

The Standard for Allocating Zakat Social Funds as An Operational Expense of Nonprofit Organizations in Indonesia, Sudan and Algeria

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Abstract

Zakat in the socio-economic structure of society needs to be managed productively and professionally so that it leads the welfare of society. This study aims to reveal standards for the allocation of zakat social funds as an operational expense for nonprofit organizations. This research uses a descriptive qualitative type. We analyse secondary data retrieved in nonprofit organizations in three different countries (Indonesia, Sudan and Algeria). The result of the study revealed that Indonesia has two types of zakat management institutions, the National Amil Zakat Agency (BAZNAS) and Amil Zakat Institute (LAZ). Furthermore, Sudan possesses the Sudanese Zakah Chamber (SZC) or the Zakat Council and Algeria has Kotak Zakat. The pattern of zakat collection in Indonesia applies payments with a voluntary principle, however the zakat has been integrated with taxes so that they can submit claims for zakat payments. In Sudan, payments are made on the principle of mandatory for its citizens accompanied by sanctions for those who ignore it and nonmuslims are obliged to pay a social solidarity tax. Meanwhile, in Algeria, payments are made on a mandatory basis for private companies and voluntary for individuals. In addition, in the pattern of zakat distribution, the three countries distribute according to the guidance of the Qur'an (8 Asnaf) but have slight differences in the priority scale in which Indonesia prioritizes distribution to the poor, Sudan prioritizes the needs of each Mustahik and Muzakki is allowed to distribute to relatives as much as 20% of the obligatory zakat, meanwhile Algeria which prioritizes the poor, people in need and Fisabilillah. Then, the standard for the allocation of zakat social funds that may be taken as operational costs for nonprofit organizations handling zakat in the three countries is 12.5%.

Keywords: Funds, Zakat, Nonprofit Organization

INTRODUCTION

Nonprofit organizations make human resources the most valuable asset, because basically all activities that occur in the organization are from and for humans (Anthony et al., 2014). The management of a nonprofit organization must of course be accountable for the use of resources that have been entrusted in the form of financial statements based on PSAK¹ No. 45 (Pontoh, 2013). PSAK No. 45 presents financial statements in the form of: Statement of Financial Position, Statement of Activities, Statement of Cash Flows and Notes to Financial Statements. Therefore, it is hoped that there will be transparency and accountability in reporting and preparation in nonprofit organizations to make it easier to understand and relevance to meet the interests of donors, donors and other parties who provide resources to nonprofit entities (Amelya, 2019).

Before deciding to donate their funds, people often focus on the operational costs set at the nonprofit organization (Jusuf, 2014). A survey conducted by Hope Consulting shows that before donating, the data that donors most often look for revolves around administrative efficiency. It seems clear that donors tend to be quite sensitive to administrative costs (Okten & Weisbrod, 2000). In nonprofit organizations, there are costs that are used to undertake programs. The program carried out is a mission to be achieved by the nonprofit organization. The costs used to fund programs are called operational expenses. According to the General Accounting Office (GAO) between 1994-1998, US charities allocated approximately 87% of their funds to programs (Bowman, 2006). Most organizations spend approximately 70% of their total revenue on programs or services (Lammers, 2003). Donors to nonprofit organizations take into account the program cost ratio reported by the organization. The main concern of financial donors is the percentage of costs dedicated to program expenses (Trussel & Parsons, 2007). As for operating expenses, it is incurred by nonprofit organizations in cash flows, known as operating activities, investing and financing activities (Koteen, 1997). Policymaking for setting operating expenses has been the subject of some dispute in the United States, as only a handful of countries currently have formal regulations on operating expense ratios (Oleck, 1988). For example, South Korea caps administrative and fundraising costs at 10% of total charitable funds raised. In Australia, donations are tax-deductible only if the charity is registered with the government, and registered charities must limit certain nonfundraising administrative costs to 10% of total donations.

