The Society may be dissolved by a G.A decision according to the laws identified by Society's Main Charter.

Article 15:
The Society may be dissolved by an MLSA decision in one of the following cases:

1- If the members' number is under twenty persons.

2- If the Society deviates from its aims or committed serious mistakes against its Main Charter.

3- If the Society became unable to fulfill its financial obligations and commitments.

4- If the Society spends its money in ways other than those specified for it.

5- If the Society contradicted the public order, good manners, and
respectful traditions in the Kingdom.

6- If the Society violated the declared rules in the List.

Instead of dissolving the Society, the Minister has the right to appoint a temporary A.B for one period taking over the responsibilities of the original A.B if this serves the general interests and achieves the Society's aims.

Article 16:

After the Society's dissolution, people responsible for the dissolved Society's affairs have no right to utilize its money or its documents. The MLSA makes a decision specifying the way of liquidation and how to behave in the Society's money and documents, as well as the parties to whom the properties of the Society will be transferred in case this is not stated in the Society's Main Charter, or when the Society is unable to execute what is specified in the Charter pertaining to this matter.

Chapter Four

General Rules

Article 17:

1- The MLSA supervises the Society’s works and observes the execution of the rules and decisions of this List. To achieve this, the MLSA has the right to inspect the documents and records that contain the Society's work and activity. The Society must present any information, reports or other documents required by the Ministry.
2- The Minister of Labor and Social Affairs has the right to stop carrying out any decision made by the agencies overseeing the Society's affairs if it is in disagreement with the judgments of the List—or what is necessitated by them, or the Society's Main Charter.

Article 18:

The MLSA, together with the General Bureau of Civil Service puts the necessary rules that regulate the offering of certificates for the beneficiaries of the charitable organization in the cultural, educational, or preparatory programs as well as the ways of benefiting from these certificates in fields of employment.
The Second Section

Private Charitable Establishments

First Chapter

Setting up an Establishment and Its Aims

Article 19:

Private charitable establishments (organizations) may be formed not for financial profit benefiting individuals or certain agencies or that its membership is restricted to certain persons according to its charter.

Article 20:

The MLSA prepares a special record for charitable establishments. The executive principles for this List specify the conditions of this record, its procedures and the necessary data for this purpose.

Article 21:

The establishment has a corporate body (or legal) status achieved by registering it according to the rules of this List.
The Second Chapter

Financial & Administrative Organization

Article 22:
Charitable establishments are subject to the supervision and observance of the MLSA as far as the setting up and merging of branches, appointing a temporary A.B, holding the execution of decisions, dissolution and liquidation. The rules of the List should be applied on charitable establishments as they are applied on charitable organizations. The prohibition concerning the deviation from the specific aims, or the participation in financial speculations applies also to charitable establishments.

Article 23:
Charitable establishments should not benefit from any profit in the form of financial subsidies given by the Ministry to charitable societies. They have the right to receive gifts and wills but they have no right to collect donations.

Article 24:
After dissolution, the money of charitable establishments will be directed to charitable societies as determined by the Minister of Labor and Social Affairs unless its special charter directs the transfer of its property to another charitable work.
The Third Section

Final Rules

Article 25:

1-The rules of this List should be applied to private charitable establishments and societies already existing at the time of issuing this List, except for the rules concerning the establishment recording and publishing. The MLSA should take the decision to change the charters of societies and charitable establishments in ways that agree with the rules of this List.

2- Except for the first article, the rules of this List are not applied to charitable establishments decreed by Royal orders.

Article 26:

Executive principles are issued by a decision from the Minister of Labor and published in the Official Journal in addition to every decision stating a change in the List.

Article 27:

This List cancels all that contradicts with it from rules.

Article 28:

This List is to be published in the Official Journal, and it will be in effect sixty (60) days from the date of its publishing.
Section One

Charitable Societies (Organizations)

Chapter One

Definition

Article 1:

The following words have these meanings:

A-The word Minister means: the Minister of Labor and Social Affairs.

B- The word Ministry means: The Ministry of Labor and Social Affairs (MLSA).

C-The word Deputy means: The Ministry’s Deputy of Social Care Affairs.

D-The word Administration means: The General Administration of Charitable Organizations and Establishments.

E-The word Society means: Any Society which is set up according to the List’s rules.

F-The word List means: the List of Charitable Organizations and Establishments issued by the decision of the Cabinet no.107, on: 25/6/1410 H.

Article 2:

The Ministry is the qualified authority regarding all that relates to Charitable Organizations and Establishments in the Kingdom and their registration under the List’s rules, decisions and issued instructions regarding them.

Article 3:

The Charitable Organization (Society) is a voluntary private society, aiming to offer
social services related to human services, not aiming to get financial profit or
achieving any objective in disagreement with its basic goals.

Chapter Two

Aims

Article 4:
The Main Charter determines the aims of every Society. The Society has no right to
exceed these aims to other objectives. It is impermissible to register the Society if its
Charter comprises rules that contradict the List or its executive principles, opposes the
public rules, or the general conduct of the society.

Article 5:
The Society has no right to indulge in financial speculations.

Article 6:
The Society has no right to set up new branches without approval from the Ministry
and except that it is according to the text of its Main Charter.

Chapter Three

Registration and Foundation

Article 7:
The Conditions for the Society's foundation are:
1- Twenty (20) persons or more should make a formal request.

2- The nationality of the requesters must be Saudi and legally competent. They are not condemned in any crimes or issues which violate honor and uprightness. Excluded are those who were condemned but their reputation has been reinstated.

The requesters should set up the Main Charter for the Society according to the List's rules, the executive principles and issued instructions in this respect.

**Article 8:**

The requesters have no right to practice any activity or collect any money in the name of the Society before the permission from the Ministry to set up the Society is granted.

**Article 9:**

A- The Society receives a "corporate body (or legal)" status upon registration in the Special Record for Charitable Organizations, and which is prepared by the Ministry for this purpose. The Main Charter of the Society shall be published in the Official Journal. Any modification of this Charter should be published, too.

B- The Chairman of the A.B is the representative of the Society in all litigations and before any other body.

**Article 10:**

The Society's registration and foundation procedures in the record stated above should be according to the following steps:

A- A formal request should be submitted directly to the Ministry or to any one of its branches, together with a statement indicating the requesters' names (up to and including the 4th name), their ages, professions, identity card, number and place of
issue and their addresses. In addition to a statement indicating the desire of each one of them to participate in the establishment of the Society.

B- The Legally qualified administration, representing the Ministry, shall study the request and complete the necessary procedures.

