

Endowment as an Alternate Funding for Nigerian Universities: A Study of Veritas University, Abuja Nigeria

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Abstract

Nigerian universities face significant funding challenges which have led to poor and near absence of basic University infrastructure and facilities. The result is continual decline in quality of life of university staff, declining quality of teaching and research, and in many cases poor quality of graduates. The issue of inadequate funding has also resulted in recurring strikes and disruptions in academic activities. Several strategies have been suggested for solving the funding conundrum in Nigerian Universities, including the establishment the Tertiary Education Trust Fund (TETFUND), albeit without success. One viable, sustainable and permanent solution proposed by this study is the establishment of university endowment funds. Endowment funds are aggregations of assets invested to support specific objectives or causes, ensuring stability and predictability for the recipients. In the case of Nigeria, endowments can be set up by individual Universities and managed by external fund managers (for example, Licensed Pension Fund Administrators, Hedge Funds Manager, Asset Managers, etc.) thus, creating a reliable platform that allows Institutions, Corporate Organizations, Religious Organizations and high net-worth individuals to contribute to these funds. Among the many benefits of endowments are stability and predictability which ensures planning and budgeting by universities. Also, attaining autonomy and self-sufficiency by universities can only be guaranteed by endowments. In addition, long-term sustainability, and enhanced research and innovation are also benefits of endowments. Examples of endowments are provided from North America and Europe, while the Nigerian cases of success are picked from the First Bank Endowment Programme (established since 1994), and the Yaba College of Technology N50 Billion Endowment Fund (launched in 2022). The study concludes that endowments is a funding initiative that offers a promising alternative funding mechanism for Nigerian Universities with the potential to transform Nigeria's education sector.

Keywords: Endowment, Alternate Funding, Nigerian Universities, Corporate Organisations, Government

1. Introduction

With regards to higher education financing, the pursuit of fiscal sustainability is an enduring challenge amidst other challenges facing higher institutions of learning. Ensuring universities have the resources necessary to deliver exceptional educational experiences requires funding. Traditionally, government funding has served as the primary source of financial support. However, with a growing student population, this model has become increasingly unsustainable. This situation necessitates exploring alternative funding streams that can provide universities with greater financial autonomy and stability.

Amidst the fiscal complexities inherent to many educational institutions globally, Nigerian universities face a critical juncture, navigating the imperative to secure stable financial resources amidst evolving economic contexts and societal expectations. The National Policy on Education in Nigeria (2004 article 64) emphasizes the imperative for university education to significantly contribute to national development. This involves both intensifying and diversifying academic programs to cater to the nation's needs, while ensuring that professional course content aligns with national requirements. However, achieving these commendable objectives is challenging without sufficient funding for university education. Presently, university education in Nigeria

faces a significant shortfall in funding (Imbrabekhov and Tonwe, 2001; Onyeché, 2018; PricewaterhouseCoopers, 2019). This lack of adequate financial support places immense pressure on university management, rendering them unable to deliver essential services effectively. Consequently, the system grapples with widespread crises, manifested in strikes by academic and non-academic staff, a scarcity of equipment and facilities, instances of indiscipline among both staff and students, and a surge in the activities of secret cults, among other challenges (Arikewuyo, 2001). Additionally, despite Nigeria's commitment as a signatory to United Nations Educational, Scientific and Cultural Organization (UNESCO), the country struggles to fulfil the organization's mandate, which stipulates that 15% of the annual budget should be allocated to the education sector (Olupona, 2001). Even with the 1.54 trillion allocated to education (at all levels!) in the 2024 budget, it merely constitutes a paltry 5.5% of the total budget.

In navigating through these challenges, endowment funding poses to constitute a perpetual financial reservoir established through philanthropic contributions, strategic investments, or a combination of both. Managed meticulously and administered prudently, this corpus safeguards its principal while allocating generated returns to support various institutional endeavours, from enhancing academic programs, research initiatives and faculty development to providing student scholarships and improving infrastructure. Unlike government grants or tuition fees, which are susceptible to external fluctuations, endowment funding offers a stable and predictable income stream. Moreover, it empowers universities to prioritize their core missions of teaching, research, and innovation, independent of government budgetary cycles, thus fostering enduring financial stewardship and facilitating sustained excellence.