Ilyas (2020) states that there are 2 types of zakat management institutions in Indonesia, the National Amil Zakat Agency (BAZNAS) and Amil Zakat Institute (LAZ), meanwhile in Sudan, there is an official zakat institution, namely Sudanese Zakah Chamber (SZC) or the Zakat Council. The pattern of zakat collection in Indonesia uses the principle of voluntary payment but zakat has been integrated with taxes, so that it can submit claims for zakat payments. Then in Sudan, it is mandatory to pay zakat.

The difference with previous studies is that this research further examines the management of zakat in Indonesia by comparing the management of zakat with other Muslim countries, consisting of Sudan and Algeria. Subsequently, Ridlo & Setyani (2020) demonstrate that the effectiveness of zakat management, especially in terms of collection, is strongly influenced by the strength of zakat regulations and regulations. Only a small number of Muslim countries in the world require their people to pay zakat, such as Sudan, Saudi Arabia, Jordan and Pakistan. But the existence of mandatory zakat cannot guarantee the effectiveness and efficiency in the collection and distribution of zakat, because it cannot be a guarantee that the country has a strong legal basis. As a country with a majority Muslim population, Indonesia has not obliged its Muslim citizens to pay zakat *mal* (Ascarya & Yumanita, 2018). The preparation of the law on zakat in Indonesia is still slow compared to other Muslim countries such as Malaysia and Bangladesh. Therefore, the institutional infrastructure of zakat still has to be prepared and considered so that zakat management can run well.

¹ Statements of Financial Accounting Standard published Financial Accounting Standard Board of Ikatan Akuntan Indonesia known as IAI.

This research discusses the management of zakat on an international scale, where the management of zakat in Muslim societies is generally managed in two categories, namely zakat that is obligatory with the government management system and zakat with a voluntary payment system where the management is still dependent on the hands of the government or civil society. In the management of zakat, it is necessary to have Amil Zakat with criteria in accordance with Islamic law. As a support for the optimization of zakat management both in terms of collection and distribution to the people who are entitled to receive, it is necessary to compensate for amil zakat in the form of salary or wages for the performance that has been done (Kalimah, 2018).

This research seeks to demonstrate the allocation of zakat undertaken by three different countries consisting of Indonesia, Sudan, and Algeria. This is run to find out more about the truth of the research results that have been described on charities or nonprofit organizations in Indonesia, Sudan and Algeria. It is difficult to get access to the standard operating expense data on nonprofit organizations, so this research comes up. The choice of zakat management in Sudan and Algeria to compare with zakat management on the allocation of zakat funds as operational costs in Indonesia is due to the uniqueness that exists in these countries. Sudan is one of the Muslim countries that makes Islamic Law as a guide to State law, so that the government's attention to Islamic law, especially in determining the amount of operational costs of nonprofit organizations raises and zakat becomes a priority in the government system because it has an important role in wealth distribution. Meanwhile, Algeria is selected as Algeria is a country whose zakat management is developing quite well. It can be seen from the zakat legislation in Algeria that the government has explained in detail the estimation of zakat funds that must be distributed to the community in the form of percentage, especially against the estimated operational costs.

METHOD

The data collected was then analysed using a qualitative approach, including content analysis, thematic analysis, and data triangulation. The results of the analysis were used to gain a deep understanding of the implementation of fundraising, the harmonization of regulations, and the legal effectiveness in the collaboration between philanthropic institutions and e-commerce platforms. This type of research is a literature study. This method is a series of activities related to library data collection methods, reading and recording and processing research materials. The data used is sourced from secondary data, namely data obtained from second sources or the main source of the data needed (Bungin, 2017). So that it can strengthen the research data obtained through textbooks, journals, articles and literature reviews as a complement to research data. The secondary data of this research are in the form of books, journals and articles that discuss the history and implementation models of zakat in several countries as well as laws governing the implementation of zakat management in each country.

The data analysis technique used in qualitative analysis has several stages, namely data collection, data reduction, data presentation and conclusion drawing and verification (Sugiyono, 2016). Data reduction is to simplify, classify and discard unnecessary data so that the data to be used produces meaningful information and makes it easier to draw conclusions. The reduction stage is used to select whether or not the data is relevant to the final goal. Then, displaying data or presenting data is an activity of organizing data systematically and easily understood so that it can provide conclusions. Through this presentation, the data will be organized and arranged in a relationship pattern, so that it will be easy to understand. Finally, data conclusion and verification is the final stage of qualitative data analysis which is carried out by looking at the results of data reduction and still referring to the purpose of the analysis to be used.

