

Corporate Governance Model of Islamic Philanthropy at Islamic Hospitals in Ponorogo

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289

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ABSTRACT

This article aims to analyze the governance of ZISWAF in philanthropic institutions placed in hospitals. Hospitals are health facilities that are often not affordable for the underprivileged. Some cases of displaced patients because they do not have funds to get health services in hospitals often occur. Islamic philanthropy in hospitals is vital to address this issue. This research is qualitative, with the location of three hospitals in Ponorogo, namely RSU 'Aisyiyah, RSU Muhammadiyah, and RSU Muslimat. The informant of this study is the manager of Islamic philanthropy. In addition, data is also collected from recipient patients and donors. The results showed that Islamic philanthropy in the three hospitals was carried out by philanthropic institutions affiliated with community organizations. At 'Aisyiyah and Muhammadiyah Hospital, philanthropy is managed by the Lazismu Service Office. Meanwhile, at Muslimat Hospital, philanthropy is managed by JP-ZIS NU Care. Philanthropic governance in the three hospitals can be divided into two models: integrated Islamic philanthropy institution and external Islamic philanthropy institution.

Keywords: *Islamic Philanthropy, Governance, Hospital, ZIS, Waqf*

INTRODUCTION

Islamic philanthropy instruments are vital in developing the community's social, economic, and cultural life (Qurrata *et al.*, 2019; Widiastuti *et al.*, 2022; Yenti & Yulia, 2022). They are embodied in zakat, infaq, alms, and waqf (ZISWAF). In essence, ZISWAF has two dimensions for Muslims: religious and socio-economic (Chotib, 2021; Karim, 2015). In the religious dimension, it is defined as God's command to Muslims and a form of obedience of servants to



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their Lord. Meanwhile, the socio-economic dimension represents the concern and sensitivity of Muslims towards other people.

As an instrument of welfare, ZISWAF has enormous potential (Febriana *et al.*, 2022; Sa'adah & Hasanah, 2021; H. Usman *et al.*, 2022; Widiastuti *et al.*, 2022). At the 2021 Zakat National Coordination Meeting in Jakarta, the Vice President of the Republic of Indonesia said that the potential for Zakat in Indonesia is 327.6 trillion. The great potential of zakat comes from several types of zakat. Among them is corporate zakat of IDR 144.5 trillion and zakat of income and services of IDR 139.07 trillion. Although the potential of zakat in Indonesia is enormous, it turns out that the realization of collecting zakat funds only reached 71.4 trillion (Safutra, 2021). It means that the realization of zakat has only reached around 21.8% of the existing potential. Of course, this is a duty for all parties to optimize the realization of zakat.

Not much different from the potential of zakat, the government considers that the potential of waqf in Indonesia is also quite enormous. It is recorded that the potential for waqf nationally is worth Rp 217 trillion, equivalent to 3.4% of Indonesia's gross domestic product (GDP). Finance Minister Sri Mulyani said the potential comes from 74 million middle-class residents alone in the form of cash waqf (Novita & Nidia, n.d.). It means that the overall potential is greater than the figure mentioned by the Minister of Finance.

From an economic perspective, one of the obstacles to realizing people's welfare is public facilities that demand relatively unaffordable costs to the community, such as hospitals (Lestari, 2010; Sodikin, 2020). Therefore, the distribution of ZISWAF is urgently necessary for underprivileged communities in need of health services. It is expected that philanthropic funds can ease the burden on the poor to get access. In this regard, health funds are believed to be critical. However, from BAZNAS (Indonesian National Amil Zakat Agency) data in 2017-2020, the ZISWAF funds benefitted the health sector turned out to be the least compared to others. In the following year, 2021, the funds addressed to the health sector eventually occupied third place overall due to the COVID-19 outbreak leading to an international disaster.

The lack of distribution of ZIS funds in the health sector also occurred in Ponorogo, a regency in East Java Province. Hospitals in Ponorogo are critically required by the community, including those economically vulnerable, considering the different economic levels. Based on the interview with Azhar Hudaya, a manager of BAZNAS of Ponorogo, attention has eventually been paid to the health sector in channelling ZIS funds. However, the percentage

allocated was still smaller than in other fields, such as social-humanity, education, economics, and da'wah (Hudaya, 2022).

In this study, researchers involved three hospitals representing Islamic community organizations. They were 'Aisyiyah Hospital, Muhammadiyah Hospital, and Muslimat Hospital. 'Aisyiyah Hospital and Muhammadiyah Hospital were affiliated with the Muhammadiyah organization, while the Muslimat Hospital was under the Nahdlatul Ulama. They were selected in this context because they had *ZISWAF* assets to support community welfare.

