



Policy Model for Zakat Management in Batang Regency: Analysis and Implementation

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Abstract

This research examines the zakat management policy model in Batang Regency with a focus on existing system analysis and its implementation. This study is motivated by several cases of zakat fund misappropriation by employees, indicating weaknesses in the supervision and management systems. BAZNAS in Batang Regency as a non-governmental institution currently relies on the SIMBA system (Zakat Basis Management System) and has not implemented PSAK No. 109 as the zakat accounting standard. This research uses a qualitative approach with data collection methods through interviews, observations, and document analysis. The results show that zakat management in Batang Regency requires a policy model reform that emphasizes transparency, accountability, and professionalism. This research recommends the adoption of PSAK No. 109 as a zakat accounting standard, strengthening internal and external monitoring systems, and modernizing the management information system to prevent misappropriation and increase public trust. The implementation of the proposed policy model is expected to improve the effectiveness of zakat management and maximize the socio-economic impact of zakat funds collected in Batang Regency.

Keywords: Zakat management, policy model, BAZNAS, Batang Regency

Abstrak

Penelitian ini mengkaji model kebijakan pengelolaan zakat di Kabupaten Batang dengan fokus pada analisis sistem yang ada dan implementasinya. Studi ini dilatarbelakangi oleh beberapa kasus penyelewengan dana zakat oleh pegawai yang mengindikasikan adanya kelemahan dalam sistem pengawasan dan pengelolaan. BAZNAS Kabupaten Batang sebagai lembaga non pemerintah saat ini masih mengandalkan sistem SIMBA (Sistem Manajemen Basis Zakat) dan belum mengimplementasikan PSAK No. 109 sebagai standar akuntansi zakat. Penelitian ini menggunakan pendekatan kualitatif dengan metode pengumpulan data melalui wawancara, observasi, dan analisis dokumen. Hasil penelitian menunjukkan bahwa pengelolaan zakat di Kabupaten Batang memerlukan reformasi model kebijakan yang menekankan transparansi, akuntabilitas, dan profesionalisme. Penelitian ini merekomendasikan pengadopsian PSAK No. 109 sebagai standar akuntansi zakat, penguatan sistem pengawasan internal dan eksternal, serta modernisasi sistem informasi manajemen untuk mencegah penyelewengan dan meningkatkan kepercayaan masyarakat. Implementasi model kebijakan yang diusulkan diharapkan dapat meningkatkan efektivitas pengelolaan zakat dan memaksimalkan dampak sosial-ekonomi dari dana zakat yang terkumpul di Kabupaten Batang.

Kata Kunci: Manajemen Zakat, Model Kebijakan, BAZNAS, Kabupaten Batang

INTRODUCTION

Welfare and poverty are among the social issues faced by various countries, including Indonesia. Improving welfare and eradicating poverty are efforts to address social problems and achieve a prosperous society. Achieving this requires significant efforts and funding. Resolving social problems and poverty is an ongoing endeavour that never ceases (Rohim, 2019). In minimizing the poverty rate, achieving a balanced community economy is a pursuit advocated in Islam. One way to accomplish this is through zakat. Zakat serves to equalize income and promote prosperity within the community, ensuring that wealth and assets are not concentrated within a specific group, but are circulated for the collective well-being (Hermawan, 2013).

The existence of social funds within the BAZNAS institution has led to an imbalance in budget management, which tends to favour the institution rather than the welfare of the community, contrary to the intended dominant effect based on the well-being of the community rooted in Islamic values. Certain individuals within the management of BAZNAS in Batang Regency have misappropriated the community's funds, intended for the institution's priority programs (Bakti Buwono, 2021). The issue arising from excessive misallocation of social funds that benefit certain individuals within the institution is due to the extremely weak legal regulations related to social funds. The repercussions of misallocating these funds affect the system and management within the BAZNAS institution in Batang Regency, leading to a poor process of distributing funds to the wider community.