RESULTS AND DISCUSSION

Zakat Social Funds as Operational Expenses of Nonprofit Organizations under Sharia Economic Law Perspectives

Amil zakat institutions use amil rights funds to meet operational costs and pay amil salaries. Allah SWT has recommended to use amil rights to finance the distribution of zakat. However, in taking amil rights funds, do not erode zakat funds as operational costs while the funds distributed or received by mustahik are very limited in number. It should be understood that not every individual or institution that receives and distributes zakat funds is considered an amil zakat. Sharia law emphasizes that those who can be called amil zakat are individuals or institutions that are officially appointed by the government to carry out their duties in collecting, managing and distributing zakat. These individuals or institutions are either part of the government or private parties (community) who get permission and authority by the government to collect, record and distribute zakat funds. This definition is very important to categorize whether or not a person (individual) or group (institution) is entitled to a portion of zakat funds as amil rights funds as Allah has said in the Qur'an Surah At-Taubah verse 60.

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمَوْلَّاتِ قُلُوبُهُمْ فِي الرِّقَابِ وَالْغَرَمِيِّنَ وَفِي سَبِيلِ
 اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ۝

“Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise”.

In an effort to maximize performance in the process of collecting, recording and distributing zakat, Allah SWT has authorized amil zakat to take some funds from the zakat that has been collected. This is indicated by the classification of amil into groups or Ashnaf who have the right to receive zakat (mustahik al-zakah). So that everything related to the aspects of collection, recording and distribution, the source of budgeting can be allocated from the rights of Amil.

The amount of funds needed by the Zakat Management Organization (OPZ) to carry out its duties is quite large, because the allocation of amil rights funds is not only intended as amil payroll but also for other operational costs. Operational costs such as marketing or socialization of OPZ, general administrative costs, procurement of goods and other things require a lot of funds. The more funds needed to fulfil the management of zakat, it is also necessary to understand comprehensively in sharia regarding the sources of funds that can be used to fulfil the source of amil rights funds and also their allocation.

The policy of allocating zakat funds as operational costs, especially the wages of amil zakat according to the four madhhabs, including:

1. Abu Hanifah Nu'man bin Tsabit (80-150H). Imam Al-A'zham Abu Hanifah Nu'man bin Tsabit bin Zuwatha Al-Kufi founder of the Hanafi school of thought Imam expert Ra'yu Fakhir resident of Iraq, including free people from the land of Persia who was born in 80H and died in 150H. During his lifetime he lived in two periods namely Bani Umayyah and Bani Abasiah. He was a *tabi'uttabi'in*, some argue that he was a *tabi'in*. He studied with many scholars in the fields of *hadith* and *fiqh*. He studied *fiqh* specifically with Hammad ibn Abi Sulaiman for 18 years, a scholar who had learned *fiqh* from Al-Nakha'i. Abu Hanifa was very cautious in accepting hadith. The basics of the madhhab he used were the Qur'an, Sunnah, Ijma', Qiyas and Istihsan. In the field of kalam science he wrote a book entitled Kitab Al-Fikih Al-Akbar, then he also has a *hadith musnad*. But no book on *fiqh* from Abu Hanifah was found. According to Imam as-Sarkhasi of the Hanafi school, the definition of Amil is as follows: "Amil is someone who is appointed by the Imam or Caliph as a worker to collect alms (zakat). Then they are given what they have