While various governmental institutions primarily rely on public funds for sustenance, Veritas University Abuja, operating as a private institution in Nigeria, predominantly relies on tuition fees to finance its major initiatives and operational expenses. However, this paper aims to delve into the potential of endowment funding as an alternative financial avenue for Veritas University given the institution's commitment to delivering quality education and upholding high standards of learning.

2. Understanding Endowments

The term 'endowment' is used to refer to the total investable assets of a non-profit institution like a university. The endowment, also known as the institution's "principal" or "corpus," is used for operations or programs that are consistent with the wishes of the donor(s). Most endowments are designed to keep the principal amount intact while the income is used to further the cause specified by the beneficiary. A restricted endowment must be held in perpetuity, with only the income available for spending (Clemenson University, n.d).

Endowment funding also refers to a long-term source of financial support for an organization, typically established through a donation of assets. These assets are then invested, and the generated income is used to support the organization's ongoing activities (National Council of Non-profits, 2023). The Council for Advancement and Support of Education (CASE) defines endowment funding as a "permanent fund established by a donor or organization, with the principal amount invested to generate income that is used to support the institution's mission, programs, and activities over the long term" (CASE, n.d). The American Council on Education (ACE) describes endowment funding as "a philanthropic mechanism involving the establishment of a financial corpus through charitable contributions or investments, with the aim of providing sustained financial support for educational institutions and their programs" (ACE, n.d) National Association of College and University Business Officers (NACUBO) defines endowment funding as "a long-term investment vehicle comprising donated funds and assets, managed to generate ongoing income to support the mission, operations, and strategic priorities of educational institutions"(NACUBO, n.d). Higher Education Funding Council for England (HEFCE) characterizes endowment funding as "a strategic financial resource established through

philanthropic donations or investments, intended to provide enduring support for academic programs, research initiatives, and institutional development within the higher education sector” (HEFCE, n.d).

Therefore, endowment funding emerges as a crucial and enduring financial resource for organizations, as inferred from various authoritative definitions. It thus encompasses perpetual support generated from donated assets or investments, providing consistent income to sustain institutional missions, programs, and priorities over the long term. This collective understanding underscores endowment funding's pivotal role in fostering financial stability and facilitating organizational impact and growth.

2.1. Types of Endowments

There are basically four types of endowment namely: Unrestricted, Term, Quasi and Restricted endowments.

2.1.1. Unrestricted Endowment:

This category comprises assets that afford the institution flexibility in expenditure, saving, investment, or distribution, as per its discretion. For instance, a university might receive an unrestricted endowment and allocate the funds towards various operational expenses, academic programs, or infrastructure upgrades without specific donor directives.

2.1.2. Term Endowment:

In this arrangement, the principal sum can be utilized only after a predetermined period or upon the occurrence of a specific event. An example could be a donation to a scholarship fund where the principal amount remains untouched until a specified number of years have elapsed or until the recipient completes their degree.

2.1.3. Quasi Endowment:

Quasi endowments are donations designated for a particular purpose, with the principal typically retained intact while the earnings are expended according to the donor's stipulations. These endowments often originate from internal transfers within the institution or from the utilization of unrestricted endowments. For instance, if a donor contributes funds specifically for faculty development, the institution may establish a quasi-endowment to ensure the sustainability of these initiatives while adhering to the donor's wishes.

2.1.4. Restricted Endowment:

In this scenario, the principal amount is held in perpetuity, while the earnings generated from invested assets are expended in accordance with the donor's specifications. For example, a philanthropist may endow a research fund stipulating that only the interest earned from the endowment can be used to finance research projects in a particular field, ensuring a lasting impact in line with the donor's vision.

2.2. Some Merits of Endowments to Universities

2.2.1. Financial Stability

Endowments provide a reliable and enduring source of funding, shielding universities from economic downturns and fluctuations in government support (Bryson, 2019). This stability allows institutions to pursue long-term strategic initiatives, invest in faculty recruitment and retention, and undertake innovative research endeavors without fear of sudden budgetary constraints (Hartley, 2017).

2.2.2. Flexibility and Strategic Allocation of Resources

Endowments afford universities the flexibility to diversify their revenue streams and allocate resources strategically (Harkavy & Zuckerman, 2018). By generating income through prudent investment strategies, endowments empower institutions to fund scholarships, support student initiatives, and upgrade facilities, thereby enriching the overall student experience and bolstering academic excellence (Bogle, 2017).