C- In case of acceptance and if the abilities of the Society to achieve its aims are convincing, then a Ministerial decision will be issued approving to register the Society, and hence its registry in the proper Record dedicated for this matter.

Article 11:

1-The Ministry's registration includes the following information:

A- Name of the Society.

B- Main Headquarter (or Center) and its branches (if existing).

C- Its area of services.

D- Number of its founders.

E- Membership fees.

F- The main purpose of its establishment.

G- Number and date of the Ministerial decision approving the registration of the Society.

H- Registration number.

I- Date of publishing.

2-The registry includes any other necessary information as well as any changes that may affect the Society's Main Charter.
Article: 12

The Society's branch is an additional center of the Society, acting all or some of its services at the place of its foundation. The Society determines the responsibilities of the branch. It is registered in the Special Registry for Charitable Organizations, being apart of the information allocated for the parent Society.

Article 13:

Following its official registration, the Ministry provides the Society with a certificate from the Registry of Charitable Organizations that includes the following information:

1- Full name of Society.
2- Main Headquarter.
3- Its area of services.
4- Number and date of the Ministerial decision approving the registration of the Society.
5- Number and date of its registration.
6- Date of publication.

Chapter Four

The Society's Main Charter

Article 14:

Every Society prepares its Main Charter guided by the form prepared by Ministry for this purpose.
|Article 15:|

The Main Charter of the Society must include the following basic rules and information:

1- The name of Society, its headquarter and the geographical domain of its services.

2- The objectives and the purpose of its establishment.

3- Name of every member, his age, profession, address, identity card number, and its place of issue.

4- Kinds of membership, conditions of every type, member's rights and duties, and membership fees.

5- Resources of the Society and their way of disposal.

6- The beginning and end of the Society's financial year.

7- Ways of financial inspection.

8- Rulings regarding the associations representing the Society, the specialization of each association, ways of choosing their members, and how to renew and terminate their membership.

9- The way to modify the Main Charter of the Society.

10- The way to merge the Society with other societies.

11- The number of A.B members, A.B's period, meeting schedule, the way to elect its members, cases of membership forfeiture, and the way to fill the vacant positions.

12- The conditions required to qualify for the A.B, the A.B's rights and obligations.

13- Jurisdiction and specialization for both the A.B Chairman and his deputy, the treasurer, the director of Society, and secretary general (secretary of council).
14- Jurisdiction of the G.A, rules governing its assembly, meetings schedule, and the way to issue its decisions.

15- Administrative and accounting books held by the Society and the way to prepare the final statement of account, its auditing and authentication.

16- The way to set up branches for the Society.

17- The way to voluntarily dissolving of the Society, the party to whom its property should be transferred after its dissolution, taking into consideration that the Society's money should not be transferred to other than the Charitable Organization registered at the Ministry.

Chapter Five

Financial and Administrative Arrangements

Firstly: Financial Arrangement

1- The G.A

Article 16:

The G.A (excluding the founding G.A) consists of all the working members. The Main Charter determines the conditions required for them to be active members.

Article 17:

The G.A is considered as the Society's highest authority, and its decisions are binding for all of its members.
Article 18:

Taking into consideration the previous article, the G.A is entitled to act on the following:

A- Reviving the report of comptroller on the general budget, final statement of account for the previous financial year and its authentication after discussion.

B- Ratifying the estimated budget for the new financial year.

C- Discussing the report of the A.B about the Society's work and activities for the previous year as well as the proposed plan for the new financial year, asking the appropriate measures in this respect.

D- Studying the principal of investing the Society's money and the area of potential investments.

E- Forming temporary or standing committees.

F- Electing the members of A.B, renewing and terminating their membership.

G- Nominating a chartered accountant as comptroller and auditor.

J- Managing other subjects presented by the A.B that are parts of the meeting agenda.

Article 19:

The ordinary G.A meetings are held in response to a written invitation from the Society's A.B. This invitation includes the agenda, the issues to be discussed, the place, date and time of the meeting. The invitation must be made at least 15 days prior to the scheduled meeting.

Article 20:

The G.A holds an ordinary meeting once a year and within a period that does not
exceed three months from the date commencing the end of the Society's fiscal year.

**Article 21:**

The G.A may be called for an extraordinary meeting to discuss of the following matters:

1- The modification of the Society's Main Charter.

2- The disposition of some of its real estate.

3- Dissolving or merging the Society with another Society.

4- Electing, renewing or terminating the A.B members.

5- Any matter other than those stated is a cause to hold an extraordinary meeting.

**Article 22:**

Less than one tenth of the active members have the right to ask the A.B to invite the G.A for an extraordinary meeting, providing that they clarify the causes for this invitation.

In case, the A.B doesn't answer to this request within a month, then it is permissible for the members to invite the G.A directly. In both cases an approval by the Ministry is required. Furthermore, the Ministry has the right to invite for an extraordinary meeting of the G.A when it sees necessary.

**Article 23:**

The ordinary and extraordinary meeting of the G.A is considered correct if the attendants are 51% of the active members. If the official quorum is not met an hour after the expiration of the specified meeting time, then the meeting may take place only if not less than 25% of the active members are present. But if this quorum is not
achieved, then the meeting is adjourned for a period of not less than 15 days. In this case the G.A meeting can be held by any attending number of the active members. In all cases, a representative of the Ministry attends all the meetings.

**Article 24:**

An active member has the right to authorize, in writing, another member to represent him in attending the meeting and in the voting process. Representation for more than one is not allowed. A chosen representative must not be an A.B member.

**Article 25:**

Extraordinary and ordinary G.A sessions take decisions by the majority of the votes of the attending members provided that Article 30 of the List is not violated. Election is conducted by raising hands. Also, it can be done by way of secret balloting if this demanded by the majority of attending members.

**Article 26:**

The Society should notify the Ministry of the date of the G.A’s meeting at least 15 days in advance. A copy of the letter of invitation and the agenda should be submitted. Also copies of special documents related to the issues listed in the agenda such as the annual report, final statements of accounts, and the proposed budget for the new fiscal year, etc. The G.A has no right to discuss matters not mentioned in the agenda.

The Society should notify the Ministry by submitting a copy of the reports of these meetings and the decisions taken therein in a period not to exceed 30 days from the date of conclusion of the meeting.
Article 27:

The Minister can halt the execution of any decision passed by the G.A if it is against the List, its executive principles, its issued decisions, the Main Charter of the Society, or any regulations or instructions issued by the concerned authorities.

Article 28:

Reports of the G.A meetings and issued decisions thereof are to be registered in a special record signed by the Chairman or his deputy, and the general secretary (the council's secretary). Names of the G.A’s attending members or their representatives must be attached, together with authorizations of such representations.