- collected for their sufficiency and the sufficiency of their helpers. The amount is not measured by price (wages).
2. Malik bin Anas (93-179H). Malik bin Anas is the founder of the Maliki Mazhab along with Imam Malik bin Abi Amir Al-Azhbahi, the imam of Madinah from al-Hijrah in *fiqh* and hadith after the *tabi'in*. He was born during the time of Walid Bin Abdul Malik and died during the time of Al-Rayid in Medina. He lived during both the Umayyad and the Abasid dynasties. Malik bin Anas studied with the scholars of Medina, with Abdurrahman bin Harmaz for a long time and also with Nafi' Maula Ibn Umar and with Ibn Shab Al-Zuhri. His *shaykh* in thought was Abudrrahman who was known as Rabi'ah Al Ra'yi. Malik bin Anas was an imam in hadith and *fiqh*. Al-Muwaththa is his most important book on *hadith* and *fiqh*. The definition of Amil Zakat according to Imam Maliki is explained more specifically about zakat administrators, dividers, writers, advisors and so on. The requirements that must be possessed by an amil must be fair and know all the laws relating to zakat. "Amil are trustees who are appointed to collect zakat from those who are obliged to pay zakat and give it to those who are entitled to receive it. The amil are given a share of *zakah* because of their duties, whether they are rich or poor."
 3. Muhammad bin Idris Al-Shafi'i (150-204H). Muhammad bin Idris Al-Shafi'i was born in Gaza Palestine in 150H. He memorized the Qur'an and studied Arabic grammar, Sya'ir, Balagha, hadith science and *fiqh* in Makkah. Because he heard the height of Imam Malik's knowledge, at the age of nearly twenty years he migrated to Medina to study. Then he also moved to Iraq to study with the Hanafi school of thought. Then he moved again to Medina after two years of adventure in search of knowledge. This Shafi'i school of thought was adopted by many scholars who later compiled books that relied on his school of thought. The Shafi'i school of thought defines Amil as a person who works to handle zakat, while the amil does not get paid other than the zakat. "Amil Zakat is a person employed by the Imam or the government to manage zakat. They are tasked with collecting zakat, writing or recording and distributing zakat to those entitled to receive it". It is said that Amil as Asnaf means that zakat in Islam is not only an individual task but a congregational task and has even become a state task. Zakat has a special budget that is issued for the salaries of its implementers.
 4. Imam Ahmad bin Hanbal (163-241H). Abu Abdillah Ahmad bin Hanbal Hilalusy was born in Baghdad in 163H, died in 241H. From childhood he studied in his native area and then moved to Sham, Hijaz, Yemen and studied directly from Sufyan bin 'Uyainah and Imam Shafi'i while living in Baghdad. He narrated *hadith* from experts including his teachers, including Bukhari and Muslim. It is said that he also wrote books that amounted to 12 carloads and he narrated millions of hadith. Al-Musnadul is his greatest book and is the best book in terms of its position and criticism. Imam Ahmad was not arbitrary in placing hadith, he only included hadith that had strong proofs and also selected as many as 750,000 *hadith*. He was very selective when issuing fatwas of the companions who did not have *nash* or evidence in it. Imam Ahmad's belief that in an incident there must be *hash* or *atsar*. He rejected any fatwa that did not have *nash* or *atsar* in accordance with his madhhab, including the madhhabs spread throughout the earth. Imam Hambali's opinion regarding amil zakat is that the administrator or amil zakat is given zakat for just the wages of their workers according to their work. Wages are the price that must be given to workers for the benefits of their services and labour in return. While labour is one of the factors of production. Officers in collecting zakat and distributing zakat who are assigned directly by the government will get a salary for their profession taken from the zakat fund. The amount of salary received is certainly in accordance with the current standard of living of the community, the type of tasks performed and in accordance with the position of the position by not ignoring the signs set out in Islamic law in order to improve employee welfare. Zakat Amil are entitled to a

share of zakat from the *amil* quota by those who appointed them. The share is given on the condition that it should not exceed the amount of the appropriate wage even if it is a poor person. This is emphasized so that the total *amil* zakat salary and administrative costs do not exceed one-eighth of zakat (12.5%). Nonprofit organizations collecting ZIS should also not recruit employees or workers beyond their needs. It is better if the salary of employees is determined and taken from the government budget, so that zakat funds can be channelled optimally to *mustahiq*. The right of *amil* is still given to the zakat administrator even if he is rich, because the right is given as a reward for his work, not as help because of need. The right of the *amil* who is entitled to be given from the maximum zakat portion is 1/8 part or 12.5%, provided that the right is given to workers who really carry out their duties well. Unlike the *Amil* who performs his duties only in the month of Ramadan (zakat fitrah), the *amil's* right should not be 1/8 part or 12.5% of the zakat; the *amil's* right can be given reasonably for administrative costs, transportation costs and other consumption costs needed.