2.2.3. Cultivation of Philanthropy and Donor Engagement

Endowments cultivate a culture of philanthropy and donor engagement within university communities (Bamberger & Howard, 2019). Donors are often motivated to contribute to endowment funds by the prospect of leaving a lasting legacy and supporting causes they are passionate about (Shaw, 2016). This symbiotic relationship fosters trust, loyalty, and a sense of shared purpose, paving the way for continued philanthropic support and investment in the institution's future (Winston & Carbone, 2018).

2.2.4. Enhancement of Reputation and Prestige

Endowments play a pivotal role in enhancing the reputation and prestige of universities (Hartley, 2017). A robust endowment signals financial health and institutional strength, attracting top faculty, students, and researchers while enhancing the institution's competitiveness in the global higher education landscape (Kuhn & Culotta, 2019).

2.2.5. Support for Scholarships, Faculty Support, Research Funding/Program Enhancement

Endowment funds can be designated for scholarships and financial aid, making higher education more accessible to students from diverse socio-economic backgrounds. Additionally, Endowments can be used to establish Chairs or Professorships, which help attract and retain top faculty members by providing additional resources for research, teaching, and professional development. Similarly, Endowments can support research initiatives thereby fostering innovation and contributing to national development goals. Also, specific academic programs, research centers, or institutes, can be wholly funded or partially supported thus, allowing universities to offer specialized education and training in areas of strategic importance to disciplines, institution and mankind.

2.2.6. Infrastructure Development

Endowment funds can be used for capital projects such as building renovations, campus expansion, and the purchase of state-of-the-art equipment and facilities for enhancing quality learning outcomes.

2.2.7. Community Engagement

Endowments can facilitate outreach programs, community partnerships, and initiatives that address societal challenges, thereby strengthening the university's role as a driver of social progress and community transformation.

2.3. Case Studies

2.3.1. Europe: Oxford University Endowment Fund

The Oxford Endowment Fund was created on January 1st 2009 with the sole aim of preserving and growing the value of perpetuity capital, while providing a sustainable income stream for its investors' charitable purposes. The Fund has increased in size to approximately £6bn through a combination of performance and inflows from investors; distributed £1.4bn; and returned 224.8% since inception (Oxford University Endowment Management, 2024).

The specific investment objective of the Fund (see Table 1) is to grow the capital by an average of 5% per annum in real terms, and at a lower volatility than would be experienced by investing solely in the public equity markets. This investment objective is on a long term basis.

Table 1: Snapshot of Oxford Endowment Fund’s Assets & Allocation

Sources of Funds	Comprises of 25 Colleges, 6 charitable trusts and the University of Oxford
How the fund is invested	Oxford invests in long term capital across asset groups. They are aggressive investors who believe tensions and inefficiencies in markets provide investment opportunities
Asset allocation	Public Equity (53.2%); Private Equity (23.6%); Credit (8.6%); Property (5.9%); Cash and Bonds (8.7%)
Governance Structure	Consists of the Endowment Management team which has 23 team members and an Investment Committee.
Endowment Value	£3bn; y-o-y increase £66mn
Investment Returns	11% annualized return over 3-year period and 10% since inception. The endowment fund has grown by £1.2bn since inception
Fund Channelling	The endowment is used to fund education, scholarships and research for the university. One of the beneficiaries of the endowment programme is the Moritz – Heyman scholarship which allows students irrespective of their backgrounds to attend Oxford without any financial constraints
Other Sources	External research funding (40%); Government Grants (14%); Other income from Oxford University Press, research and philanthropic support (23%); Tuition fees (22%); Investment income (1%)

Source: PricewaterhouseCoopers, 2019

Essentially, the Fund is built on 4 main pillars as follows: i) pursue fundamental long term investment themes; ii) manage risk holistically, iii) partner with exceptional investment talent; and, iv) use multiple drivers of return on investments.

2.3.2. North America: Princeton University Endowment Fund

Princeton's Endowment valued at \$34.1 billion as of June 30, 2023, is now central to the University’s teaching, research and service missions, and also supports an exceptional financial aid program for students. The Princeton University Investment Co. (PRINCO), founded in 1987, is the university office that manages the endowment. In addition to supporting daily operations, the endowment is set up to sustain the University for many decades to come, through periods of economic growth as well as through downturns and recessions. Although only a relatively small portion of the endowment can be spent each year, its pay-out provides the largest portion of about 54% in FY 2017-2018 of Princeton's operating budget revenues.