2-The A.B

Article 29:

The Ministry should be notified of the full names of the candidates to the A.B membership at least ninety days prior to the specified date of election of the A.B members.

If the Ministry does not notify the Society of any remakes regarding the candidate's names, 30 days before the time of elections, then this is considered as an approval by the Ministry of this election. The precedence for the candidacy to the membership of the A.B is to residents in the area covered by the Society’s social services.

Article 30:

Election of the A.B members takes place after the Ministry's approval of their
nomination by the G.A through secret balloting and in the presence of a representative of the Ministry. The representative attends and participates in the authorized election committee, in the counting of votes and in the announcing of the result. This is to confirm that the election abides by the Main Charter of the Society.

**Article 31:**

The Ministry has the right by a cautious decision to cancel or stop the election's result totally or partially within 15 days from the day of its notification of this result.

**Article 32:**

The A.B undertakes the administration of the Society to achieve the aims of its establishment, and to the extent specified by its Main Charter. The most important of which are the following:

1- Foreseeing the Society's rights and obligations and issuing the appropriate decisions in this regard.

2- Preparing the financial, administrative and organizational Lists that organize the Society's work.

3- Preparing and following up the execution of the Society's plans and programs, and supervising their execution.

4- Executing all the work related to the employees of the Society such as appointments, transfer, delegation, discipline and discharge. The A.B should appoint an executive director for the Society, and an A.B secretary-general.

5- Supervising the execution and following up of the Society's decisions, and all the instructions issued by specialized authorities.
6- Administering the investment of the Society's money.

7- Preparing the annual report of the Society, highlighting its activities and its administrative and financial status to present it before the G.A in its periodical meeting. The Ministry must be provided with a copy of this report.

8- Inviting the G.A to hold its meetings.

9- Studying the general budget and the final statement of account prepared by Society's chartered accountant and presenting it to the G.A with a report including proposals or remarks.

10- Foreseeing the matter of the A.B's member who doesn't attend the council's meetings for 3 consecutive times without acceptable cause. In this case the council has the right to consider him a resigned member. He should be notified in writing to his address found listed with the Society.

11- Proposing the estimated budget for the new financial year and presenting it to the G.A for approbation.

12- Organizing the standing and temporary committees.

**Article 33:**

The A.B has the right to take any appropriate measure to improve the Society's management, except for the procedures which must be pre-approved by the G.A.

**Article 34:**

The Society's A.B holds periodical meetings; however, the number of these meetings shall not be less than one monthly meeting.

The A.B has the right to hold extraordinary meetings according to what is stipulated
by the Society's Main Charter. The Chairman shall determine the timing of such meetings.

The Ministry has the right to ask a representative to participate in the meetings of the A.B and its discussions, but the representative has no right to vote.

**Article 35:**

The A.B elects from amongst its members, the Chairman, his deputy and the treasurer.

**Article 36:**

The working policy of the A.B is governed by the following rules:

1- In the absence of a periodical fixed appointment for the A.B meetings, a written invitation will be sent to the A.B members at their registered addresses with the Society and in due time prior to the intended meeting. A copy of the agenda shall be attached.

2- The Chairman or Vice-Chairman sends an invitation for an A.B meeting. Also an exceptional invitation can be made requested by:

A- The Ministry or its representative.

B- 50% of the Members.

C- Chartered accountant of the Society.

3- Meetings are to be held in the Society's headquarter, and it is permissible to hold at any other place.

4- A convened meeting is correct if at least 50% of its members attend.

5- The A.B's decisions are issued based on the majority of votes of the attendances. In the case of equality, the Chairman's voice is a casting vote.
6-Voting is made by raising hands.

7-The incidents of the meeting, discussed issues and the decisions made therein are written down in a special record signed only by the attendants from the A.B.

8-The A.B member should attend the meetings by himself, and he has no right to delegate another one to attend.

**Article 37:**

The Ministry should be informed by submitting a copy of the meeting record for every one of the A.B sessions and the decisions made therein within ten (10) days from the date of issue. The Ministry has the right to object to these decisions in twenty days from the date of informing. As a consequence, this objection leads to a halt on carrying them out.

**Article 38:**

The Minister has the right to issue a decision of appointing a temporary A.B for the Society in the cases necessitated by the Society's interest; for example in the following cases:

1-The A.B is unable to perform his role for any reason.

2-When the number of the Society’s A.B members is less than five, and nothing is done to occupy the vacant seats.

3-When the A.B commits violations against the List and its executive principles, or against the Society's Main Charter and instructions.

4-When there is an inability to conduct elections to find an alternative for the A.B whose period has ended or its members' deeds led to the forfeiting of their
membership status.

5-The members of the G.A are unsatisfied with the A.B, and have a desire to change it but they are unable. They should make a formal request including reasons and signatures of at least 25% of the full number.

**Article 39:**

Appointing the temporary A.B results in firing the elected A.B. The temporary A.B will practice its responsibilities until the new A.B is elected in the first meeting of the G.A.

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**3- The Standing or Temporary Committees**

**Article 40:**

The A.B forms standing or temporary committees to take part in performing works charged with the Society. The decree regarding such committees determines the specialization, nomination and number of members of each committee, including the calling for an appointment of the Chairman. This committee may be formed by the G.A when it is necessary.

**Article 41:**

The A.B puts Lists and necessary instructions to organize the work of these committees after their forming as well as the coordination among them.
Secondly: Financial Organization

Article 42:
The Society should follow rules, instructions and accountant models issued by the Ministry’s Deputy.

Article 43:
The Society must follow the List’s rules regarding collecting donations for charitable aspects issued by a decision from Ministers' Council no. 547 on 30 / 3 / 1396 H.

Article 44:
The Society keeps at its headquarter all financial records, books and documents specified by the rules and accountant instructions.

Article 45:
The Society should deposit its cash money in one or more local bank as chosen by the A.B Money should be drafted only by the signature of the A.B Chairman or his deputy and the cashier, according to the method specified by the Society's Main Charter.

Article 46:
In case the Society's monetary account exceeds its expenditure in the last authorized budget by more than the double, the Society should make use of the excess sum in the social fields approved by the Ministry.

Article 47:
Without violating the fifth article from these principles, the Society has the right to
invest money that exceeds its needs after the Ministry's permission. The investment of money should be in activities achieving financial profit to assist the Society in achieving its aims.

**Article 48:**

The spending of any sum of the Society's money is conditioned by the signature of two persons on the bill of exchange as specified in Article 45 from these principles.

**Article 49:**

Every Society should have a lawful authorized accountant to practice this profession in the Kingdom of Saudi Arabia.