Similarly, the problems in zakat management in Batang Regency are closely related to financial governance aspects. BAZNAS of Batang Regency as a non-governmental institution still uses the Zakat Basis Management System (SIMBA) and has not adopted the Statement of Financial Accounting Standards (PSAK) No. 109 concerning Zakat and *Infaq/Sadaqah* Accounting (Yulianti, 2021). This situation raises concerns about the transparency and accountability of zakat fund management, which in turn potentially opens gaps for malpractice and misappropriation. Proper accounting standards are a fundamental component in effective zakat management. PSAK No. 109 has been specifically designed to provide guidelines for the recognition, measurement, presentation, and disclosure of zakat and *infaq/sadaqah* transactions. The application of this standard is believed to increase the professionalism, transparency, and accountability of zakat management institutions, as well as minimize the risk of fund misappropriation. In addition, the management information system currently used (SIMBA) needs to be re-evaluated to ensure that the system is able to support transparent and accountable zakat management operations. A robust and integrated system is essential to facilitate the

reporting, monitoring, and auditing processes, so that every zakat fund flow can be clearly tracked and accounted for.

Based on the issue above, the researcher is grounded in the argument that the misconduct by certain individuals within the BAZNAS institution in Batang Regency is caused by or rooted in the poor quality of human resources due to improper recruitment processes and irresponsible management concerning incidents involving clients. This is further worsened by the weak administrative system in an institution that should ideally be oriented towards the welfare of the community. Based on the aforementioned issue, the researcher aims to examine and analyse the policy model and function of zakat, which serves as a means to gather social funds according to Islamic teachings. Furthermore, a broader exposition will be presented, based on a literature review accompanied by critical thinking regarding the function and role of zakat in fulfilling its duty for the overall welfare of the society.

LITERATURE REVIEW

Zakat Management Law Number 23 of 2011

That in the management of community funds in the form of zakat must be managed through an institution directly supervised by the coordinator, namely BAZNAS. The institution of zakat is the generosity of Islam in nurturing its people to achieve the welfare of *duniawi* and *ukhrowi*.

That LAZ is under the coordination of BAZNAS so that its legal position is strong, legal and can carry out its functions as an amil institution in the community. The task for zakat bodies and institutions to make and have amil zakat who are competent and professional in circumcision to manage zakat. Can be accounted for its performance before the government and the community, based on sharia principles as a foundation and principle in carrying out its duties as an amil.

Badan amil carries out its activities in empowering zakat in Indonesia nationally, headquartered in the national capital. Every activity of managing, collecting and distributing the amil agency is accountable and reporting. *Baiat amil* bodies in the province as well as those in the district or city area are all integrated into one. Those in the regions must report their institutions to the provincial agencies as well as provincial agencies must report to the centre. Likewise, institutions must report to agencies in their territory continuously and periodically.

The zakat that has been collected is used for the welfare of the zakat *mustahik* and if it has been fulfilled then it is then used to utilize positive and productive efforts. In the distribution of these funds, of course, prioritizing the priority scale evenly and divided fairly in the regional system.

In the Law, BAZNAS and LAZ not only manage zakat but are given space to empower *sadaqah*, *infaq* and other social funds. All income must be recorded and in accordance with the pledge by the *muzakki* because the pledge affects the funds to be targeted. So you have to have a separate book for *tatawwu'* charity is different from zakat which is a *mulzim* charity in religion.

Zakat, Infaq and Alms in Islamic Law

Zakat comes from the word "*az-zakah*" which is in Arabic. The word "*azzakah*" has several meanings, among them "*an-numuwu*" (growing), "*az ziyadah*" (increasing), "*ath-thaharah*" (clean), "*al-madh*" (praise), "*albarakah*" (blessing) and "*ash-shulh*" (good) (Agus Thayib Afifi, 2010). Terminologically it is a certain amount of property that God requires to be handed over to those who are entitled to receive it. The definition of zakat according to some experts is as follows: According to Yusuf Qardhawi, zakat is a certain amount of property that Allah is obliged to hand over to those who are entitled to receive it. According to Sayid Sabiq, zakat is a treasure that must be spent by humans as Allah's right to be handed over to the poor, called zakat because it can provide blessings, purity of soul, and the development of wealth.

Infaq comes from the word "*anfaqa*" which means to go out, which means to spend something for the benefit of something whose purpose is to gain the pleasure of Allah (Hafidhuddin, 1998). Whereas according to Sharia terminology, *infaq* means spending part of property or income / income for something commanded by Islamic teachings. If zakat has *nishabnya*, *infaq* does not know *nishab*. *Infaq* is also a small part of property that is used for the needs of many people as an obligation incurred because it is based on one's own decision. *Infaq* also has no time limit for and neither does the big and small. However, *infaq* is usually synonymous with possessions, which is something given for good. If he infuses then goodness will return to himself, if he does not *infaq* then he does not fall into sin. Meanwhile, according to Law of the Republic of Indonesia Number 23 of 2011 concerning Zakat Management, *Infaq* is property issued by a person or entity outside zakat for public benefit (Peraturan Pemerintah Republik Indonesia, 2011).