Table 2: Snapshot of Princeton Endowment Fund’s Assets & Allocation

Sources of Funds	Donated from alumni, parents, and friends through annual giving fundraiser.
How the fund is invested	Investment strategy: a high return objective through an aggressive equity-biased approach (95%).
Asset allocation	Private Equity (27%); Independent Return (25%); Real Assets (18%); Int'l Emerging Equity (10%); US Equity (9%); Int'l Developed Equity (6%); Fixed income/cash (5%)
Governance Structure	PRINCO is organizationally distinct from the University, but not a separate legal entity. Its staff members are University employees, and its President reports both to the University President and to the Chair of the PRINCO Board of Directors. PRINCO staff also work closely with the University's Office of the Vice President for Finance and Treasurer,

	which has responsibility for finance and accounting. Management through a global network of over 75 investment firms.
Endowment Value	\$25.9 billion; y-o-y increase \$2.9 billion
Annual Return on Investments	14.2%; Avg. return past decade: 8%
Use of Funds	The endowment supports the scholarship, teaching and research of Princeton's outstanding faculty members. It also supports the classrooms, laboratories, libraries and academic programs as well as campus life priorities including athletics and religious life.
Principal sources of funds available	Percentage contribution as at June 30 2017 Tuition & fees net (6%); Government grants/contracts (16%); Private gifts, grants/contracts (6%); Investment earnings (endowment fund) (61%); Auxiliary sales & services (5%); Other sources (6%)
How the University determines how much of the endowment can be spent	The University has a spending framework, which stipulates that the amount of pay-out distributed per unit of endowment will increase each year by a specified standard percentage, provided that spending remains within a specified range as a percentage of market value. That annual growth percentage currently is 5%, the target spending rate range is between 4% and 6.25%.

Source: PricewaterhouseCoopers, 2019

2.3.3. Endowments in Nigeria: FirstBank & YabaTech Endowments

In Nigeria, the ¹FirstBank Endowment Programme, instituted in 1994, was designed to fund research projects in Federal Universities from the six geographical regions of Nigeria. The Fund is designed to be permanently restricted thus, the seed funds or principal sum established in different schools must be held in perpetuity and cannot be spent but is expected to generate income to fund the different projects and meet the objectives of the endowment. Similarly, in 2022, the Yaba College of Technology (YabaTech) also instituted a N50 billion Endowment Fund to ensure sustainable funding for infrastructure and facilities required for teaching and research. The level of success these two endowments have attained is subject to debate. However, the FirstBank Endowment Programme has recorded some significant success in ICT research in several Universities especially at the Federal University of Technology, Akure; Pediatrics in Bayero University, Kano; Water Resources Engineering at University of Maiduguri; Agronomy at JS Tarka University, Makurdi; amongst others.

3. The Challenges of Funding in Nigerian Universities

The effective operation of an educational institution hinges greatly on the accessibility of resources, encompassing human, material, and financial aspects. These resources play a pivotal role in shaping the attainment of the organization's objectives. (Gambo and Fasanmi, 2019). Nigerian universities face a significant challenge in securing adequate funding. This lack of resources hinders their ability to provide a quality education and compete on the global stage (Ogunode, 2020). Recently, the disbursement of funds to federal universities by the government has sparked dissatisfaction among various stakeholders. The education sector frequently criticizes the government for insufficient funding of university education in Nigeria, while the government, in turn, accuses the sector of inefficient resource utilization. Additionally, the government cites scarce resources, particularly during times of economic recession, as a contributing factor to the funding challenges. Furthermore, concerns exist about the allocation and use of available funds. Inaccurate data on student enrolment and infrastructure needs further lead to inefficient allocation by the government and allegations of mismanagement within

¹ Additional information available online at:

<https://www.firstbanknigeria.com/home/impact/education-health-welfare/education-endowment-programme/>

universities further strain resources (Arikawuyo, 2010). To worsen the situation is that strained budgets consequently result to a high student-to-staff ratio. This reduces the quality of education as lecturers struggle to provide adequate supervision and personalized attention (Ogunode, 2020).