Islamic philanthropy has been perceived as a topic worthy of research. Hence, there were many investigations on this issue, particularly on the theme of *ZIS*, which were conducted employing various approaches (Hafiduddin, 2011; Hambari *et al.*, 2020; Khasandy & Badrudin, 2019; Makhrus, 2019; Rachman & Salam, 2018; Suprayitno, 2020). Likewise, many studies on waqf engage several perspectives (Alfiyan & Prasetyo, 2021; Bakar *et al.*, 2019; Chowdhury *et al.*, 2011; Hasan & Obid, 2018; Kasdi *et al.*, 2022; Thaker & Pitchay, 2018; M. Usman & Ab Rahman, 2022). Research on *ZIS* generally covers zakat, fundraising and allocation management, and organizational governance. Furthermore, researchers tend to use normative, sociological, and economic approaches. In this case, the study of *ZIS* and waqf has similar aspects. Meanwhile, Amelia *et al.* (2016) have precisely mapped waqf studies based on their legal, sociological, and economic approaches.

According to previous related studies, many researchers have examined zakat and waqf. However, they did not focus on the governance in the hospital as a potential place highly demanded by communities. Correspondingly, Zaenal *et al.* (2017) investigated hospitals. However, they focused more on assessing the impact and quality of *BAZNAS* services established on the community. Meanwhile, this paper examines the governance of *ZISWAF* at three hospitals in Ponorogo.

LITERATURE REVIEW

Management of Zakat

Zakat is a *maliyah ijtima'iyah* (Arabic; related to the financial and social economy) worship, which has a vital and strategic role in realizing people's welfare and justice in wealth distribution. Thus, it is considered one of the essential pillars of Islam (Putri *et al.*, 2022). The urgency of zakat is emphasized by twenty verses of the Qur'an, which praise those who earnestly

pay it and threaten those who leave it. Therefore, Rasulullah SAW once carried out social isolation for people who preferred neglecting it.

Etymologically, zakat is derived from the word *zaka*, which means blessing, growing, clean, good, and increasing. Meanwhile, terminologically, it is defined as a certain amount of property obligated by Allah to be handed over to the entitled people (*mustahiq*) by those required to pay (*muzakki*) (Ambary, 1999, p. 224). Moreover, in the Qur'an, many verses explain this issue. It is often accompanied by an order to carry out the prayer, signifying the critical role of zakat in people's lives, namely to cleanse oneself from greed and miserliness and encourage people to cultivate generosity and social sensitivity (Shihab, 2001, p. 88).

According to the Qur'an, there are groups of people entitled to receive zakat (*mustahiq*), namely 1) the *fakir* (people living solely on alms), 2) the poor, 3) *amil* zakat (a person assigned to collect and distribute zakat assets), 4) converts, 5) enslaved person, 6) people in debt, 7) *fi sabilillah* (a person engaged in activities to uphold, defend, and propagate the religion of Islam and its welfare), and 8) *ibn sabil* (a traveller in need of money during a journey) (Chotib, 2021). However, the scholars sorted the classification into more and less entitled. The more entitled communities are those who are weak, do not beg, and are studying. Meanwhile, the less entitled are people who are still strong, have enough money, merely worship, and barely involve themselves in *muamalah* (social relations) (Khasanah, 2010, p. 40). In the Indonesian context, the *fakir* and the poor are often used synonymously for people struggling with poverty. Meanwhile, according to Islamic scholars, the two terms have different meanings and parameters (Zuhaili, 1989, pp. 1952–1953).

In Islam, zakat is an instrument intended for people's welfare. It reflects a dimension of the principle of social justice and equity (Triantoro *et al.*, 2021). Kahf (1995, pp. 19–20) states that zakat leads to egalitarianism. Assets are not only possessed by the rich but also circulate in the community and affect their economy.

Regarding the distribution of zakat, the Qur'an does not explicitly state the model to be implemented. However, in general, there are two types of its implementation: consumptive and productive. In this regard, many figures are inclined to be more supportive of the productive model. The consumptive model tends to cause inflation because most recipients belong to the social strata of the economically vulnerable group. Therefore, zakat should be

distributed more productively so that people are empowered and strive to be more productive, making them out of poverty (Arifin & Anwar, 2021).