Regulations on the Management of Zakat Social Funds and the Amount of Operating Expenses of Nonprofit Organizations

1. Indonesia

Indonesia is the country with the largest Muslim population in the world. From the Ministry of Religious Affairs data in 2013, Indonesia has a Muslim population of 87.21% of the total population (Canggih et al. 2017). When compared to zakat, the high Muslim population in Indonesia is directly proportional to the potential of zakat that has been collected (Andriani, 2017). The development of zakat in Indonesia in terms of its management can be said to be quite dynamic in a long time. From the beginning of the entry of zakat in Indonesia, the development of zakat in Indonesia became an important and significant religious social institution for Muslim communities (Syaputra, 2016). During the New Order period, the government's attention to zakat management had begun to appear, the government also gave fresh air to Muslims towards zakat management even though it did not reach the level of formal laws. President Soeharto at that time recommended the establishment of the *Amil Zakat Infaq and Shadaqah Agency (BAZIS)* which was pioneered by the DKI Jakarta Provincial Government on October 22th, 1968 and then BAZIS was formed in each province (Widiastuti, Soeroto, 2019).

Then entering the 1990s, Islamic philanthropy management began to be known as professional-modern based on management principles and has good organizational governance. Starting with zakat, which was only a charity, then transformed into a social economic force that could be considered. Only later during the reign of President BJ. Habibie experienced significant progress with the birth and passing of the Zakat Management Law No. 38 of 1999. The issuance of this zakat management law can be a whip for local governments to pay more attention in managing zakat. Even with the emergence of this law, Regional Regulations of zakat began to emerge in various parts of the archipelago (Amiruddin., 2015).

After running for eleven years, the weaknesses of Law No. 38 of 1999 were found and considered unable to answer the problems in the management of zakat in Indonesia. Therefore, the government revised Law No. 38 of 1999 into Law No. 23 of 2011 concerning Zakat Management in order to complement and improve the old law which is considered less in accordance with the development of zakat legal needs in society (Luthfi, 2017).

In accordance with Law No. 23 Year 2011 that private institutions have the opportunity to manage zakat, therefore LAZ as a nongovernmental institution shows its significant development in Indonesia. It is noted that it is through this *Amil Zakat Institution* that initiated the application of modern philanthropic zakat management. For example, LAZ has pioneered efforts to increase zakat and grow new LAZs in Indonesia so that they can be managed professionally and trustworthily, namely the existence of Rumah Zakat (RZ) and Dompot Dhu'afa (Lessy, 2013).

In its management, zakat requires considerable funds such as the cost of socialization, promotion, operations to employee salaries (Nainggolan, 2005). Based on Law No. 23 Year 2011, the government does not help provide funds used to cover the operational

costs of the Amil Zakat Institution. Amil Zakat Institution uses amil rights funds to pay operational costs and employee or amil salaries. It is stated in the National Amil Zakat Agency Regulation Number 1 of 2016 concerning Guidelines for Preparing the Annual Work Plan and Budget of the National Amil Zakat Agency, Provincial Amil Zakat Agency, and Regency / City National Amil Zakat Agency Article 8 that the receipt of amil rights from zakat funds is at most 12.5% of all receipts of zakat funds and if these funds do not cover operational costs, they can use allocations from infaq or sadaqah funds and other social religious funds at most 20% of all receipts of ifak or sadaqah funds and other social religious funds. The stipulation of taking operational costs up to 20% is permitted provided that it is taken from the allocation of infaq or sadaqah funds and other social religious funds. So, this 7.5% can be taken outside of the zakat fund income.