In Nigeria, Universities rely on two primary sources of funding: proprietor funding and non-proprietor funding (Lawal, 2013). Non-proprietor funding sources encompass internally generated revenue from profit-making ventures, tuition fees (applicable to state and private universities only), and endowments, among others. However, in many Federal and State-owned universities, approximately 90% of funding originates from the proprietor. Consequently, the financial outlook for universities remains unstable, unpredictable, and inadequate. Unlike the earlier years when universities received allocated funds as proposed in their budgets, there has been a shortfall in allocations since the late seventies, hampering universities' ability to execute projects outlined in their master plans (Lawal, 2013). Social expenditure, including support for education, has significantly reduced, exacerbating the problem of under-funding in Nigerian higher education institutions. This issue has been further compounded by decreased acts of philanthropy, donations, grants, sponsorship, and endowments, impacting research and access to essential resources.

Recognizing that government funding alone may not suffice, there is a pressing need to explore alternative funding sources for university projects. Suggestions include contributions from non-governmental sources such as community-based associations, NGOs, philanthropists, and Alumni Associations, as well as revenue-generating ventures like consultancy services, self-financing academic ventures, and distance learning programs (Lawal, 2013). Other measures involve reviewing manpower planning, charging tuition fees, fostering external collaborations, and seeking contributions from international donors. Also, the introduction of endowment funds presents a recent opportunity to support educational institutions in executing their development plans.

Therefore, achieving the stated goals of education requires collective efforts in financing education. Beyond government funding, all stakeholders should contribute to financing higher education to ensure the realization of these objectives. Relying solely on foreign aid, which often comes with attached buying terms, may inadvertently import inflationary pressures from donor countries, potentially compromising our educational independence despite political sovereignty. Therefore, it is imperative to seek internal sources of funding, with educational institutions themselves being one such viable option. By fostering a culture of self-reliance and internal resource mobilization, we can strengthen our educational system and safeguard its autonomy and sustainability for the future.

3.1. Contextualizing Funding Challenges for Private Universities in Nigeria

The initial attempt to establish private universities in Nigeria occurred during the period between 1979 and 1983, following a Supreme Court ruling that deemed their establishment lawful (Barrow, 1996; Aliyu, 1984, as cited in Ajadi, 2010). However, a significant setback occurred in December 2003 when General Mohammadu Buhari, who assumed power through a coup d'état, ordered the closure of the 26 existing private universities, citing concerns such as the perceived lack of serious-minded academics (Obasi, 2007). Subsequently, the issue of private universities remained dormant until 1991 when the Vice-Chancellor of the University of Agriculture, Makurdi, advocated for their establishment during a convocation speech. This renewed interest prompted General Badamosi Babangida, the Head of State at the time, to lift the ban on private university establishment and establish the Longe Commission in 1991 to review higher education in Nigeria. Among the commission's recommendations was the establishment of private universities (Ajadi, 2010).

In 1999, following a transition from prolonged military rule to a new democratically elected government led by President Olusegun Obasanjo, the federal government assumed authority over the reception and processing of applications for the establishment of private universities. These applications were directed to the National Universities Commission (NUC), the highest regulatory body for universities in Nigeria, which then made recommendations to the federal government for approval. Among the forty applications received in 1999, only three met the stringent requirements of the NUC and were granted operating licenses, thus becoming the pioneers of private universities in Nigeria. These institutions include Igbinedion University in Okada, Edo State; Babcock University in Ilisan Remo, Ogun State; and Madonna University in Okija, Anambra State. Subsequently, from 1999 to March 2009, a total of 34 private universities were licensed, leading to a notable increase in their numbers within a decade. This trend indicates a growing presence of private universities compared to both federal and state-owned institutions. While public universities still outnumber private ones in Nigeria overall, projections suggest a potential shift in this balance in the near future. However, it is worth noting that despite this growth, concerns remain regarding unlicensed universities operating unlawfully across the country (Okogie, 2009).

While there was widespread belief that the authorization of private universities would serve as a vital catalyst for the substantial and enduring advancement of national development in both the immediate and distant future (Adewale, 2007), the unfolding events subsequent to many years of private university operations have raised significant apprehensions regarding their future trajectory, particularly concerning funding challenges. Public universities heavily depend on government subsidies, allowing them to keep tuition and fees low and accessible to a wide range of students. In contrast, private universities rely predominantly on tuition fees and other internally generated revenue to cover their expenses. Without government subsidies, private universities face the challenge of maintaining affordability for students. As operating costs remain high due to economic conditions, tuition fees may continue to rise, deterring qualified candidates whose families cannot afford the increasingly exorbitant fees.