Management of Waqf

Waqf is essential in developing the community's social, economic, and cultural life (Alfiyan & Prasetyo, 2021). Historically, it has existed since the early development of Islam, both in the form of immovable and movable objects or assets. Waqf is holding property that can be utilized with the fixed substance hindering *waqif* (a person who donates or gives waqf) and other permissible legal actions, aiming to get closer to Allah (Al-Zuhaili, 1996, p. 134). Islamic religious scholars agree that waqf assets must be in the form of objects that can be utilized (*mal mutaqawwim*). However, there are differences in the argument regarding the permanence of objects (*ta'bid*). Hanafi scholars believe that *ta'bid* is a requirement for waqf assets. Meanwhile, Maliki scholars claim that objects donated as waqf do not have to be *ta'bid* in nature ('Abidin, 1994, pp. 535–536).

Waqf management must be carried out by a competent *nadzir* (the party receiving the waqf assets to be managed and developed correctly) to realize its benefits. Hence, several related problems often occur due to the quality of the *nadzir*. Their role is very strategic as the executor of the waqf management organization's functions. There are at least three elements involved in measuring the quality of waqf management institutions: 1) trust, an absolute requirement to be possessed by every waqf's *nadzir*; 2) professional attitude, since trust will not be adequate without being supported by professionalism; 3) transparency, aiming to gain a proper control system and management accountability (Rozalinda, 2015, p. 137).

Nowadays, waqf does not solely deal with immovable objects, given that its assets in cash have been broadly encountered in many countries. However, in the context of Islamic philanthropy, it is relatively new. According to Mannan (2001, p. 38), it can complement the funding of various social investment projects. Moreover, strategic social investment is likely the most effective model for accumulating social capital.

METHOD

The present study employed a qualitative design. The three hospitals studied were 'Aisyiyah Hospital, Muhammadiyah Hospital, and Muslimat Hospital. Those hospitals were chosen because they represent three major hospitals in

Ponorogo. In addition, the three are also representations of the two largest Islamic community organizations in Ponorogo, NU and Muhammadiyah.

Data were collected through interviews, observation, and documentation. In this regard, the primary data were obtained by interviewing philanthropic managers, donors, and recipients in the three hospitals under investigation. Furthermore, the acquired information was strengthened by secondary data from each hospital's website, the financial reports of each philanthropic institution, and other supporting documents. Afterwards, the data were eventually analyzed using *ZISWAF* management theory.

RESULT

***ZISWAF* at the 'Aisyiyah Hospital of Ponorogo**

The Muhammadiyah Amil Zakat Institution managed *ZIS* funds at the 'Aisyiyah Hospital through the LAZISMU Service Office (*KLL*). The management of zakat funds through the *KLL* started with the emergence of Lazis Ash-Shihah at the hospital, which later turned into the *KLL* due to the Zakat Management Law issued in 2011 on regulations for zakat management institutions in Indonesia. As a result, *KLL*'s operations adhere to a structured network system, namely the LAZISMU, instead of being a corporation. The *KLL* at 'Aisyiyah Hospital was given full autonomy in managing *ZIS* yet obliged to report periodically to the regional LAZISMU.

The *KLL* at 'Aisyiyah Hospital had three components of fundraising, namely zakat, infaq, and alms from all employees. Zakat was applied to those whose salary had reached the *nishab* (a minimum wealth a Muslim must have before being obliged to zakat). In this context, their wages were deducted by 2.5% via computer software operated by finance staff to be transferred to the *KLL*'s account. Meanwhile, for those who had not achieved the *nishab*, a 2.5% salary deduction was made in the form of infaq. In addition, they could also pay it in the form of alms. *ZIS* funds collected by the *KLL* at 'Aisyiyah Hospital were distributed to the health, education, economic, and social-da'wah sectors.

Meanwhile, philanthropy in the form of waqf had yet to be explored much in the *KLL* at 'Aisyiyah Hospital. The relevant effort was made but constrained by several reasons, including the pandemic and the absence of the chairperson's approval. The following is the *ZIS* fund management scheme of the *KLL* at 'Aisyiyah Hospital:

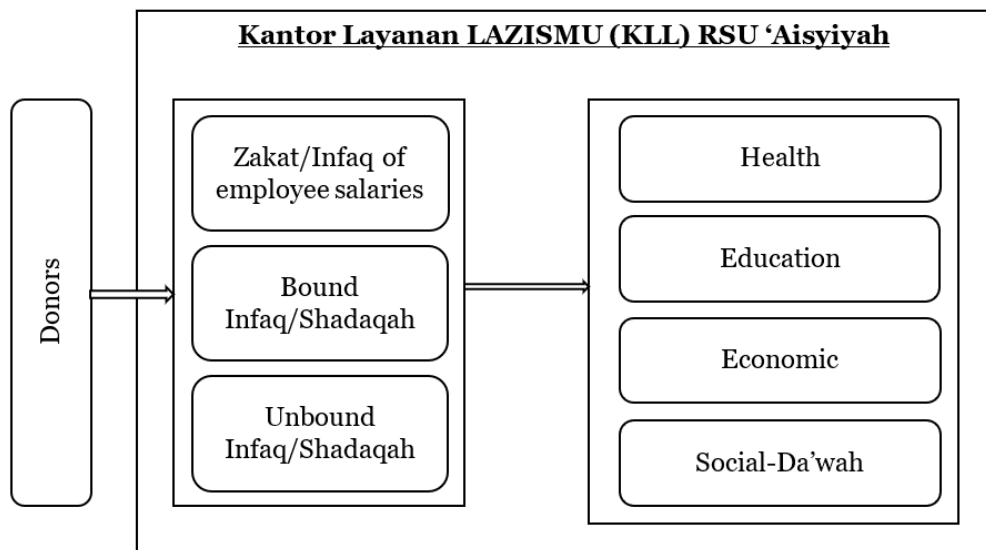


Figure 1. ZISWAF Management at the 'Aisyiyah Hospital of Ponorogo

ZISWAF at the Muhammadiyah Hospital of Ponorogo

Regardless of whether both institutions were under the *LAZISMU*, there were slight differences in the management of *ZISWAF* funds in *KLLs* at Muhammadiyah Hospital and 'Aisyiyah Hospital. There was a deduction of 2.5% of employee salaries as zakat or infaq at the Muhammadiyah Hospital. However, these funds were not managed by the *KLL* at Muhammadiyah Hospital. These funds were deposited to the *KLL* of Ponorogo Regency. Based on regulations from the *LAZISMU* Central Office, the *LAZISMU* Service Office (*KLL*) assists in the collection and organization of the *LAZISMU* Formers (Regional and Central). Therefore, based on their Standard Operating Procedures, all funds managed by the *KLL* should be deposited to the *LAZISMU* Regional Office to subsequently be distributed according to the total of collected funds and the proposed program; as the realization of the principle of *MANTAP* (One-Stop Management).

Other funds gained by the *KLL* at Muhammadiyah Hospital were obtained from managing 32 patient rooms with waqf status. The *KLL* fully managed the fund. 2.5% of the room's rent was handed over to the *KLL* on behalf of the donor. The following is the *ZISWAF* fund management scheme carried out by the *KLL* at Muhammadiyah Hospital:

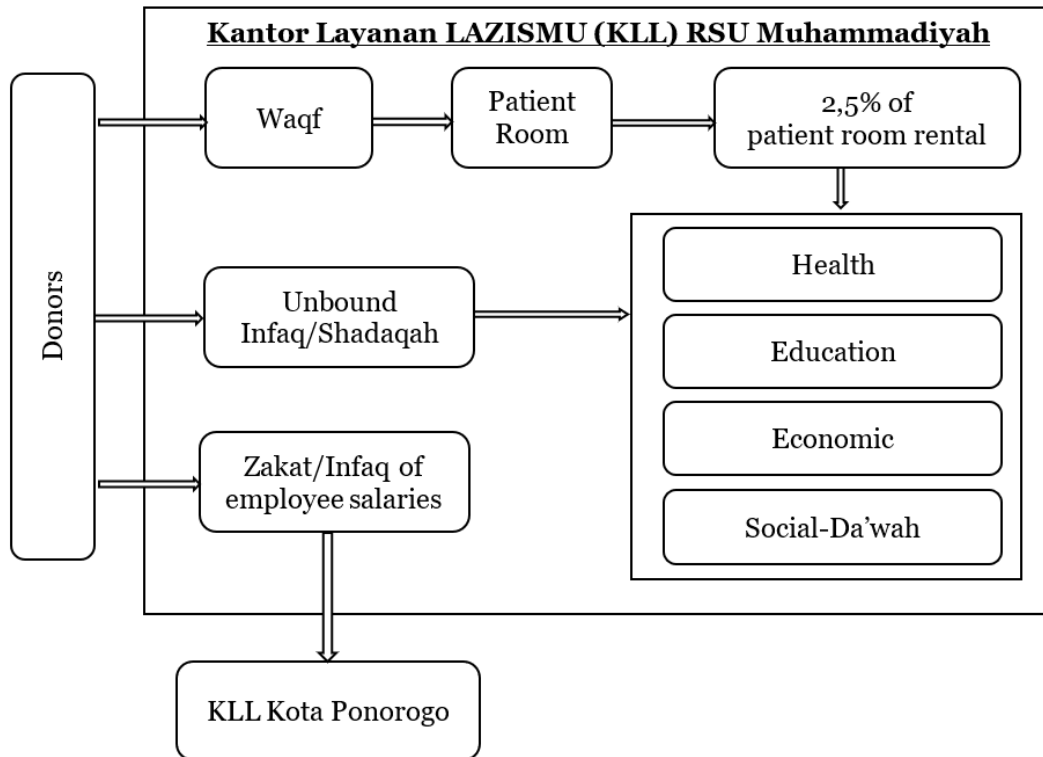


Figure 2. *ZISWAF* Management at the Muhammadiyah Hospital of Ponorogo

***ZISWAF* at the Muslimat Hospital of Ponorogo**

ZISWAF funds at the Muslimat Hospital were managed by the *JP-ZIS* (Zakat, Infaq, and Alms Management Network). As an independent manager at the hospital, *JP-ZIS* was responsible for submitting reports to NU Care of *LAZISNU* of East Java Province. The primary source of funds was a 2.5% deduction from employee salaries, considered as infaq instead of zakat for the convenience and flexibility of distribution.

This policy has been implemented for a long time and was regulated in work contracts, with no option for zakat or infaq, making it more flexibly handled by the *JP-ZIS*. It was initially aimed to help employees who were encountering a disaster, so distribution to them became a priority, considering the limited amount of funds and employees at that time.

In 2022, there were 263 employees at the Muslimat Hospital, excluding the specialists because they were considered visiting doctors, not permanent employees. Salary deductions for infaq were applied to all employees under the hospital management. Thus, specialist doctors' wages could only be deducted if they wished. Furthermore, the acquisition of infaq was around Rp. 11 million each month. In distribution activities, the finance and public

relations staff of the Muslimat Hospital managed the funds.

Unlike the *KLL* at 'Aisyiyah Hospital and Muslimat Hospital, which took about 12.5% of the funds collected for the *amil*, the *JP-ZIS* at Muslimat Hospital did not do the same. Thus, 10% of all funds collected were deposited into the *LAZISNU*. At the same time, the rest were distributed to the health, education, economy, and religious facilities. Furthermore, because they did not take *amil's* rights, the zakat distribution process was financed by the Muslimat Hospital. The following is the *ZIS* fund management scheme at Muslimat Hospital:

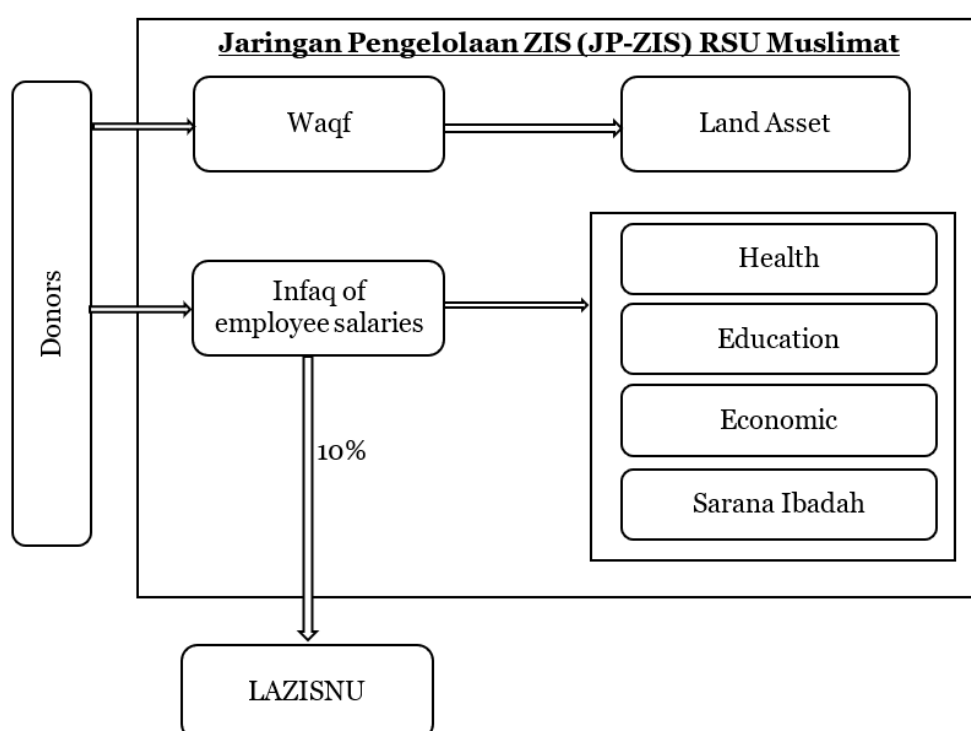


Figure 3. ZISWAF Management at the Muslimat Hospital of Ponorogo

DISCUSSION

ZISWAF Management at Hospitals in Ponorogo

Philanthropy cannot be separated from the spirit of Islamic teachings since Islam regulates the balance of vertical and horizontal relationships, as reflected in faith and good deeds. Hence, it can represent Islam as a philanthropic religion. Moreover, Islamic philanthropy can be interpreted as an activity to improve the life quality of the community by “giving” and sharing. Such activity undoubtedly requires an object to give, one of

which is in the form of wealth. In this regard, the Qur'an mentions several formal instruments for the distribution of assets, commonly referred to as philanthropic activities, namely zakat, infaq, alms, and waqf (Huda, 2011, pp. 127–129).

For people having a certain amount of wealth, many factors can motivate them to donate. The leading cause is that acts of charity affect many human dimensions. First, people can maintain faith (obey God's rules and show gratitude as His servant), strengthen and purify their souls, and hope for God's grace. Second, charitable acts can affect human behaviour. They develop good habits through caring for others. In this context, the principle that giving is better than receiving becomes one of the foundations of Islamic philanthropy; helping others in need. Good behaviour can commonly manifest by doing good deeds to fellow human beings, treating others well, and protecting the environment. Third, acts of charity involve transferring resources from Allah to humankind. As good servants, humans, as actors of Islamic economics, consume these resources with their spouses, sons, daughters, siblings, and other relatives. Besides, some are given to others, such as those in need, the poor and orphanages, travellers, and *gharim*.

These resource transfers, better known as Islamic philanthropy, can be carried out in obligatory and voluntary alms. Compulsory alms can be in the form of *zakat al-mal* and *zakat al-fitr*, while the voluntary can involve waqf, grants, and infaq. Zakat (as a relief instrument) aims to alleviate the suffering of others, with the principle of compassion being the driving force. Meanwhile, waqf (as an improvement instrument) seeks to maximize individual human potential and is energized by the efforts to advance individuals and communities and preserve the earth. Furthermore, another philanthropic instrument, such as alms (as a reform instrument), exist to solve social problems and support the other means mentioned earlier. Therefore, they are engaged in building better community structures and services, motivated by social responsibility (Ismail *et al.*, 2022, pp. 8–9).

Islamic philanthropic instruments are intended to preserve the purity of the soul. They help build the community's economy, develop a society with a humanitarian spirit, and reduce economic hardship for the poor. Therefore, they address inequality and create love and brotherhood. Even for the unlimited merits that people get, they are willing to share to realize the happiness of fellow human beings.

Resources, from expenses to donations, affect several human dimensions, including the economy. People decide whether to spend their

income now or in the future. It is called expenditure for consumption if they want to spend it immediately. In addition, it sometimes includes transfers of resources (donations) to others. Meanwhile, the income retained for future spending is known as savings, which can be channelled into investment in production, generating profit for future consumption.

Furthermore, distribution depends on donor resources. Once the donation has taken place, the community uses it to purchase goods, making both the donor and the recipient use items from current production. Today's consumption level is increasing, positively affecting improved production. Consequently, the return on investment increases, leading to an improvement in savings. In this regard, the increased future expenditure of donors positively influences donations. Therefore, the redistribution of wealth, whether mandatory or voluntary, depends on the preferences of donors and recipients. Ultimately, both affect goods from current industrial production. Through this process, donors and recipients exchange resources, promoting the distribution activities in Islamic philanthropy. In addition, this system assists beneficiaries in managing their subsistence needs, leading to a new form of support, which was previously perceived as the responsibility of the government and its entities in countries using social security systems.

Islamic philanthropy is indispensable for social-economic welfare and human justice (Utami *et al.*, 2020). To realize this circumstance, one of the dimensions required by many people is the health sector. Therefore, the distribution of *ZISWAF* funds is urgently needed by underprivileged people who need health services. This philanthropic fund is expected to ease the burden on the vulnerable community in obtaining access to health. Thus, the relevant institutions always channel the funds to the health sector, one of which is through hospitals.