Alms comes from the word *sadaqah*, which means honest or true. A person who loves alms is a person who has a true confession of faith. According to Sharia terminology, the definition of alms is the same as the definition of *infaq*, including the law and its provisions. It's just that, if *infaq* is related to matter, alms has a broader meaning, concerning things that are non-material (Hasan, 2011).

In Islam there is a commandment that zakat is a right of Allah

attached to the property of a servant, and must be issued in order to be holy in order for the property to be holy. It is taken from the rich and capable and then sacrificed to the indigent. Not only purifying wealth, zakat also spreads kindness to the surrounding and the wealth obtained is more blessing. Where zakat linguistically means holy, growing and blessing (Sayyid Sabiq, 2012), then there is a balance between rich and poor, according to the command of Allah surah At-Tawbah: 103 (Mulyana, 2020). Zakat must be carried out by every Muslim because zakat is the third pillar of Islam. The obligation to give alms is affirmed once in the Qur'an because it has a very strong basis repeated in various verses and suras Al Baqarah: 43, Al Baqarah: 277 and Al Anam: 141.

Policy of Justice of Zakat for the Community

The bridge of justice is a straight path for the realization of a prosperous society. Starting from income equality in order to create equitable policies. Between *si kaya* and *si miskin* without any barrier separating the two (Aris, 2021). A building needs a deep, strong and solid foundation to support a towering tall building, as well as the foundation of zakat and the building without a solid foundation, the institution of zakat does not mean anything. Zakat is the spirit of justice that must exist in people's lives, by implementing zakat in society justice will arise. The policies contained today experience pros and cons both from individuals and from certain groups.

Policy is a set of concepts and principles that become basic guidelines in the implementation plan of a job, leadership and how to act. This term can be applied to governments, organizations, groups or individuals. So a just policy is a direction of action, a guideline in the implementation of an activity that has the intention to be fair for its regulation. Policy is a set of decisions taken by political actors in order to choose goals and ways to achieve goals. According to Anderson (1979), this policy concept has implications, namely (Bakar, 2020) :

- 1) The point of attention in discussing policies is oriented towards goals and objectives, not something that just happens but has been planned by actors involved in the political system;
- 2) A policy does not stand alone, but relates to various other policies in society;
- 3) Policy is what the government actually does and not what the government wants;
- 4) Policies can be both positive and negative; and
- 5) Policies must be based on law so that they have the authority of the community to comply with them.

The picture that with the goals to be realized and the public problems

that must be overcome, the government needs to make a public policy. This policy for its success must not only be based on economic, efficient and administrative principles, but must also be based on ethical and moral considerations. Ethics questions why we should act the way we do, while morals question how we act.

RESEARCH METHODOLOGY

This research employs a qualitative approach with a case study method to analyse the zakat management policy model in Batang Regency (Marzuki, 2011). Data collection is conducted through three main techniques: in-depth interviews with BAZNAS Batang Regency leadership and staff, *muzakki* (zakat payers), *mustahik* (zakat recipients), and other stakeholders; direct observation of the zakat management process including collection, distribution, and reporting; as well as documentation study of financial reports, operational guidelines, and other official documents. Data triangulation is applied to ensure the validity and reliability of research findings.

Data analysis is performed using thematic analysis methods which include data coding, categorization, pattern identification, and interpretation. The SWOT (Strengths, Weaknesses, Opportunities, Threats) analytical framework is also used to evaluate the existing condition of zakat management and identify opportunities for improvement. Additionally, this research applies a comparative approach by comparing zakat management practices in Batang Regency with best practices of zakat management in other regions that have successfully implemented PSAK No. 109 and transparent and accountable zakat management systems.

RESULTS AND DISCUSSION

The history of the establishment of BAZNAS began with the formation of BAZDA or a zakat institution under the auspices of the local government, specifically the Kesra Division of the Secretary of the Batang District. However, after efforts were made, in 2017 BAZNAS was established and officially inaugurated by the Batang Regent. This event took place on the 17th of Ramadan 1438 H. The National Amil Zakat Agency of Batang Regency, hereinafter referred to as BAZNAS Batang, is an institution that carries out its tasks and functions at the district level. Its address is at Jl. Jend. A. Yani No. 9 RT 5 RW 3, Kauman Village, Batang Sub-District, located 100 meters south of alun-alun Batang on the left side of the road. The office faces west and is adjacent to the Batang District MUI office.