**Article 50:**

The Society's A.B should give the Ministry a copy of the general budget and final account for the last year, and a copy of the budget for the new year signed by the Chairman of the A.B or his deputy, general secretary, cashier and the Society's accountant after authentication by the G.A. All this should take place in four months from the financial year's date of expiry.

**Article 51:**

If the Society did not execute its commitments, or was delayed in executing its programs for inconvincible reasons, the Ministry will stop giving any financial subsidy already allocated for it.

**Article 52:**

The Ministry has the right to entrust the administration of any of its buildings,
establishments or social centers to the Society which proves its ability to run such facilities and in accordance with the following foundations:

1-The Society should be registered with the Ministry.

2-The building, the establishment or the center intended to be administrated by the Society should bring about achievements that in effect agree with the specified aims of the Society as specified in its Main Charter.

3-The Society should follow all conditions and instructions related to the management of the building, the establishment or the center with which it will be entrusted.

4-The Ministry has the right to direct and supervise such process to make sure that the goals of the intended trust are realized.

5-The Society should provide the Ministry with a report about the work progress in the building, establishment, or the center it was entrusted to run, showing the activity, services, work course and all the necessary information in a periodical manner that does not exceed three months. The Ministry has the right to finish this attribution whenever it sees necessary.

**Article 53:**

The Ministry has the right to trust the Society to secure care for the needy without violating the Ministry’s right in supervision and direction. The Society should submit a periodical report to the Ministry every three months indicating the activity, services and the cases of people who are under its care. In this case, the Ministry should give subsidies to the Society in a way that appropriates with this effort and according to the specified rules in this regard.
Chapter Six

The Society’s Dissolution

Article 54:
The Society may be dissolved by a decision from the Minister in one of the following cases:
1-If the number of members is under twenty and this number cannot be completed.
2-If the Society deviates from its aims and commits serious mistakes in its Main Charter.
3-If the Society becomes unable to fulfill its financial obligations and commitment.
4-If the Society uses money in ways not specified in its Charter.
5-If the Society contradicts the public order, good manners, and recognized traditions in the Kingdom.
6-If the Society violates the declared rules in the List.
7-If the Society does not perform its responsibilities within a year from the date of its registering, or has stopped performing its responsibilities for one year or more whatever the reasons are. Instead of its dissolution, the Minister has the right to appoint a temporary A.B taking over the responsibilities of the elected A.B if this decision serves the general interests and achieves the Society’s aims.

Article 55:
The decision of the Society's dissolution should be informed to the concerned authorities.
Article 56:
People who are responsible for the dissolved Society's affairs have no right to spend its money or make use of its documents. However, they have the right to behave in its contents that are subject to damage based upon a permission form the Minister before hand.

Article 57:
The MLSA makes a decision specifying the way of liquidation and how to behave in the Society's money, documents and charitable establishments designated to receive the Society’s properties and documents in case this is not stated in the Society's Main Charter, or in case the Society is unable to execute what is stated in its Main Charter. In all cases, all societies and charitable establishments that are registered with the Ministry should benefit from such properties.

Chapter Seven
General Rules

Article 58:
The Ministry should supervise the Society's works and observe the execution of the List's rules and instructions issued thereof. To achieve this, the Ministry should examine all books, records and documents which are related to the Society's work and activity. The Society should give any information, details and other documents required by the Ministry or its agents. Moreover, the Society should facilitate the
tasks of the agents during their visit to the Society, and enable them to carry out these
tasks in an effective way.

Article 59:

1-The Society should keep documents, writings and special records in its headquarter.
2-The Society should prepare a special record in which the name of every member,
his age, profession, place of residence, date of joining the Society, paid membership
fees and every change that may affect this information. The Society should provide
the Ministry with an annual report including every change and modification of such
information.
3-The Society should keep in record the reports of the G.A, A.B sessions and their
decisions, and every member of the Society has the right to examine these records.
4-The Society should state its name, registry number and domain of activity in all of
its books, records and publications.

Article 60:

The Society has the right to execute a number of educational, training and cultural
programs and activities which are within the scope of its aims and available
potentialities after advanced approval from the Ministry. The Society should give the
beneficiaries of such programs certificates that enable good use of them according to
the instructions issued in this regard.

Article 61:

The Society has no right to attribute the presidency of standing committees and
leading positions—whether administrative, financial or social—to non Saudi men
Section 2

Private Charitable Establishments

Article 62:

The Private Charitable Establishment (PCE) is every charitable institution whose basic aim is to present charitable social service to individuals or any specific party, not seeking a financial profit or any other objective that contradict with the Lists rules, the executive principles or any specific instructions issued in this respect.

Article 63:

The PCE may be established by an individual or a group of individuals, or by one or more corporate body (or legal person).

Article 64:

The conditions to set up a PCE are:

1- The requester or requesters must be Saudi national.

2- The requesters or the requester must be legally eligible.

3- The requesters or the requester should prepare a Main Charter for the PCE that agrees with the List's rules, executive principles, and the issued instructions in this respect.

Article 56:

The PCE Charter should include the following judgments and information:
1-Its name, headquarter, and address.

2-The Founder or founders' name(s), their ages, professions, the residence of each one of them, and his address and signature.

3-The purpose of its establishment.

4-Membership rules (if found), its kinds, and the rights and duties of the members.

5-The rules concerned with its administration, representation, designation of the authorized institutions that will supervise its affairs and the specialization of each institution.

6-Its resources, the way of their disposition and its expenditures.

7-Specifying the beginning and end of the PCE’s financial year and the ways of financial supervision on its money.

8-The way to modify its Charter, and how to merge it with other establishments, or how to set up its branches.

9-The way of its dissolution and the authorized party that will entrust its property.

**Article 66:**

The applicant(s) for the establishment of the PCE presents the request directly to the Ministry or to one of its branches, attaching the following:

1-A copy of the applicant's identity card, or a copy of the license if the applicant is a corporate body (or a legal person).

2-Copy of its Main Charter.

3-Other data or information concerning it.
Article 67:

Studying the request and completing its procedures is done by the authorized administration.

If the application meets all required conditions, a Ministerial decision is issued approving its registration. Thereupon its registration is recorded in a special registry prepared by the Ministry for this purpose. By this manner the PCE earns the "corporate body (or legal)" status.

Article 68:

The special record for the Private Charitable Establishments, mentioned in the above article includes the following information:

1-The name of the PCE, its center, address and date of foundation.
2-The purpose of setting it up.
3-Numbers of its members.
4-Name of the person(s) in charge and those representing it.
5-Number of the Ministerial decision approving the registration of the PCE, and its date.
6-Number and date of its registration.
7-Any other information that the Ministry sees fit to add.