Private universities employ various funding methods, with endowment and membership contributions being common practices (Ajadi, 2010). Endowments are permanent funds donated to institutions, generating income that supports various programs while preserving the principal amount. Membership contributions, often from church or mission affiliates, provide additional financial support. However, low awareness of endowment opportunities and inconsistencies in member contributions limit the funds available for long-term projects. In order to tackle funding challenges, private universities hence resort to high tuition fees, but these risks portraying them as financially inaccessible which could further lead to a decline in student enrolment and jeopardize the institutions' future viability. Therefore, finding sustainable funding sources are crucial for the survival and growth of private universities in Nigeria (Oginni, 2011).

4. Funding Challenges in Veritas University

Veritas University, as a private institution, serves a relatively small number of undergraduate students across a diverse range of faculties, totalling approximately 5,751 students according to data from the Veritas registry. Although school fees in Veritas vary from faculty to faculty ranging from 700,000 naira as minimum to 4,000,000 as maximum, due to the small size compared to larger universities, Veritas faces significant challenges in meeting its developmental needs due to limitations in tuition revenue and other financial constraints. While tuition fees from undergraduate students contribute to the university's operating budget, they are insufficient to cover the full scope of Veritas' developmental requirements.

Veritas University boasts a modest selection of approximately 12 faculties, encompassing various fields of study essential to a well-rounded academic institution. These faculties include Management Sciences, Law, Medicine, Natural and Applied Sciences, Social Sciences,

Humanities, Health Sciences, Pharmaceutical Sciences, Philosophy, Engineering, Theology, and Education. While each faculty plays a crucial role in offering diverse educational opportunities to students, the relatively small number of faculties at Veritas University poses unique challenges compared to larger institutions with more extensive academic offerings. With a limited range of faculties, Veritas faces constraints in generating tuition revenue, as prospective students seeking programs outside of the university's scope may opt for institutions with a broader array of academic disciplines. Additionally, the costs associated with maintaining and equipping faculties, hiring faculty members, and providing resources for teaching and research may be more concentrated, placing greater financial strain on the university's budget. As such, Veritas must carefully manage its resources and prioritize investments in faculties to ensure that they remain competitive and capable of delivering high-quality education while also providing the diverse needs of its student body.

To supplement its funding, Veritas University relies on financial support from various Catholic dioceses in Nigeria. However, this funding alone is insufficient to make provision for the growing needs of the university, particularly as it continues to expand and develop its infrastructure. Since its relocation to Abuja as a permanent site in 2012, Veritas has faced the daunting task of developing facilities to accommodate its gradually increasing student population. This includes constructing new academic buildings, laboratories, libraries, and other essential infrastructure to support teaching, learning, and research activities.

Furthermore, certain courses at Veritas University, such as Law and Medicine and Surgery, which typically command higher tuition fees, are limited in their revenue-generating capacity due to accreditation requirements imposed by the National Universities Commission (NUC). These accreditation demands must be met before any increase in student quota or tuition fees can be implemented, placing additional financial strain on the university.

Moreover, Veritas University incurs significant expenses in maintaining its operations, including utility bills paid to the Abuja Electricity Distribution Company (AEDC) for electricity supply. The high cost of utilities adds to the financial burden faced by the university, further reducing available funds for developmental projects and infrastructure improvements. Additionally, Veritas must allocate resources to meet the standards set by the NUC, which often necessitate the construction of new facilities and the enhancement of existing ones to comply with regulatory requirements.

Another critical aspect of Veritas University's operational expenses is its security framework. The university maintains a functional security system comprising police, army personnel, and school sheriff security staff to ensure the safety and well-being of students, faculty, and staff. However, providing security services comes at a considerable cost, further straining the university's financial resources.

4.1. What Can Endowments do for Veritas Amidst these Challenges?

Endowments represent a promising avenue for Veritas University to navigate its financial challenges and secure sustainable funding amidst its unique circumstances. While the university faces constraints due to its relatively small number of faculties and the associated limitations in revenue generation, endowments offer a strategic solution to supplement its financial resources. By leveraging endowment funds, Veritas can access a stable and enduring source of income that is not contingent on fluctuations in tuition revenue or government subsidies. This stability is particularly beneficial for a university with a modest academic portfolio, as it provides a reliable stream of funding to support essential operations and strategic initiatives.