BAZNAS Batang carries out tasks and strategies to maximize the potential of zakat: a) Zakat from civil servants (PNS) at both the vertical and regional levels, including personal data collection from leaders; b) Promote

and educate about zakat and *infaq* within corporations as part of corporate social responsibility (CSR); c) Encourage community organizations to join and form Collection and Distribution Units (UPZ).

Other strategies include enhancing collaboration with various institutions, including government agencies, increasing the frequency of zakat awareness campaigns through seminars and workshops, improving the competence of human resources within the zakat management team, Collection and Distribution Units (UPZ), and volunteers. Additionally, the development of an Information and Communication Technology (ICT) system for zakat management is being pursued.

Form of Policy Model for Social Funds Management in ZIS Institutions in Batang Regency

The Social Fund Management Policy Model is an approach or strategic plan established by the government, non-governmental organizations (NGOs), or other organizations to manage and utilize social funds effectively and transparently for the benefit of the community and its recipients (Kioko, 2016). The form of the social fund management policy model includes the following :

- Policy for UPZ Kemenag & UPZ Pemkab Batang: 70% of the funds are returned/transferred and recorded in the respective UPZ. Monthly reports are submitted. The implementation of the ZIS management model in Batang Regency involves the following four initiatives: a) Adjustment of Regulations and Guidelines for Zakat Collection Units to Zakat Management Units; b) Strengthening the Coordination Function of BAZNAS with Regional Governments and LAZ; c) Support from the Governor and Regent/Mayor in providing instructions for the optimization and monitoring of UPZ institutionalization in Batang; d) Up port for the Development of an IT Platform for the ZIS Management Information System in Batang that is nationally integrated.
- It is important to remember that the model of social fund management policy may vary between countries or specific regions due to unique challenges and social conditions. Furthermore, this policy model should be based on in-depth data analysis, study, and consultations with various stakeholders to achieve the most effective and sustainable results. The zakat policy in our country significantly differs from that of our neighbouring country, Malaysia, in terms of management and distribution. Providing a comparative overview of the advanced management in Indonesia, Malaysia is divided into 13 states where management and distribution are divided into 13 separate institutions. These institutions are not interrelated in the collection and distribution processes. In contrast, in Indonesia, the government has the National

Amil Zakat Agency (BAZNAS) and permits non-governmental or private institutions to manage zakat as well (Handayani, 2019). Zakat management in Malaysia is mandatory, and failure to pay zakat can result in legal consequences. The comparison is starkly different in Indonesia (Rakhmat *et al.*, 2022), where the potential for enforcement is relatively limited.

The Strategy of Zakat Management by BAZNAS in Batang Regency

In this regard, the National Zakat Amil Institution (BAZNAS) at the district level must be able to create a strategy as a reference foundation for a professional organization. Being professional involves managing various areas, including budgeting, systems, performance measurement, goal implementation, selecting types of businesses, work programs for zakat collectors, and more (Foris and Foris, 2014).

With a focus on strategy, BAZNAS in Batang District is expected to ensure its continued existence in utilizing community funds in the future. Located in the Central Java province, Batang District has a strategy for zakat management that is expected to contribute to the economic empowerment of the community, particularly in Batang and its surrounding areas.

In the context of zakat management, the National Zakat Amil Institution (BAZNAS) in Batang District has developed a strategy for zakat management and development, which includes:

- Problem Recognition

In addressing social issues in a particular area, the first step is to recognize the problem. Solutions will be ineffective if the problem is not identified first. Problems arise due to underlying causes, and these causes have consequences. One common social issue in the region, especially in Batang District, is the reluctance of people to pay zakat, as they fear it will reduce their wealth. Additionally, there is a lack of knowledge about the various assets that should be subject to zakat, such as livestock and other assets. (Ahmad Hidayat Buang and Saidatul Badrul Mohd Said, 2014). Another issue is social inequality, where there is a gap between the poor and the wealthy, resulting in class distinctions such as the lower class and the middle to upper class.