Article 69:

The PCEs should not benefit from the aid granted by the Ministry to such establishments. It is permissible for the PCE to accept gifts; however, it is not allowed for it to collect donations.
Article 70:

The Ministry shall supervise the work of the PCEs to the extent determined by the Ministry. To achieve this, the Ministry has the right to examine the PCE's books, records and other documents that are related to its activities.

The Minister has the right to halt the execution of any decision issued by the Boards overseeing the PCE's affairs if it is in opposition to the List's judgments, executive principles, or the decisions necessitated by these principles, or to its Main Charter.

Article 71:

Without violating the articles above, the rules of Section 1 applicable to the PCEs are also applicable regarding the establishment and merging of branches, the appointment of a temporary A.B responsible for its administration and dissolution. Also applicable are the rules regarding the refraining from transcending the aims of the PCE or entering in financial speculations.

Section 3

Conclusive Judgments

Article 72:

The judgments of these Regulations are applied on the private charitable organizations and societies that are subjected to the List's rules existing at the time of issue of these judgments, except for those related to the foundation, registry and publication.
Article 73:
The List's rules, executive principles, decisions and instructions necessitated by them, do not apply to the PCEs already existing, or those that may exist, by a Royal decree.

Article 74:
The existing private establishments and organizations should take what is necessary to modify its Main Charters according to the List's rules, its executive principles and all decisions and instructions necessitated by them.

Article 75:
The activities of the private establishments and organizations subject to the List’s rules and its executive principles are limited to the territories of the Kingdom.

Article 76:
The Ministry has the right to explain these principles, and its explanation must be binding.
Third: A Guide Form for the Main Charter of Charitable Organizations
Issued by the Ministerial Decree # 3866 on 1/6/1413 H.
Chapter One
Foundation and Aims

Article 1:

By Allah's Will and Guidance, the establishment of the Society has been achieved according to the List's rules for Charitable Establishments and Organizations issued by the decision of the Cabinet No. (107) on 25/6/1410 H, and according its executive principles issued by the decision of the MLSA, no. 760, dated on 30/1/1412 H, and the issued instructions thereof.

Article 2:

The area of the Society's services covers and its headquarter is in . It can be transferred or it can set up branches within its service area by a decision issued by the G.A and the approval of the MLSA.

Article 3:

The organization aims to offer the services needed by its area provided that its goal shall not be the gaining of financial profit. The services include the following:

1-
2-
3-
4-
Chapter Two

Membership

Article 4:

The following conditions should apply to the Society’s member:

1- He must be a Saudi national.

2- He should have completed 18 years of age.

3- He must be legally eligible.

4- He is clear from being condemned in any crimes or issues which violate honor and uprightness. Excluded is the one who was condemned but his reputation has been reinstated.

5- He should have paid the minimum of the annual membership fee.

Article 5: Kinds of Membership

A-Active member:

The member who participates in the establishment of the Society, or joins the Society after its foundation based upon the approval of his request for membership by the A.B. This membership is limited only for men/women. This member has the right to attend the meetings of the G.A, to vote on its decisions, and to nominate himself for
the membership of the A.B. one year after his joining of the Society. He should pay
an annual fee of ( ) SR, as a minimal charge.

B-Affiliated member:

He is the one who requests to be affiliated with the Society's membership, and that the
A.B accepts his request after fulfilling the conditions stated in Article (4), except for
the condition of age. In this case, the member has no right to neither attend the G.A’s
meetings nor nominate himself for the membership of A.B He should pay a reduced
annual membership fee of ( ) SR, as a minimum.

C-Distinguished Member:

He is the one whose membership is granted by the Society in acknowledgement for his
great services, physical or moral, which helped the Society to achieve its goals. This
member has the right to attend the G.A’s meetings and discussions, but has no right to
vote or nominate himself for the membership of the A.B

D-Honorary member:

The member whom the G.A grants an honorary membership in A.B He has the right to
share in the A.B’s discussions, but he has no right to vote, and his attendance is not
evidence of the meeting’s correctness.

Article 6:

The member forfeits his membership in the Society in any of the following cases:

A- Death.

B- Withdrawal, in writing, from the Society.

C- If he does not fulfill one of the conditions of membership mentioned in article
4.

D- If he intentionally inflicts immense physical or moral harm upon the Society.

The extent of this harm is to be determined by the A.B.

E- If he delays paying the due membership fee for a period of ( ) from the beginning of the Society’s financial year, and after he is notified by a letter sent to his registered address with the Society. Except for the cases A and B, a decision concerning the forfeiture of membership is made by the A.B.

Article 7:

The A.B has the right to reinstate the membership to the member who lost it because of not paying the annual membership fee upon payment of the due sum.

The member, his inheritors, or the one who lost his membership has no right to take back what he has paid to the Society from membership fees, donations, or gifts whether in cash or assets form whatever the reason may be.

Article 8:

Any member of the Society has the right to access the registries of the records of the A.B and G.A meeting sessions at the Society’s center. Also he can access the decisions made by the Society’s Director according to a deputation from the A.B. Similarly, he has the right to examine the Society’s general budget and its attachments—at the Society’s center— in due time before it is presented to the G.A.

Article 9:

The member of Society should abide by the following:

A- Fulfilling all of his obligations as a member of the Society and carrying out all the
mandatory tasks as stated in this Regulation and the internal List of the Society.

B-Following the decisions of the G.A and the A.B

C-Notifying the Society—in writing—of any modification of his address.

Chapter Three

The Administrative Organization

Article 10:

The Society consists of the following organizations:

1-The G.A

2-The A.B

3-Committees formed by the G.A or the A.B The specialization and name of each committee is determined as stated in the decision of its establishment.

Article 11: The G.A

1- The G.A, except the foundational G.A, consists of all the active members who have fulfilled their obligations to the Society, and who have completed at least one year of their membership.

2- The G.A holds its meetings at the Society’s center, and it may be held at another place after the approval of the MLSA.

Article 12:

The meetings of the G.A are divided into:

A- Ordinary; convenes once every year, and within a period not exceeding three
months from the date when the Society’s financial year is concluded, in order to oversee the following matters:

1- Examining and discussing the A.B’s report about the works of the Society during the completed year.

2- The report of the MLSA concerning the Society and the remarks if present therein.

3- Discussing the report of the Society's chartered accountant, authenticating the final statement of account for the ending fiscal year, and deciding the estimated budget for the new fiscal year.

4- Searching and confirming or modifying the work plan proposed by the A.B for the next year and deciding what is relevant in this matter.

5- Any other subjects listed in the agenda.