Majelis Ulama Indonesia known as MUI has also issued a fatwa for all Amil Zakat Institutions in taking amil rights funds, namely through MUI Fatwa No. 8 of 2011. However, the fatwa only explains that amil rights can be taken from zakat within reasonable limits or even not at all from zakat funds and can be taken from other funds besides zakat funds. For amil zakat who have received salaries from the state or private institutions that serve as amil are not entitled to receive part of the zakat funds that have become part of Amil. Meanwhile, for amil zakat who do not receive salary from the state or private institutions, they are entitled to receive part of the zakat fund that has become part of Amil as a reward based on the principle of fairness. LAZNAS takes amil rights funds from their income, namely *zakat*, *infaq*, *shadaqah* and *waqf*. This shows that Amil's rights are highly dependent on the amount of zakat funds collected by LAZNAS.

2. Sudan

Zakat management in Sudan before being managed by the Zakat Council has gone through a long stage. Starting from 1980, the government issued zakat fund in the form of corporation. Then in 1984 the government issued Zakat Act 1404, in which it was stated that the obligation to manage zakat is the responsibility of the state through the Directorate of Taxes although it is still voluntary. Then in 1986 zakat became mandatory for the Sudanese people through the Zakat Law Number 1406 and at that time the Zakat Council was established so that it was separate from the Directorate of Taxes. It also stipulates that zakat is reserved for Muslims and paid to the Zakat Council, while nonmuslims are paid to the state in the form of taxes. (Sari, 2018) The Zakat Council in Sudan is an independent body that is directly responsible to the president under the Director General of the Zakat Council. The independence of the Zakat Council can be seen in Article 4 paragraph 1 of the Zakat Law No. 1406 emphasized that the Zakat Council has full authority in handling zakat, both the collection, management, and distribution of zakat. The result of zakat collection is not deposited to the centre but distributed directly in each region or province. In 1990 the Sudanese government issued strict sanctions for taxpayers who did not pay zakat through Zakat Law Number 1410. The law states that zakat is obligatory and for those who do not pay zakat, refuse or avoid zakat intentionally or unlawfully will be sanctioned with a maximum fine of two times the zakat to be paid or one-year imprisonment. In 2001 the rules of Zakat in Sudan have been discussed in detail with the issuance of Zakat Act 2001 such as zakat on income taken from a person's income by working for himself has been distinguished from zakat on wages or salaries taken from income working for others, for example employees.

- a) The following are the main characteristics of zakat regulation in Sudan:
- b) The categories of assets that are subject to zakat have been expanded, such as zakat on rents and professions.
- c) Sudanese citizens who are Muslims are obliged to pay zakat whether they are in Sudan or outside Sudan.
- d) Muzakki has the right to distribute their own zakat to their relatives up to 20%.
- e) At all levels of the zakat management organization, there is a Supervisory Board and a Shuro Council. This council is chaired by the Minister of Zakat Affairs with a maximum of 14 members.

- f) The sanction for nonpayment of zakat is a double fine and imprisonment for those who deliberately refuse to pay zakat.
- g) The collection of zakat and taxes is carried out under one roof and the distribution of zakat is delegated to the Ministry of Finance and National Economic Planning.
- h) Zakat is distributed to five mustahik groups, including poor, orphan, *amil*, *ibnu sabil* and *gharim*.

Zakat management in Sudan has helped the fiscal condition of the country. In the field of education zakat in Sudan helps the government in providing free education from primary to secondary level. In health sector, Sudan has provided free medical treatment to its citizens and Sudan is a poor country with low crime rate. The success of zakat management is inseparable from the role of Zakat Council which has the following characteristics; 1) Official institutions protected by law.; 2) Implementation was done in four phases (1980-2001); 3) Has synergy with the Ministry of Community Extension in Sudan; 4) Has wide authority in jurisprudence of zakat *fiqh* and expansion; 5) Amil zakat has the right as a government employee; 5) Zakat management follows noncentralized regional autonomy; 6) Zakat income of 10% is used as operational costs and the rest up to 12.5% is used for amil rights; 7) Monitoring mechanism from the community; 8) The right of amil to manage *infaq* and *shadaqah*.

3. Algeria

The change of zakat management system in Algeria is an interesting case in that country. The right is due to changes in the law governing the zakat management system as well as the standardization of zakat management system as well as the standardization of zakat obligatory assets, reporting mechanism and accounting of zakat institutions nationally which is planned to be inaugurated by the Ministry of Religious Affairs and Zakat in Algeria.

