

## **MODEL OF PROFESSIONAL ZAKAT MANAGEMENT IN INDONESIA**

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### **Abstract**

Paying zakat is a must for every Muslim. Zakat is like a tax, collected from a society that can then be distributed one of them to the community in need. In addition it can also be used for the benefit of other communities. Indonesia with more than 80% of Islamic society with a population of nearly 300 million indicates a large potential of zakat. For that required good management so that great potential can be utilized as much as possible. In Indonesia alone, the government has issued a law on zakat and has officially launched the official management of zakat in particular. But whether the model of zakat management has been done so far has been optimal. This is the problem that should be pursued for the welfare of the people, especially the profession zakat.

**Keywords:** Zakat profession, zakat management

### **Introduction**

Generally, there are two models of zakat management known in the Muslim world. First, zakat is administered by the state in a department. In this model, the collection and distribution of zakat is determined by government policy by looking at the needs of society so that it is similar to the taxes made on secular state (Tag el Din, 1986). Such a zakat management system is straightforward, meaning that Muslim citizens are required to pay zakat by cutting directly from their possessions. The second model is zakat managed by non-governmental organizations (civil society) or semi-government with reference to the rules set by the government (Kahf, 2000). Therefore, zakat management is done by civil society in a voluntary way and the state acts only as facilitator and regulator. Nevertheless, both models have their respective advantages and disadvantages.

One of the major weaknesses in the first model is the involvement of a very dominant state in zakat management and the people have little role. Meanwhile, the second management of zakat management is the opposite, where society has a dominant role and the role of government is nil. Zakat collection is voluntary so zakat income tends to be small (Salleh, 1980). In the case of Indonesia, these two models are combined with the involvement of the state and society. This method is used because the state of Indonesia is not an Islamic country so that the State should not interfere too much in the affairs of worship (zakat) and the State simply acts as a facilitator.

Zakat is an Islamic fiscal policy different from conventional fiscal policy. In the conventional fiscal government can affect economic activity through incentives in tax rates and the amount of tax base of an economic activity, while in the zakat system, all provisions on the amount of zakat tariffs have been determined based on the instructions of the Prophet. Therefore, the zakat policy

is very different from the taxation policy (Kahf, 2000). The concept of *fish* of zakat states that the zakat system seeks to bring together the Muslim surplus party with the Muslim deficit party. The purpose of this system is to make a projection of income distribution between surplus and deficit of Muslims or even to make a deficit group (*mustahiq*) become surplus (*muzakki*).

The social philosophy of zakat is associated with the principle of social justice and is viewed in terms of development policies and strategies related to the distribution of people's incomes, equity of development activities, or the eradication of poverty (Al Zarqa, 1984). With zakat, on the one hand there is a transfer of consumption and ownership of economic resources, while on the other hand an expansion of productive activities at the lower levels (Al Zarqa, 1984). This scenario provides the opportunity for the lowest-level society to increase income and can then save and collectively capitalize capital as one of the activities of economic resources and productive activities.

In addition to being a major component in the public financial system as well as the main fiscal policy in the Islamic economic system zakat is also an obligatory activity for all Muslims. There are still other components that can be used as another element in the source of state revenue. These components are not a mandatory element but are voluntary activities associated with the level of one's devotion. The higher the level of devotion, the greater the tendency to issue components that are voluntary expenditure (Al Misri, 1986).

Zakat is not an activity solely for worldly purposes, such as income distribution, economic and other stability, but also has implications for life in the afterlife (Zaman, 1987). This is what distinguishes fiscal policy in Islam with fiscal policy in conventional economic system.

Several studies have been conducted in the field of sharia accounting both in conceptual and practical level. As the results of research conducted by Wahid and Radiah (2010) that is according to the zakat questionnaire survey that the Muslim community is still not satisfied with the management of zakat, especially the distribution of zakat. Othman and Thani (2010) research states that Malaysian shariah companies are approved to begin presenting religious aspects for their financial statements by revealing the reporting of zakat, alms and wages in Islamic social reporting.