B- Extraordinary; convenes if necessary to oversee any of the following situations:

1- Disturbance in the Society's financial and administrative work.

2- Modification of the Society's Main Charter or the opening of new branches.

3- The disposition in the Society's real estate after the approval of the MLSA.

4- The Society's dissolution or its merging with another Society or vice versa.

5- Electing, terminating or renewal of its A.B members.

6- Studying the principle of investing the Society's properties and proposing the fields of investing.

7- Any extraordinary matters, other than those previously mentioned, that demand the convening of an extraordinary meeting.
The meetings are convened according to the request of the A.B or at least 10% of its active members, after the prior approval of the MLSA

**Article 13:**

The G.A ordinary meetings are held based upon a written invitation from the A.B that includes the agenda and the matters to be discussed, the place, date and time of the meeting.

Subject to the approval of the attending members, the G.A has the right to change the ordinary meeting —after finishing the discussion of its agenda— to an extraordinary meeting, to discuss one or more of its articles that require such a change provided that this is approved by the Ministry.

**Article 14:**

The G.A's ordinary meeting and the extraordinary one are considered correct if it is attended by more than 50% of the active members who are entitled to attend. If the official quorum is incomplete an hour after the scheduled meeting, then the meeting may convene if not less than 25% of the active members attend. If this quorum is not met, then the meeting adjourns for a period of not less than 15 days and a maximum of one month. In this case the meeting is held by the active members who attend. In all cases a Ministry's representative should attend these meetings.

**Article 15:**

The G.A's meeting is held by the attending members and in person. Any one of them has the right to deputize another member in writing to attend the meeting, provided that the deputy (representative) shouldn't be one of the A.B members, and that the
deputation is not allowed for more than one member.

**Article 16:**

The A.B’s Chairman or his deputy is responsible for chairing the G.A’s meetings. In the case of their absence, the Chairman is elected from amongst the attending active members.

**Article 17:**

The G.A ordinary and extraordinary decisions are issued by the majority of votes of the attending members, except for the election of the G.A members where it is conducted by the raising of hands. The majority has the right to make the voting through the secret ballot.

**Article 18:**

Two members are chosen from amongst the attending members to supervise the process of voting, and to write down the proceedings of the meeting, the topics discussed and the decisions made thereof, and the number of votes achieved for every decision, all in a special registry.

**Article 19:**

1- The Society is administered by the A.B which is formed of ( ) members elected by the G.A form amongst its members (whose nomination was approved by the MLSA) by secret balloting, and in the presence of the Ministry's representative. The elected members of A.B should hold a meeting directly after the conclusion of the Society's meeting, in order to elect the Chairman, his deputy and the treasurer.

2- The period of A.B’s membership is ( ). The G.A has the right to re-elect
the member whose membership has ended.

Article 20:

The A.B membership is a voluntary work, without fiscal profit for its member. Combining between the membership in the A.B and working for the Society in return for a wage is not permissible.

An A.B member has the right to get back expenses for transport and other charges which are incurred in the process of executing an official task.

Article 21:

The A.B undertakes the administration of the Society's agenda to achieve the aims behind its foundation that are specified in this Regulation, and to the extent stated in the List’s rules and its executive principles and the decisions necessitated thereof. The most important tasks of the A.B may be summarized as follows:

1-Deciding the cases requesting membership in the Society.
2-Specifying the banks in which the Society's money is to be deposited.
3-Administrating the Society's property, money, and the disposing of its movable property, according to the principles followed in this respect.
4-Forming the temporary and standing committees.
5-Collecting the Society's rights, fulfilling its obligations, and issuing the relevant decisions.
6-Supervising the execution and the following up of the G.A decisions, and all incoming instructions from specialized authorities.
7-Accepting or refusing awards, gifts, and aid given to the Society.
8-Inviting the G.A to convene.

9-Designing plans, programs, activities, and the works of the Society, supervising and following up their execution, and preparing the annual report about the Society's work and achievements.

10-Studying the general budget, final statement of account, preparing reports about them, and discussing this before the G.A

11-The A.B should suggest the estimative budget and discuss it before the G.A

12-The A.B should settle the disputes that may occur between the Society and its members or among the members themselves concerning the Society's affairs. The A.B should take all the necessary measures to settle or prevent such disputes.

13-The A.B should perform all works related to the employee's affairs concerning appointments, transference, deputation, discharge, discipline and so forth.

14-The A.B should set up regulative, administrative and financial lists that organize the work course within the Society and submit them to the G.A in order to approve them.

15-The A.B should appoint an executive manager and a general secretary for the Society in case there is a need for this.

**Article 22:**

The A.B holds regular periodical meetings on condition that the number of these meetings is not less than one per month. The Board has the right to hold extraordinary meetings as deemed necessary in some cases, amongst which are the following:

1- The number of A.B members is less than the systematic quorum necessary for
holding meetings.

2- When not less than (..........) members request to hold an extraordinary reasoned meeting.

3- When MLSA or lawful accountant requests the A.B to hold an extraordinary meeting to discuss matters necessitate such measuring.

4- Any matters other than what has been mentioned that may necessitate an emergency meeting.

Article 23:

The meeting of A.B will be correct when the majority of its members attend. A member has no right to delegate another member to attend on his behalf. The decisions are made by the majority votes of the attendants. In case of equal number of votes, the Chairman's vote is the casting.

Article 24:

The member of the A.B is subject to lose his membership in one of the following cases:

1- If he does not meet one condition of the conditions of membership stated in article 6 of this regulation.

2- If one of the reasons that nullify the membership applies on him as stated in article 6 of this regulation.

3- If he was absent without acceptable excuse for three consecutive sessions.

3- If he becomes unable to practice his work in the A.B

Forfeiture of membership is issued by a decision from the A.B and it is valid from the
date of its issue. The member has the right to give a complaint to the Society within 15 days from the date he was informed and this complaint will be examined in the first meeting for the G.A.

**Article 25:**

The member who lost his membership in the A.B is replaced by the substitutive member who got the majority votes in the elections of A.B If the vacant seat was for the Chairman, his deputy or the cashier, it should be occupied by an elected member from amongst the entire A.B If the number of substitute members is not enough to cover the vacant seats, the G.A would call for convening an emergency meeting to deal with this situation.

**Article 26:**

Taking into consideration what is mentioned in article 4 of this Regulation, a member of A.B should have the following qualities:

1-He should have completed 21 years of age.

2-He should be a resident in the Society' location.

**Article 27:**

The A.B member shall enjoy all the rights of membership in the Society especially the following rights:

1-The member should attend the meetings of the A.B and participate in its discussions and decision making.