Endowments can play a crucial role in tackling Veritas's funding needs by providing resources for faculty development, infrastructure improvements, student scholarships, and research programs. For example, endowed chairs or professorships funded through endowments can

attract top-tier faculty members and enhance the university's academic reputation, thereby increasing its competitiveness and appeal to prospective students. Moreover, endowment funds can be earmarked for specific purposes, such as building new facilities, expanding existing programs, or launching innovative initiatives, aligning with Veritas's strategic priorities and long-term goals. Some of the projects completed by high net-worth individuals and charitable Organisations at Veritas include the following:

- Successfully built a Block of Classroom named St John de Baptist Block;
- Knights of St Mulumba KSM successfully completed the University Chapel;
- Papal Knights and medalists in Nigeria APKMN, Nigeria successfully built University Main library named by President, Catholic Bishop Conference of Nigeria as Pope Benedict XXVI Main library;
- Catholic Laity council of Nigeria abandoned a theatre building which is being completed by the University;
- Family of Late Justice Idigbe built the Faculty of Law;
- Engr Adesina donated N100 million for the building of Engineering block;
- D.D Dodo (SAN) donated a Prize for the best Graduating Student of Faculty of Education in loving memory of Chief D. D Dodo (SAN) kss, KSM;
- Association of Papal Knights and Medalists in Nigeria (APKMN) Archdiocese endowed N1,600,000 in loving memory of Dr. Augustine Ayodele Ategbale KSM, KSS;
- Sir Peter O. Aliu Kss KSCG NPOM endowed a Professorial Chair in the Department of Public Administration.

Furthermore, endowments offer flexibility and autonomy in financial management, allowing Veritas to diversify its revenue streams and reduce dependence on tuition fees or government funding. This autonomy is particularly advantageous in light of the challenges posed by accreditation demands, utility costs, and other operational expenses. By establishing a robust endowment program, Veritas can build a financial buffer against economic uncertainties and external pressures, ensuring its resilience and sustainability in the face of evolving circumstances.

In addition to financial benefits, endowments can also foster stronger ties with donors, alumni, and philanthropic organizations, thereby expanding Veritas's network of support and engagement. By cultivating relationships with potential donors and articulating compelling narratives about the university's mission and impact, Veritas can attract philanthropic contributions and grow its endowment over time. Moreover, endowment donors often have a vested interest in the success and longevity of the institutions they support, leading to ongoing partnerships and collaborations that extend beyond financial support.

Particularly, International faith-based charities and institutions hold the potential to offer significant endowments to Veritas University, aligning with the university's mission and values while supporting its diverse needs and priorities. These organizations often prioritize philanthropic initiatives aimed at promoting education, fostering religious values, and uplifting communities worldwide, making them natural allies for Veritas. By leveraging their global networks, resources, and expertise, international faith-based charities and institutions can contribute to Veritas's endowment funds, enabling the university to advance its educational and developmental goals. These faith-based charities and institutions share a common commitment to promoting education as a means of empowering individuals and communities, particularly those underserved or marginalized. Recognizing Veritas's dedication to providing quality education grounded in Catholic principles, these organizations may be inclined to support the university's mission through generous endowments. By contributing to Veritas's endowment funds, faith-based charities and institutions can help sustain and expand the university's academic programs, student scholarships, and faculty development initiatives, ensuring that more students have access to transformative educational opportunities.

Table 3: Potential Catholic Endowment Sources for Veritas University

Institution	Description	Focus
Catholic Charities	Global Network of Charitable Organizations	Humanitarian aid, social services, educational initiatives (scholarships, grants)
Knights of Columbus	Catholic Fraternal Organization	Charitable works, philanthropy, education (funding for programs, scholarships, infrastructure), community development
Society of St. Vincent de Paul	Catholic Volunteer Organization	Combating poverty, social justice, education (funding, resources, access initiatives)
Caritas Internationalis	Confederation of Catholic Relief Organizations	Addressing poverty, promoting human dignity, education (programs, scholarships, capacity-building)
Opus Dei	Catholic Institution	Spiritual formation, academic excellence, education (financial assistance, scholarships, resources)
Congregation for Catholic Education	Part of the Roman Curia	Promoting Catholic education worldwide, scholarships, grants, partnerships
Knights of St John's International, (KSJI) Nigeria		
Knights of St Mulumba (KSM)		
Association of Papal Knights and Medalists in Nigeria (APKMN)		
Catholic Women's Organisation (CWO) Nigeria		
Catholic Men Organisation (CMO)		
Catholic Laity Council of Nigeria		
Catholic Bankers Association		
Catholic lawyers Association		
Catholic Medical Practitioners		
Sacred Health of Jesus and Immaculate of Mary		