## **Zakat Management in Indonesia in the Perspective of Law No 23/2011**

### ***1. Terminology Management.***

In management terminology is defined: The process is used to accomplish organizational goals through planning, organizing, directing and controlling people and other organizational resources. - Management is a process undertaken to realize the goals of the organization through a series of activities in the form of planning, organizing, people and other organizational resources.

From the above definition can be concluded that management is a process in solving something related to the achievement of goals. In the settlement of something there are 3 factors involved:

First, the use of organizational resources in the form of: Human resources, natural resources, financial resources and information. Second, A gradual process ranging from planning, organizing, directing, implementation, control and supervision. Third, The existence of art in completing the work.

## ***2. Definition, Principles and Objectives of Zakat Management***

The management of zakat as stipulated in Indonesian Law No. 23 of 2011 on Zakat Management is: Planning, organizing, implementing and supervising activities on the collection and distribution and utilization of zakat. The principle of zakat management is based on faith, openness and legal certainty in accordance with Constitution.

The purpose of zakat management is: First, Increasing the service for the community in the fulfillment of zakat in accordance with the guidance of religion. Second, Increasing the function and role of religious institutions in the effort to realize the welfare of society and social justice. Thirdly, the increasing of utilization of zakat.

## ***3. Collection Management***

According to Law No. 23/2011, Zakat Collection is: Planning, organizing, implementing and supervising the zakat collection consists of zakat *mall*(Trasure) and zakat *fitriah* (self zakat) . Zakat *mall* consists of: Gold, silver, money, trade and companies, agricultural products, plantation products and fishery products, mining products, livestock products, income and services and zakat modern sector such as zakat profession, companies and others. In addition to the above zakat potential, BAZNAS (zakat management agency) can receive such treasures as *infak*, *shadakah*, grants, wills, inheritance and *kafarat*.

The procedure of zakat collection according to Zakat Law No 23/2011 on Zakat Management includes:

- a. Zakat collection is done by BAZNAS by receiving or taking from *muzakkion* the basis of *muzakki* notification.
- b. BAZNAS may cooperate with the Bank in the collection of zakat *muzakki* treasures located at the Bank upon the request of *muzakki*.
- c. BAZNAS may receive property other than zakat, such as; *infaq*, *shadakah*, grants, wills, inheritance and *kafarat*.
- d. *Muzakki* performs his own calculations of his property and his zakat obligations under religious law.
- e. In the case of not being able to calculate his / her own property and his zakat obligations as referred to in paragraph (1), *muzakki* may request assistance to BAZNAS to provide assistance to *muzakki* to calculate zakat.
- f. Zakat which has been paid to BAZNAS is deducted from the taxable income / income of the taxpayer concerned in accordance with the prevailing laws and regulations.

- g. The scope of zakat collection authority by BAZNAS is stipulated by a Ministerial Decree.

Collecting Strategies can be done through the steps of management of zakat funding strategies, can be classified into 3 ways: (a). Increase trust in BAZ (Improve performance, human resources, effective program, and transparency). (b). Increasing public awareness to pay zakat, Utilizing the media as socialization and information This method is very effective but using a large cost, giving encouragement to *muzakki* paying zakat, writing to *muzakki* (direct mail) in the form of invitation to prospective *muzakki* by attaching brochure or proposal, this method is conventional, considered less effective if not followed by personal approach, *Muzakki* membership, make *muzakki* as a permanent donor, (c) Implement modern management system in zakat management (Using IT as the basis of management, inherent supervision, and make ease of paying zakat to *muzakki* through ATM, Bank transfer, debit Card, zakat online (via email), SMS charity, pick up zakat, zakat service counter, zakat consultation and others).