2-The member has the right to participate in the presidency of committees formed by the A.B or the G.A as well as in its membership.
**Article 28:**

The A.B member should keep to all the responsibilities resulting from his membership in the Society. Amongst which are the following:

1- The A.B member should be keen to attend the meetings of the Board in a regular and standing way.

2- The A.B member should effectively participate with the other members in managing the Society's affairs and achieving its aims.

3- The A.B member should contribute to the preparation of the Society's projects, programs and plans. He should follow up and supervise their execution.

4- The A.B member should comply with the decisions and instructions issued by the G.A or the A.B

5- The A.B member should perform all the duties and responsibilities stated in the Charter pertaining to the Board's Chairman, his deputy and cashier in case he holds to any one of these positions.

6- The A.B member should not request any salaries or premiums or financial privileges in return for his membership in the A.B

7- The A.B member should safeguard the Society's secrets and not reveal them.

**Article 29:**

The Chairman of A.B enjoys the following powers and responsibilities:

1- Chairing the meetings and sessions.

2- Representing the Society before the respective authorities in all the cases raised by or against the Society.
3- Signing the Society's decisions and contracts after taking the permission of the Board.

4- Receiving all the writings submitted to the Society, concluding all that is under his responsibility and presenting the rest before the Board.

5- Ratifying the agenda of the Board's meetings and supervising the carrying out of decisions.

6- Cosigning checks, financial papers and bills of exchange with the treasurer.

Calling for helping the Society and cooperating with it to carry on all of its responsibilities.

**Article 30:**

The Vice-Chairman acts on behalf of the Chairman in his absence. In this case, he will have the same powers as the Chairman.

**Article 31:**

The Society's cashier is considered responsible for all of its financial affairs according to the system made by a lawful accountant and approved by the A.B and as instructed by the MLSA. He is responsible for the following:

1- Receiving all sums of money send to the Society according to official bills of collection, and which are sealed by the Society and signed by the cashier and the persons assigned by the Board.

2- Depositing these sums immediately after receiving them in the bank with which the Society deals.

3- Signing, with authorized persons, on all financial records and bills of
exchange issued by the Society or the bank with which it deals.

4- Keeping the bills of collection, bills of exchange, check books and all financial papers in his office at the Society's site.

5- Paying out all decided sums of money and keeping all documents that prove this.

6- Participating in planning the project of estimative budget for the next financial year.

7- Executing the decisions of the A.B concerning financial dealings according to what is authorized in the budget.

8- Performing and executing all the Board's requests pertaining to his specialty other than what is mentioned above.

Article 32:

The A.B should appoint a general secretary who is responsible for the following:

1- Receiving letters and messages submitted to the Society, recording and classifying them, and presenting them before the Chairman of A.B

2- Keeping and arranging the Society's dealings and records.

3- Participating in preparing reports, letters and all writings issued by the Society.

4- Preparing the meetings of the A.B and G.A

5- Recording the meeting's, signing and presenting them to be signed by the authorized members.

6- Informing the A. B's decision to all concerned authorities.

7- Keeping all the documents, contracts and Society's seals under his personal
responsibility in the Society's center.

8- Attending the meetings of the A.B if he is requested to do so.

9- Performing and executing all the Board's requests that are under his responsibility other than what is mentioned above.

**Article 33:**

The Society appoints its manager by issuing a decision from the A.B that specifies his powers, responsibilities, rights and commitments. The following conditions apply to the person appointed to this position:

1- He should be a Saudi national.

2- He should have completed 21 years.

3- He should be legally competent.

4- He should be available full-time in order to manage all the Society's work.

5- He should be qualified to carry on this task.

**Article 34:**

If, for any reason, the Society fails to appoint a full time manager, the A.B should assign one of its members to hold this position. In this case, the assigned member would not lose his right of attending the meetings and discussions and the voting sessions of the A.B

**Article 35:**

The Society's manager is personally responsible before the A.B according to the rules of this Regulation. He receives instructions from the Chairman of the A.B or the one acting on his behalf. He has the following powers and responsibilities:
1-Managing the Society's work in ways that will achieve its interests and safeguard its movable and immovable properties.

2-Managing and organizing the works of the Society's employees and suggesting their promotion, discharge, premiums and vacations.

3-Signing the documents under his responsibilities.

4-Performing works delegated by the A.B

5-Attend the meetings of A.B when he is requested to do so.

6-Submitting periodical reports about the course of the Society's work and discuss them with the Board.

7-Carrying out all the decisions issued by G.A or the committees originating from them.

8-Participating in preparing the annual report about the Society's activities, programs and estimative budget for the new financial year.

9-Seeking to develop and increase the members of the Society to make use of more efforts and contributions.

10-Performing other works as assigned to him by the A.B

**Article 36:**

The Society's manager should perform his works under the supervision of the A.B. The Board has the right to suspend or discharge him in response to acts that justify this.

**Article 37:**

The A.B should appoint a Society's accountant who is responsible for the following:
1-Keeping financial documents and books as the nature of work requires.

2-Preparing a revision scale for the Society's accounts and funds, at least one time every three months or when he is requested to do so.

3-Keeping the register of members and the record of payment of their membership fees.

4-Preparing the Society's accounts at the end of the financial year, presenting them to the lawful accountant to examine and making the general budget and final account.

5-Preparing the estimative budget of the Society according to the instructions of A.B.

6-Keeping all the Society's account books, records and documents in its center under his personal responsibility.

7-Performing all entrusted works which belong to his profession.

Article 38:

Subcommittees

The G.A or the A.B forms subcommittees to help administer the Society’s affairs and achieve its aims provided that the number of every committee is not less than three. The presidency of each committee is entrusted to a member of the A.B who has the right to occupy the Chairmanship of more than one committee provided that all the members of these committees are members of the Society. The number, names, specialties and method of formation of these committees are defined by a decision from the G.A or the A.B
Chapter Four

Financial Planning

Article 39:

The Society's finances are formed from the following:

A-Membership fees.

B-Donations, gifts and almsgiving charity.

C-The revenues of financial activities.

D-The government's aid.

E-The wills and religious endowments.

F-Investment revenues of the Society's movable and immovable properties.

Article 40:

The Society should refrain, and for any reason, from accepting or requesting foreign donations or gifts. It should follow the List's rules concerning collecting donations for charitable purposes issued by a decision from the Board of Ministers no. 547 on 30/3/1396 H, and the instructions applicable to this matter.

Article 41:

The financial year for the Society is specified on the basis of 12 months of the Hegira (H) calendar. It starts from the first day of the month of .......... and ends with the last day of the month of .......... every year.