In Indonesia, several philanthropic institutions have been established and participate in efforts to improve the community's welfare. As proof, 106 organizations were registered on the <https://filantropi.or.id/> website. Indonesia classifies philanthropic institutions into five types, namely family philanthropy, corporate philanthropy, religious philanthropy, independent philanthropy, and media philanthropy. In this regard, many religious philanthropy organizations exist in various regions of Indonesia. On the filantropi.or.id page, there were 30 of them, including BAZNAS, Dompot Dhuafa, Rumah Zakat Foundation, YDSF, and several LAZ.

The Islamic philanthropic institutions engaged in this research were included in the type of religious philanthropy, considering that they were under the management of LAZISMU and LAZISNU. In this context, researchers focused on three institutions located in Islamic hospitals in the Ponorogo Regency, which were responsible for managing *ZISWAF* funds in each hospital. *ZISWAF* manager at 'Aisyiyah Hospital and Muhammadiyah Hospital was the LAZISMU Service Office (*KLL*), while Muslimat Hospital had the *ZIS* Management Network (*JP-ZIS*). Regardless of the similar type of *ZISWAF* institutions, the pattern of fund management in each hospital being investigated differed.

Philanthropic institutions have two primary functions: 1) fundraising and 2) allocation. Regarding the fundraising function, there are several strategies to be implemented, namely through 1) payroll systems, 2) e-cards, 3) online payments, 4) Islamic banking services, and 5) counters (Nurhayati *et al.*, 2019). In the present study, fundraising was carried out through a payroll system and online payments. Thus, the primary funding source for the three examined philanthropic institutions was the salaries of hospital employees. In this regard, the direct deduction of employee salaries was considered the most practical and effective strategy. Philanthropic institutions in each hospital carried out this mechanism by calculating and making deductions based on the payroll. Thus, zakat payments were taken directly from the salary and transferred to the account of the philanthropic institution every month.

Another approach used in fundraising was online payment, by transferring funds to a philanthropic institution's account. It applied to non-employee donors, which were referred to as external donors, for some incidental programs. For example, the *KLL* Muhammadiyah collected funds for waqf of the patient rooms through this mechanism. Donors could complete the payment via transfer according to their choices: Class 1, 2, and 3 rooms were Rp. 30 million, VIP was Rp. 40 million, and VVIP was Rp. 50 million. In addition, several other incidental agendas were also conducted using this system.

The second function of philanthropic institutions is allocation, which is in direct distribution or utilization. According to Mohammad Daud Ali (1988, p. 62), the allocation of zakat can be classified into four categories: Consumptive-Traditional, Consumptive-Creative, Productive-Traditional, and Productive-Creative. In the present study, the Consumptive-Traditional category was carried out by directly distributing the collected funds to the

entitled recipients, such as some underprivileged patients encountering hardships paying off their hospital fees. Meanwhile, the Consumptive-Creative was realized by the three investigated philanthropic institutions in the form of funds distribution into the education sector, including school supplies, scholarships, and others.

For the productive category, the institutions mentioned earlier applied the Productive-Traditional and Productive-Creative models. The Productive-Traditional model engaged productive goods, such as goats, cows, sewing machines, carpentry tools, and others. It could encourage communities to create job fields for the poor. Meanwhile, Productive-Creative utilization was completed in the form of capital given to micro-business actors.

Regardless that they were located in hospitals, the three philanthropic institutions in this study had different priorities in distributing *ZIS* funds for the health sector. The *KLL* at Muhammadiyah Hospital placed the health sector as the highest priority, precisely 60% of the total distribution. The *JP-ZIS* at Muslimat Hospital distributed 44% to the health sector. Meanwhile, the *KLL* at 'Aisyiyah Hospital provided an 18% portion.