The strategy of accumulating zakat can be directed in three approaches:

- a. Power Policy. Involves the role of government both BAZNAS national and regional (provincial and district/city) levels. The involvement of the Government is so important in the activities of cultivation in Indonesia, the concrete role of Local Government in the mechanism of zakat management is seen; Facilitating the establishment of BAZNAS, establishing the organization structure of BAZNAS according to each region, placing local government apparatus as BAZNAS management, helping BAZNAS operational cost every year and legislation of Regional Regulation on zakat in various regions in Indonesia. The policy looks like: (1). It is important that the Regional Regulation on Zakat Management of regional perspectives be introduced. (2). Governor's Circular Letter on the zakat appeal through echelon allowances to the Muslim civil servants. (3). Circular Letter of Governor or Mayor/Regent about appeal charity to Muslim civil servants through monthly salary deductions. (4). Circular Letter from the Governor concerning zakat appeal allowance certification of professor at State and Private Universities. (5). Circular Letter from the Governor regarding the *infak* and *sadakah* appeal to lecturers and certification teachers. (6). Role of Kakanwil Department of Religion and Head of Education Office to instill awareness of tithes through education. (7). The technical arrangement of gathering *Hajj* and *Umrah* through the BAZNAS. (6). The technical arrangement of *infak* and marriage through the deduction of any marriage events to be distributed to the BAZNAS. (7). The night of zakat collection in the month of Ramadan is led by the Head of Region together with his staff.
- b. Program Approach. This approach is meant every distribution and utilization of zakat property must resonate with the field of collection. Indeed zakat funds are channeled in order to provoke people's passion in distributing zakat. The public will assess the donated zakat funds are actually distributed, zakat funds are not buried so as to foster public trust for zakat.

- c. Socialization & Communication Approach. In addition to the above approach, the program of socialization and communication is also important in zakat fund raising that must be done by religious elites such as religious leader and others who more often motivate Muslims to worship, fasting, pilgrimage rather than zakat. There are several socialization steps that should be done by the zakat institution in building the knowledge of zakat to the community: (a). Conduct technical cooperation with other institutions/agencies in terms of counseling and collection of zakat. (b). Organize coordination, integration and synchronization of a technical nature (non-discretion) with all parties to optimize zakat pooling. (c). Conducting cooperation with similar professional institutions as partners or synergies in extension of zakat, *infakand shadakah* Certainly the role of Media in this case becomes an absolute requirement. Media is an instrument of socialization, information and communication. Any information relating to obligations should be communicated. Providing zakat understanding to the community is not an instant process. This success depends on the seriousness of the ZIS teaching continuously to the public. Because this awareness is not solely on the willingness of society to fulfill it. But it is expected that the community can make it as a comprehensive movement and able to mobilize other people to perform zakat.
- d. Partnership Approach. The partnership approach is: The ability of zakat management institutions to build partnerships of various sectors, such as: Companies, SOEs, BUMDs, Banking, professional organizations and others in the framework of strengthening zakat network. Approach can be done through: (a). Social finance program offerings, where zakat management institutions request to companies, state-owned enterprises, enterprises, banks, professional organizations and others as the sponsor of the program. The strategy of picking up the ball must be done by visiting the institutions. (b). Utilizing the role of Head of Region and the authorities. Especially as BAZNAS institution formed by the government in which the Head of Region entered in the composition of the board has more power than the BAZNAS. Power in the sense of compressiveness and image image in the presence of companies and entrepreneurs. Form of partnership conducted with founding agency above, can hold technical cooperation with company in case of socialization of zakat. Conduct technical cooperation of zakat payment with Bank, and others. (c). Synergize distribution program and utilization of zakat management institution, related to social program they have. Poverty alleviation through zakat will not be able to stand alone without synergy between institutions, synergies should be viewed as a necessity, synergy can build net work more directed, easier to coordinate, communication and information both institutions, so that channeling program is more focused, use and not overlapping in the distribution of zakat funds.
- e. Zakat Modern Sector Exploring Approach. The study of zakat is an ever-dynamic study. The growth of zakat potential in various sectors has always been an interesting study. Besides the *al-Quran-Hadith* affirms the source of zakat with the approach of *ijmali* (global) approach, giving all kinds of possessions that meet the zakat requirements can be used as zakat source potential. Besides also the development of modern economy grow with high economic value, as well as equate sense of justice with zakat source which