The first financial year is excluded from this system as it starts from the date of the G.A meeting and terminates at the end of the above mentioned financial year.
Article 42:
The authorized budget is considered valid from the beginning of the financial year specified by the article 41. In case the budget is not authorized on time, it will be utilized for expenditures at the same rates for the budget of the last financial year. Spending from this budget will continue until the budget of the new financial year is authorized.

Article 43:
To pay out any sum of money by the Society, the following conditions should be followed:

A- A decision of spending should be issued by the A.B. The bill of exchange or the check should be signed by the Chairman of A.B or his deputy together with the cashier's signature.

B- The name of the payee (in full), his address, the number of his identity card, and place of issue are written down in the record related to aid.

C- The dealing will be by checks if possible. The A.B has the right to pay out a standing monetary loan of (...........) S.R. to the cashier to face the emergency and the petty expenses. The cashier should be compensated for all payments on condition that it should be settled before the end of Society's financial year.

Article 44:
The cashier should prepare a financial report and a periodical balance of revision signed by the cashier, the Society's manager and its accountant. It is presented to the
A.B. one time every three months, and the General Administration for Establishments and National Societies is provided with a copy of this report.

**Article 45:**

The Society is responsible for administrative records and accountant books according to the instructions of the MLSA. It keeps them in its administration center, and enables the officials of the Ministry to see and examine them.

A-The following are some of the administrative registers:

- The register of membership—the register of the reports of A.B sessions.
- The register of the reports of the G.A meetings.
- The register of field visits by the officials of the Ministry.
- The register of the Society’s employees.
- The register for every kind of beneficiary of the Society’s services.

B-The followings are some of the account registers:

- The general day book.
- The helpful books concerning the Society’s financial dealings.
- The register of the Society’s properties and its movable and immovable belongings.
- Bills of collection.
- Bills of exchange.
- Bills of register.
- The register of membership accounts.
- Any other registers which the A.B sees fit to use. The recording in these registers and bills should be written down in order according to the organizing instructions.
Article 46:

The final account for the Society should be prepared, revised and authorized according to the following: The lawful accountant should prepare the general budget and the final account for the ending fiscal year and presents it to the A.B within two months from the date of conclusion of this year.

1- The A.B should study the general budget, final account and project of estimative budget for the new year. Each should be signed by the Chairman of the A.B or his deputy, the cashier, the Society's accountant and the general secretary.

2- The general budget, final accountant and project of estimative budget for the new year should be presented to the G.A to attest and authorize them and thereupon a copy of each one of them should be made available to the MLSA.

The A.B should present the general budget, final account and project of the estimative budget for the new year to the MLSA before the G.A meeting and in time sufficient for examining any remarks that may be stated by the Ministry, on condition that this does not lead to the delaying of the G.A meeting.

Article 47:

The Society's Main Charter should be amended according to the following:

1- A suggestion for amendment should be presented by the A.B or the MLSA.

2- The suggested amendment should be registered in the agenda of the G.A stating the causes and justifications for this amendment.

3- The suggestion of amendment will be discussed and voted upon by the G.A;
thereupon, a decision will be issued.

4- The suggested amendment will not be valid until the Ministry agrees to the decision issued by the G.A; thereupon, it will be published in the official journal.

Article 48:

The Society has the right to open a branch or more in its service area according to the following:

1- The decision of opening new branches should be issued by the G.A

2- The MLSA agrees to the decision of G.A concerning the opening of new branches.

3- There are no other societies in the area where a new branch is to be opened.

Chapter Five

Society's Merging

Article 49:

The Society can be voluntarily merged with another Society provided the following:

1- The approval of the G.A for the merging Society and the merged one on the principle of merging.

2- The service areas and aims for both societies are nearly the same.
Article 50:

The voluntarily merging should comply with the following procedures:

1- The two Societies present a request to the MLSA declaring their desire and justifications for merging, and attaching the following:

   A- A copy of the G.A's approval of the merger principle for each society.

   B- A copy of the general budget for each society covering the last fiscal year submitted with an attached list detailing the properties, rights and obligations of each society at the time when the approval of merging by the G.A was issued.

   C- In the case of the Ministry's approval of merging, a Ministerial decision will be issued and published in the Official Journal.

Article 51:

Based upon a decision by the Minister of Labor and Social Affairs, it is permissible to merge a society with another one, or vice versa, if this is in the general interest. Such decision is published in the Official Journal.

Article 52:

The issued Ministerial decision of merging or of its approval has the following effects:

1- The cessation of the Corporate Body (or Legal) Status of the merged society. This is to be recorded in the Society's registry.

2- The merging (original) Society is considered as the law successor for the merged one. Accordingly, the latter's assets and fiscal trust (financial rights and obligations) will be entrusted to the merging Society who will solely have the legal qualification to
undertake these rights and obligations.

3-Recording the changes in the merging Society that may have occurred upon its merging with another society in the registry of the former.

Chapter Six

The Society's Dissolution

Article 53:

It is permissible to voluntarily dissolve the society by a decision from the G.A according to the following:

1- The G.A invites for an extraordinary meeting to discuss the matter.

2- In the case of approval, the G.A issues its decision thereof.

3- A copy of the decision should be furnished to the MLSA.

Article 54:

The MLSA issues a decision approving the dissolution of the Society and publishes it in the Official Journal. The MLSA appoints one or more liquidator who determines the Society's properties, receives its rights, and fulfills its obligations, before the completion of the process of dissolution. The liquidator(s) should present a report of the liquidation results to the MLSA.

Article 55:

All the properties of the dissolved Society should be transferred to one or more of the societies or charitable establishments that are active in the service area of the dissolved
society, or in its vicinity, and which are registered with the MLSA and are specified by the dissolution decision.

The Founding Assembly confirms this Regulation in its session on / / and with the full attendance of the undersigned founders, and a representative of the MLSA. The Founding Assembly, and on behalf of all the members of the Society, affirms its commitment to abide by the rules of this Regulation. And Allah is the One Who Guides to all success.

The founders:

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Representative of MLSA

Chairman of the Founding Society.

On the basis of the List for the Charitable Societies and Establishments issued by the Cabinet's decision no. (107) on 25/6/1410H, and based upon the List’s executive principles issued by the Ministerial decision no. (760) on 30/1/1412H, the following decision by his Excellency the Minister, no. ( ) and on / / ...H- to establish the Charitable Society…………………………………………………………………………………………

Its registration with the Ministry is recorded in the Ministry’s Special Registry of Charitable Societies no. ( ) on / / 14... H.

We hope for them continuous success and prosperity.

Official sealing The Ministry’s Deputy for Social Affairs
BIBLIOGRAPHY


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