This plan is due to the dissatisfaction of the community with the zakat management system in the country, namely the Kotak Zakat system which is a voluntary organization established by civil society which is considered unable to accommodate the development and vision of the agency. The establishment of a special agency for handling zakat management has become a discourse starting in 1990 with the initiative of the Minister of Religious Affairs, Dr. Sa'id Syaiban, to establish a special agency for handling zakat management and its legislation. This discourse received good support and response by religious leaders and academics. This discourse was considered that the existence of a special body that handles zakat management can reduce the income gap and the loss of the middle class due to the transition from a socialist regime to a capitalist regime at that time. However, the reality is that this discourse did not receive special attention until 2002 when the Minister of Religious Affairs revived the discourse by holding a series of workshops attended by academics, scholars and state officials to help develop and prepare the zakat body. Despite the lack of clarity on the legislative framework governing the management of zakat, the Kotak Zakat was officially established in 2003 based on Article 2 of the State Constitution which states that Islam is the official religion in Algeria and the Mosque Law No. 81-91 of 1991 which authorizes the collection and distribution of zakat by mosques and finally the Presidential Decree No. 89-99 of 1989 which states that one of the duties of the Minister of Religious Affairs and Zakat is to establish religious rituals including zakat. In the first year, Kotak Zakat were only running in two regions of Algeria Innabah in the east and Bil'abas in the west of Algeria. However, the level of public awareness and trust in the Kotak Zakat was such that in the first year the Kotak Zakat managed to collect 5 billion centimes. Through this success, the Kotak Zakat was then implemented nationally in all regions of Algeria with a total of 48 regions. With this, the performance of the Kotak Zakat has increased with a wider scope. This can be seen from the increase in zakat funds channelled by the community to the Kotak Zakat and the distribution of the Kotak Zakat also showed satisfactory performance where the zakat funds collected in 2007 jumped to 56 billion centimes.

Kotak Zakat is a voluntary organization operating under the auspices of the Ministry of Religious Affairs and Zakat, whose duties are limited to monitoring. In terms of its structure, zakat is divided into three levels. First, the National Council which regulates the

distribution, administration, socialization and supervises Kotak Zakat nationally. Second, the Regional Council, where each region is expected to have an Exclusive Office and a Negotiation Council. Third, Centres or bases that have the function to calculate, collect, distribute, supervise and socialize zakat in their respective regions.

For the distribution of zakat funds, mosque units submit an estimate of the number of poor people to the Centres, which then sends it to the Regional Council which will transfer the amount of funds needed by the mosque concerned, provided that the amount of funds needed does not exceed the amount of zakat collected in the mosque. The estimated distribution of zakat funds can be seen as follows:

- 1) 50% funds are allocated to the poor and needy.
- 2) 37.5% funds are allocated for Qard Alhacen (Good loans).
- 3) 6% funds are allocated for Basic Committees in the district.
- 4) 4.5% allocated to Provincial Committees.
- 5) 2% funds are allocated to the National Zakat Committee.

From the above description of the operational expenses of zakat management, Kotak Zakat sets aside 12.5% of all zakat income which is used to fund various activities carried out by Kotak Zakat including the socialization of Kotak Zakat on social media. The use of the 12.5% fund can be described as follows: 4.5% is channelled to cover the operational costs of the regional council, 6% as operational expenses of the Centres, and the remaining 2% is used to finance Kotak Zakat activities on a national scale.

Discussing Allocations of Zakat Social Funds in Indonesia, Sudan, and Algeria

There are differences in the management of zakat both in countries that require zakat and not. There are several Muslim countries that require their citizens to pay zakat such as Sudan, Saudi Arabia, Jordan, Pakistan and Malaysia. While there are also Muslim countries that pay zakat voluntarily such as Indonesia, Algeria, Bangladesh, South Africa, Singapore and Brunei Darussalam. In each country, both those that require zakat and those that are only voluntary, of course they have their own laws and regulations, authority and scope in making policies both in the collection, management and distribution of zakat.