have been determined (*tafsili*), then zakat potential today need to get legal decision set as source of zakat. The space of *ijtihad* through *qiyas* (analogy) as the method of developing *ijtihad* is so open in constructing the dynamics of the law of prison through the search for *illat* (motive). *Illat* is an important element of *qiyas* and *qiyas* can not be done if not found *illat* it. Every law there is *illat* that behind it, so if *illat* exist, then existing of law and vice versa. As the progress of Science and Technology progressed so rapidly that it affected the acceleration of the development of socio-cultural change, let alone the number of verses of the *Qur'an and Hadith* of the Prophet is very limited, the various issues of legal content that will arise require legal settlement, then one of the alternatives made *qiyas* part of the legal process of law, including the case of the law of content porter cargo. Already the various potential zakat of the modern sector is explored and established by law as the source of zakat. Of course, in the process of determining the law must be coordinated to the zakat management agency (MUI) who have a capacity for it. When it has been matured by the zakat management agency (MUI) the potential is set to become a source of zakat in order to be maximally explored. Such as: Zakat on the company, zakat money, new professions, and others.

#### **4. Distribution & Utility Management**

Management of distribution and utilization of zakat are: Planning, organizing, implementing and supervising the distribution and utilization of zakat. In this paper equated understanding of distribution and utilization, although these two terms are different. Distribution emphasizes priority programs while empowerment emphasizes productive distribution.

Distribution & Utility Requirements. Zakat must be distributed to *mustahik* in accordance with *Islamic Shari'a*. (Article 25 of Law No. 23/2011) The distribution of zakat, as referred to in Article 25, shall be conducted on a priority scale with due observance of the principle of equity, justice and territoriality. (Article 26 of the Act)

Zakat can be utilized for productive efforts in the handling of the poor and improving the quality of the people. The utilization of zakat for productive business as referred to in paragraph (1) shall be done if the basic necessity of *mustahik* has been fulfilled. Further provisions concerning the utilization of zakat for productive business as referred to in paragraph (1) shall be regulated by Minister Regulation. (Article 27 of the Act)

In addition to receiving zakat, BAZNAS or LAZ can also receive *infaq*, alms, and other religious social funds. The distribution and utilization of *infak*, alms and other religious social funds as referred to in paragraph (1) shall be conducted in accordance with the *Islamic Shari'a* and shall be conducted in accordance with the designated by the giver. The management of *infaq*, alms and other religious social funds should be recorded in a separate book (Article 28 of the Act)

Through the Decree of the Minister of Religious Affairs (KMA) No 373/2003 has explained the requirements and procedures for the utilization of zakat collection results are:

- a. The utilization of zakat collection result for *mustahik* is done based on the following requirements:
  - The results of data collection and research of the truth *mustahik* eight *asnaf* namely; *fakir*, poor, *amil*, *muallaf*, *riqab*, *gharim*, *sabilillah* and *ibn sabil*.
  - Prefer the most powerless people to meet basic needs economically and in great need of help.
  - Preferably *mustahik* in their respective territories.
- b. Utilization of zakat collection results for productive enterprises. Conducted under the following conditions:
  - If the utilization of zakat as referred to in paragraph (1) has been fulfilled and there are still advantages.
  - There are real businesses that are likely to be profitable.
  - Obtain written approval from the Advisory Council. (Article 28 KMA)