Governance Model of Islamic Philanthropic Institutions in Hospitals

The Islamic philanthropic institutions in the hospitals investigated in this research had different management models following their existing policies. They also had various governance patterns. Based on the prevailing practices, there were two models of *ZISWAF* governance at the hospitals, namely:

The first model was the Integrated Islamic Philanthropy Institution, which had its particular organizational structure. However, most operations and programs were integrated with the company where they operated, making them often overlap and even share operational costs, assets, and attributes. In this study, the Islamic philanthropic institution implementing this model was the *JP-ZIS* at Muslimat Hospital, a *ZIS* organization structured as an extension of LAZISNU to receive, collect, distribute, and utilize the collected *ZIS* funds. As an independent administrator at the hospital, the *JP-ZIS* was obliged to submit a report to NU Care of LAZISNU of East Java Province as a form of accountability. The *JP-ZIS* at Muslimat Hospital had a management structure based on a decree issued by LAZISNU. However, the personnel was not different from those at Muslimat Hospital. The finance

and public relations departments practically carried out the management of *ZIS* funds at Muslimat Hospital. Thus, the operations and programs of the *JP-ZIS* were integrated with the hospital. Moreover, the *amil* rights were not explicitly distributed, given that the managers were the finance and public relations department at the Muslimat Hospital itself. The operational costs of distributing and utilizing *ZISWAF* were financed by Muslimat Hospital, indicating that the *JP-ZIS* at Muslimat Hospital was included in the Integrated Islamic Philanthropy Institution.

The second model was the External Islamic Philanthropy Institution, in which the operations and programs were independent. The company occupied the donor status, managing the funds entirely by a philanthropic institution. In the present research, *KLLs* at 'Aisyiyah Hospital and Muhammadiyah Hospital were included in this category because they were independent and separated from hospitals' managements. *ZIS* funds collected from deductions of hospital employees' salaries were thoroughly handed over to the *KLL* to be further managed independently. At 'Aisyiyah Hospital, *ZIS* funds were fully organized and distributed by the *KLL* to their predetermined programs. Meanwhile, the *KLL* at Muhammadiyah Hospital relied more on profits from patient room endowments (*waqf*) because the *ZIS* funds resulting from employee salary deductions were deposited to the *KLL* in Ponorogo Regency. Thus, *KLLs* at 'Aisyiyah Hospital and Muhammadiyah Hospital were categorized into the External Islamic Philanthropy Institution.

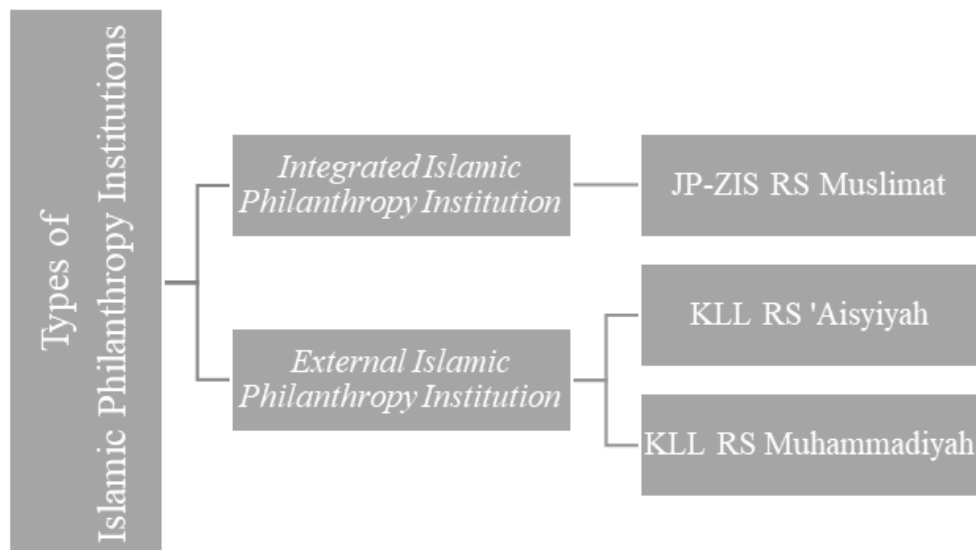


Figure 4. Types of Islamic Philanthropic Institutions in Islamic Hospitals in Ponorogo

CONCLUSION

ZISWAF governance at Islamic hospitals in Ponorogo was carried out by specific institutions, namely the LAZISMU Service Office (*KLL*) and the *JP-ZIS*. The primary donors were hospital employees, while the externals were engaged in incidental philanthropic activities. Philanthropy funds were allocated consumptively and productively into the health, education, economic, and social-da'wah sectors. There were two governance models: Integrated Islamic Philanthropy Institution at the *JP-ZIS* at Muslimat Hospital and External Islamic Philanthropy Institution at *KLLs* at 'Aisyiyah Hospital and Muhammadiyah Hospital. This study describes the *ZISWAF* governance at Islamic hospitals. Based on this study, subsequent researchers must formulate an Islamic philanthropy model for optimizing *ZISWAF* management in the health sector.

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308