In allocating the social funds used as operational costs in each country, of course, it is different, but for Muslim countries in establishing policies for the collection of social zakat funds for operational costs, of course, they reflect on Islamic sharia. Islam has recommended taking amil rights funds as operational costs, namely taking funds with reasonable limits and not exceeding the predetermined amount of one half or 12.5% of the entire amount of zakat funds collected. The following table summarizes the regulations and the amount of operational costs taken from funds in Indonesia, Sudan and Algeria.

Table 1. Zakat Management in Indonesia, Sudan and Algeria

Aspect	Indonesian	Sudan	Algeria
Regulation Effect	Law No. 23 of 2011	Zakat Act 2001	Mosque Act 1991
Zakat Management Organization	BAZNAS, UPZ and LAZ	Sudanese Zakah Chamber (SZC)	Kotak Zakat and there are three levels of zakat, namely the National Council, Regional Council and Regional Centers. National Council, Regional Council and regional centers.
Nature of Zakat Collection	Partial Model with voluntary levy principle	Comprehensive Model with mandatory levy principle	Comprehensive Model with mandatory compliance for private companies and Patial Model with voluntary compliance for individuals.

Operational Expenses	A maximum of 12.5% and 20% if the fund does not cover operational costs	10% is used as operational costs and the remaining 12.5% is used for amil rights.	A total of 12.5% of all zakat income
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Source: various sources reprocessed by authors

From the results of the table, the standard allocation of ZIS social funds that can be taken as the operational expenses of nonprofit organizations handling ZIS is 12.5%. This is in accordance with what has been recommended in Islamic sharia for the amount of taking amil rights funds amounting to one-eighth of all zakat funds or if it is decimalized to 12.5%.

CONCLUSION

The policy of allocating zakat social funds in Indonesia based on Law No. 23 of 2011 the government does not help provide funds used to cover the costs of the Amil Zakat Institution but from the Amil rights fund. The receipt of amil rights from zakat funds would be at most 12.5% and 20% if the funds do not meet operational costs. In Sudan, based on the Zakat Act 2001, it is stated that zakat in Sudan is implemented by the Sudanese Zakah Chamber (SZC) or Zakat Council which works as an operator and the Higher Council of Zakat Management which serves as a legislator. Zakat funds are distributed based on priority scale and mustahik needs to eight Asnaf. Muzakki is also allowed to distribute their own zakat to relatives by a maximum of 20%. 10% of the income from zakat is used as operational costs and the remaining 12.5% is used for amil rights. Subsequently, zakat management in Algeria is based on Article 2 of the State Constitution which states that Islam is the official religion in Algeria and the Mosque Law No. 81-91 of 1991 which has the authority to collect and distribute zakat carried out by mosques and the last is Presidential Decree No. 89-99 of 1989 which states that one of the duties of the Minister of Religious Affairs and Zakat is to establish religious rituals including zakat. The estimated distribution of zakat fund as operational cost in Algeria through Kotak Zakat is 12.5% of all zakat income which is used to fund various activities conducted by Kotak Zakat including socialization of Kotak Zakat on social media. The use of the 12.5% fund can be described as follows: 4.5% is channelled to cover the operational costs of the regional council, 6% as operational costs of the Centres, and the remaining 2% is used to finance the activities of Kotak Zakat on a national scale.

Based on findings of this research from these three countries, the standard allocation of ZIS social funds that can be taken as the operating costs of nonprofit organizations handling ZIS is 12.5%. This is in accordance with what has been recommended in Islamic sharia on the amount of taking amil rights funds of one-eighth of all zakat funds or if it is decimalized to 12.5%.

As an implication, the government is expected to pay more attention to the management of zakat funds and motivate the public to carry out zakat considering the enormous potential of zakat, especially in Indonesia. For nonprofit organisation zakat implementers to be more transparent to the public or fund donors regarding the use of funds. Nonprofit organisation zakat implementers should be more transparent to the public or fund donors regarding the use of part of the zakat funds, namely 12.5% as financing programme operations to the community and can accountable for the use of operational funds. The next researchers are expected to conduct further study on whether social funds derived from *infaq* and *shadaqah* can be taken as operational expenses of nonprofit institutions as well as regulations governing both zakat institutions.

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