The procedures for utilizing the results of zakat collection for productive enterprises are stipulated as follows: (a). Conduct feasibility study (b). Setting the type of productive enterprise (c). Guidance and counseling (d). Monitoring, control and supervision. (e). Evaluate. (f). Making a report (Article 29 KMA, 373/2003). The proceeds of receiving *infaq*, *shadakah*, grants, inheritance, and *kafarat* are utilized primarily for productive business after fulfilling the requirements as referred to in article 29. (Article 30 KMA, 373/2003)

In general the form of distribution and utilization of zakat is done in two ways, namely Channeling and utilization consumptively and productively. See, the chart below:

- a. Channeling and Consumptive Utilization, namely: the distribution of zakat funds to *mustahik* to be used directly, without any utility in converting *mustahik* to *muzakki*.
- b. Distribution & Productive Use, namely: The concept of productive utilization in the study of forage is not new and does not need to be a prolonged polemic and negative thinking about the various policies of zakat wealth utilization program that has been done by zakat institution (BAZNAS) so far. Indonesian Ulama Council (MUI) in its fatwa on 8 RabiulAkhir 1402 H / 2 February 1982 M, decided that Zakat given to the poor can be productive. Zakat funds for the purpose of *maslahahammah* (public interest).

The mechanism of productive zakat empowerment as in the MUI fatwa has also been regulated based on local regulation and wisdom policies undertaken by BAZNAS with indicators of objectives and ideas directed to the principle:

- a. The results of zakat collection are utilized for *mustahik* according to religious provisions.
- b. The utilization of zakat collection result based on the priority scale of necessity *mustahik* and can be used for productive business.
- c. The utilization of zakat for productive business is done based on the following requirements:
  - The utilization of zakat for *mustahik* has been fulfilled is still excessive
  - There are real, potential and profitable ventures

- d. Zakat utilization procedures for productive enterprises are determined by conducting feasibility studies, establishing the types of productive enterprises, providing guidance and counseling, monitoring, controlling and supervising, appraising and reporting.

The scheme of the productive zakat distribution of MUI and BAZNAS versions is as follows:

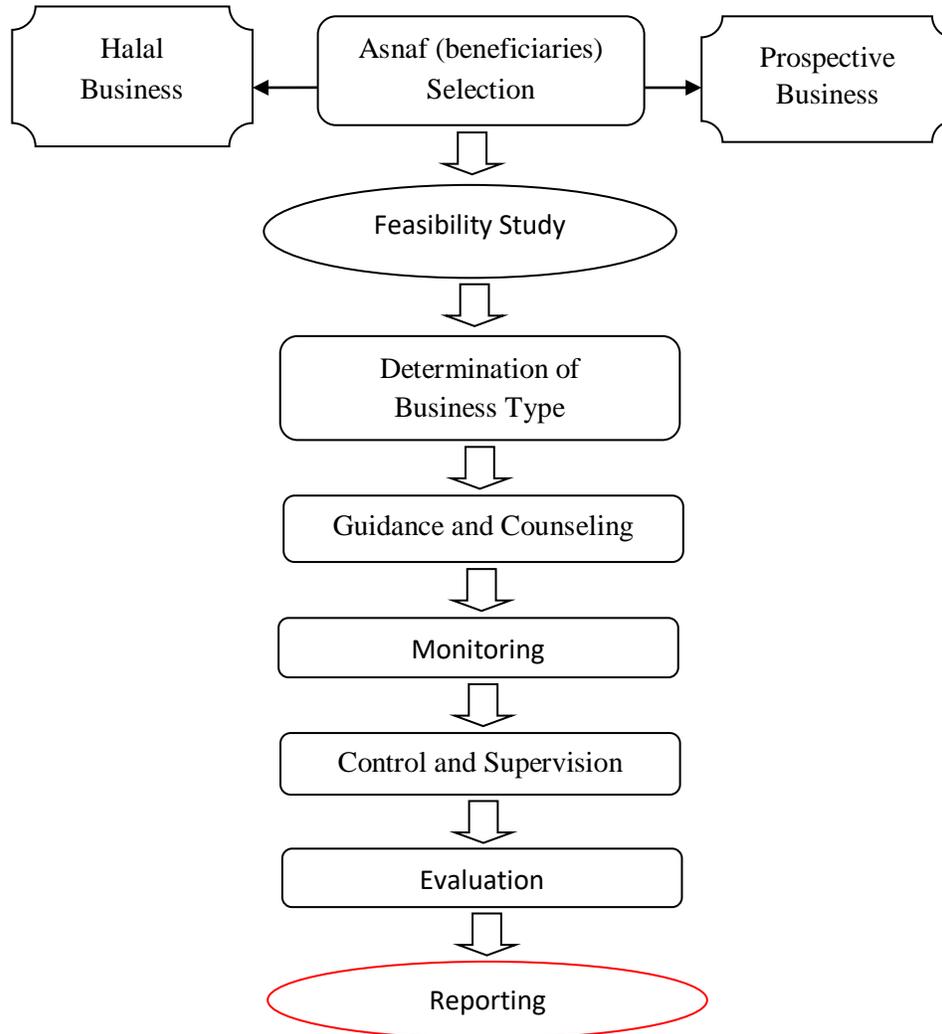


Figure 1. The scheme of the productive zakat distribution of MUI and BAZNAS

Scheme productive zakat according to Researchers for poverty alleviation that must be done is as follows:

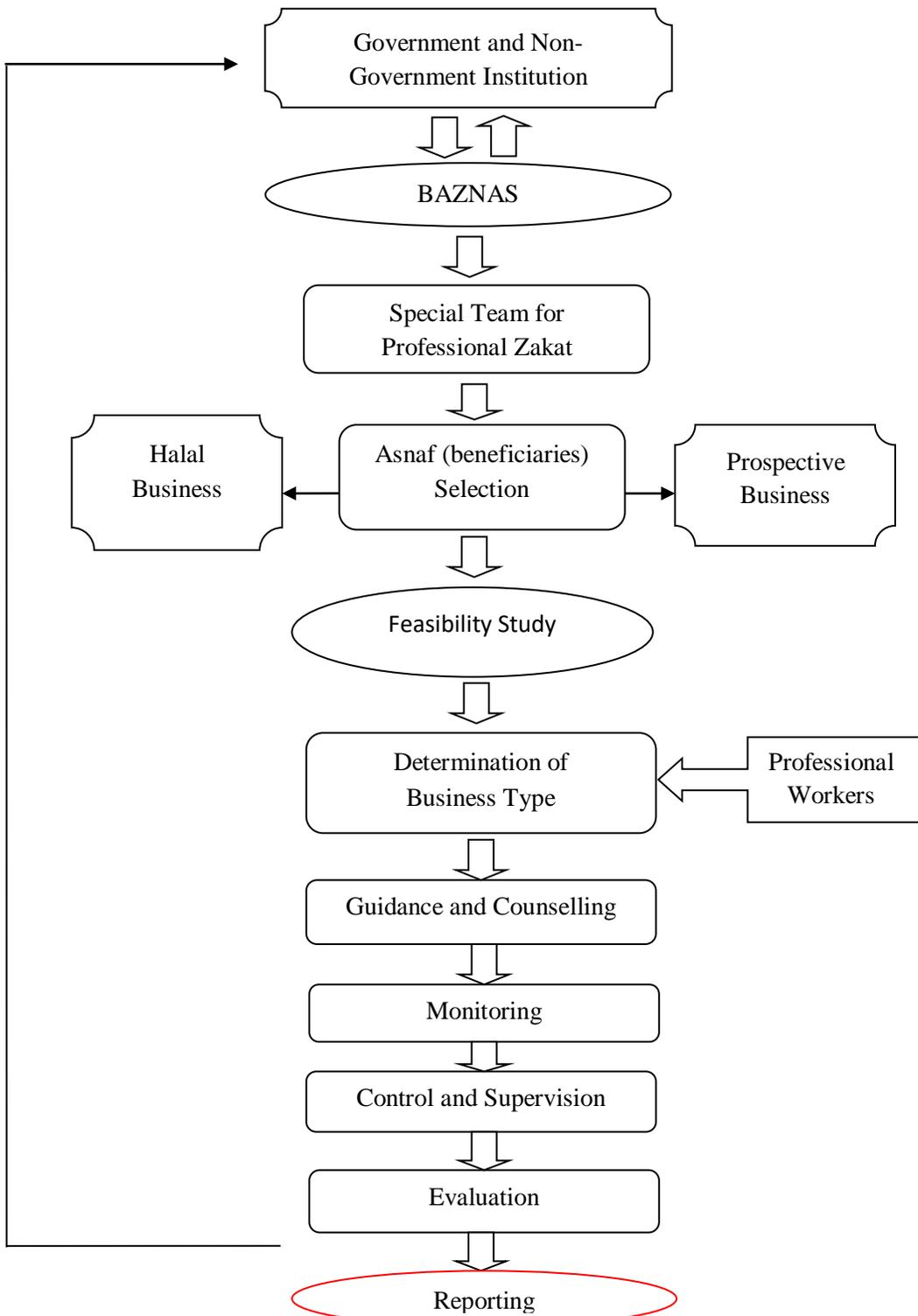


Figure 2. Scheme productive zakat according to Researchers for poverty alleviation

With the above scheme it is believed that the zakat funds of the profession can be to alleviate the poverty of the *dhu'afawho* have been marginalized. Institutions of Zakat in each government and private agencies must establish a special team that handles the distribution of professional zakat in the form of productive (business development). Team appointed by BAZNAS must be selected and appointed a person who has a sincere spirit for God in carrying out the mandate. His people must work unconditionally, discipline, obedient in worship and honest and optimistic.

The next stage, the team must work with people who are experts in their respective fields such as people who have been successful in agriculture, business, and certain skills. Selection should be done to capture a certain skilled *asnaf*, then given business capital so that he can rise to a successful person, at least the status is no longer poor who must receive funds than the charity profession or other zakat mal. Prior to running its business activities, specialized teams and professionals should provide direction and guidance on business management, moral and legal responsibilities. Assistance, control and evaluation of the business undertaken should be of special concern. Religious and business coaching can be run simultaneously. The congregational prayer at all times should be emphasized to the greatest extent possible, in order to be closer to God, because submission and submission to Him is a very urgent vertical consciousness. The establishment of individual piety by obedient worship is expected to be able to realize social piety.

### **Conclusion and Recommendations**

It cannot be denied that zakat is very potential as an effective means to empower the people's economy. The potential that when extracted optimally from the entire Islamic community and managed properly with the management of trust and high professionalism, will realize a large amount of funds that can be utilized to overcome poverty and empower the people's economy. Zakat profession in the perspective of Law no. 23 of 2011 on the management of zakat, affirming that the professional zakat has been officially and legally institutionalized, binding and juridical in the regulations of the State of Indonesia. The provision of zakat profession in this regulation, in addition to provide legal certainty to individuals who Islam and business entities owned by Muslims in the transfer of zakat to *mustahiq* can also be used as part of Islamic philanthropy that can be used for the welfare of Muslims and other people, the thing thus it is also part of the principle of management of zakat perspective Law no. 23 of the year 2011. This zakat regulation needs to be regulated in more detail by the State, in order to improve the effectiveness and efficiency of services in the management of zakat; and increase the benefits of zakat to realize community welfare and poverty alleviation. The effectiveness and efficiency of zakat management in this pluralistic Indonesia requires the legal certainty and clarity of the regulations governing it. In addition, zakat regulation is raised in an effort to control the management of zakat (*amil*) based on principles; sharia, trust, benefit, justice, legal certainty, integrated, and accountability. If such a thing is created, then the awareness of the people in tithe will be high and zakat can be used as an alternative to realize the welfare of society and poverty alleviation.

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