The potential for institutions like Catholic Charities, Knights of Columbus, Society of St. Vincent de Paul, Caritas Internationalis, Opus Dei, and the Congregation for Catholic Education to offer endowments to Veritas University amidst its funding challenges is substantial. These organizations, deeply rooted in the Catholic faith and committed to humanitarian causes, possess the resources and networks to provide significant financial support to educational institutions aligned with their mission. With a shared commitment to promoting education, alleviating poverty, and fostering social justice, these institutions can play a crucial role in addressing Veritas University's funding needs. Through grants, scholarships, and capacity-building initiatives, they can offer sustainable funding streams to support the university's development projects, infrastructure upgrades, and student scholarships. Also, their global presence and influence enable them to mobilize resources from various stakeholders, including donors, philanthropists, and governmental agencies, further enhancing their capacity to provide endowments to Veritas University. With the collective efforts and resources of these institutions, Veritas University can overcome its funding challenges and continue to thrive as a center of academic excellence grounded in Catholic values.

4.2. Steps for setting up an Endowment

According to PricewaterhouseCoopers (2019), the typical steps to be adopted when setting up an Endowment for a Nigerian University are as follows:

i) Step 1: Decide on the objectives of the Endowment Fund;

The objectives of the endowment fund would provide clarity on what the fund seeks to achieve. For example, clearly outlined objectives will tell whether or not the fund will cover scholarships, learning materials/resources, salaries for additional faculty members, infrastructure, etc.

ii) Step 2: Setup the enabling structure;

This entails proper corporate governance structures with a risk management structure and an accountability framework.

iii) Step 3: Raise funds;

There has to be developed a strategic plan for raising funds through various sources including Alumni, Institutional investors, Charities, Foundations and Not-for-profits, and high net-worth individuals.

iv) Step 4: Report outcomes.

This is a very critical step that guarantees the sustainability (or otherwise failure) of the endowment fund. For example, proper reporting and audited financial statements are some of the key instruments for ensuring transparency and integrity of the fund management process.

5. Conclusion

Although Veritas University, faces challenges in securing sufficient funding. However, its Catholic affiliation opens doors to a network of potential benefactors. By strategically approaching Catholic Charities, Knights of Columbus, and other institutions dedicated to supporting Catholic education, Veritas can forge partnerships that provide vital endowment funding. Securing such support can bolster the university's infrastructure, enhance academic programs, and ultimately solidify its position as a leading center of learning grounded in Catholic values. The path to financial stability requires a multi-pronged approach, but with a clear mission and a dedicated effort to cultivate relationships within the Catholic community, Veritas University Abuja has the potential to flourish.

6. Recommendations

Drawing on our analysis of Veritas University Abuja's funding needs and the potential of endowment support, here are key recommendations;

- a. Veritas should actively cultivate relationships with a wider range of international faith-based charities and educational institutions. Aligning with organizations that share the university's Catholic mission and values creates a strong foundation for securing long-term support. This diversification strategy reduces dependence on a single source, ensuring a more stable and robust financial ecosystem for Veritas.
- b. Veritas can significantly amplify its fundraising efforts by forging strategic partnerships with international faith-based charities and institutions known for supporting educational initiatives. Collaborative ventures, like joint fundraising campaigns or co-developed educational programs, can leverage the combined resources and reach of both parties. This approach expands Veritas' network of supporters and maximizes the impact of endowment funding.

- c. Investing in personalized outreach, regular communication, and effective donor stewardship is crucial. By showcasing Veritas' impact and demonstrating responsible use of funds, the university fosters a sense of trust and fosters long-term engagement with potential donors. This commitment to nurturing relationships allows Veritas to secure sustainable endowment funding and cultivate a culture of philanthropy within its international Catholic community.

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