As the National Zakat Amil Institution (BAZNAS) in Batang District seeks to address issues arising from zakat management and distribution, it can conduct evaluations of past cases from previous years. Through these evaluations, it is hoped that zakat-related problems will not be repeated. In other words, BAZNAS in Batang District should be able to learn from past experiences and avoid the recurrence of these issues.

- **Creation of Business Opportunities for *Mustahik***

Creating business opportunities for *mustahik* requires proper decision analysis. With this analysis, it is hoped that BAZNAS Batang Regency can determine which priority scale has an important level of benefit (Ali *et al.*, 2016). The approach taken by BAZNAS Batang District to create business opportunities is by providing financial assistance in the form of capital for business ventures to the *mustahik* (those eligible to receive zakat). By offering business opportunities to the *mustahik*, it is expected that they can develop small and medium-sized enterprises using capital from zakat funds. These businesses can help generate employment opportunities. Examples of such small and medium-sized enterprises in Batang District include home-based industries, such as processing bananas into banana chips, banana snacks, tempeh chips, sweet potato chips, mushroom cultivation, culinary services, and laundry services.

Furthermore, BAZNAS Batang District also provides financial assistance in the form of pushcarts for street vendors who sell breakfast items like rice cakes, porridge, snacks, and more. This initiative sets a positive example and serves as a model that can be replicated to help reduce unemployment, particularly in Batang District. By creating these opportunities, BAZNAS Batang District aims to empower the *mustahik* economically, enabling them to generate income, and ultimately improving their overall well-being. It also contributes to the development and sustainability of small businesses in the region while addressing the issue of unemployment.

- **Developing Productive Ventures**

Productive zakat, within the context of economic programs, encompasses various activities such as skills training to enhance capabilities, providing work tools to increase productivity, and offering rolling capital assistance for businesses. In practice, disbursing funds to *mustahik* (zakat recipients) utilizes the Qardhul Hasan contract, which is an interest-free loan agreement. The rolling capital assistance is a type of assistance where the recipient has an opportunity to develop their business, thereby increasing their income and well-being. The business capital given must be repaid within a certain timeframe, allowing it to be reused to assist other *mustahik*, thereby spreading the benefits of zakat more widely (Wicaksono, 2019). With the presence of BAZNAS in Batang District, it is expected that they can provide or support productive ventures for the community, enabling them to develop their family's economy. Small-scale industries in Batang District have the potential to create job opportunities, including managing production goods, waste management, natural resource utilization, and distribution. This initiative by BAZNAS Batang District can be considered

a policy aimed at achieving development goals, such as increasing community productivity, creating more job opportunities, and fostering a climate for creative human resource development. Indirectly, this can also enhance the performance of local government.

- Creating a Small Business Network

Establishing a network of small entrepreneurs is highly beneficial for business stability, particularly for small-scale Sharia-based industries (Rahmiati, 2014). Solidarity among small entrepreneurs is crucial to avoid being marginalized by the times. Therefore, it is advisable to create an association for small Sharia-based businesses. In this regard, BAZNAS in Batang District has begun the process of forming a network of small entrepreneurs by collecting data and gathering small entrepreneurs according to their respective fields of business. Although it is not yet well-coordinated, there is a Sharia cooperative in Batang District, although its management has not reached its full potential. The establishment of such a network is expected to strengthen the bonds among small entrepreneurs, both in terms of business advocacy and information exchange among relevant institutions.

- Leveraging the Role of the Regional Development Planning Agency (BAPPEDA)

In line with the spirit of regional autonomy, decentralization for the development of small-scale industries will be successful if accompanied by strengthening the role of the community (Romeo, 2012). The Regional Development Planning Agency (BAPPEDA) of Batang District must create a strategic plan for the development of this sector. Especially considering Batang District is a transit city, continuously bustling with visitors from other districts, and it is still a developing city. In this context, BAZNAS in Batang District should engage and collaborate with the local BAPPEDA to discuss contributions of zakat, charity, and other social funds that can be allocated for community economic empowerment, especially for the people of Batang District.

Distribution and Disbursement of Zakat

The distribution and disbursement of zakat can be done through various methods. Some individuals choose to distribute zakat independently, while others channel it through zakat collection institutions such as the National Zakat Amil Institution (BAZNAS) or Regional Zakat Amil Institutions (BAZDA). Independent distribution of zakat is common in many places. Regardless of the donors' motivations, this approach is often adopted by the more affluent members of society to allocate a portion

of their wealth to the less fortunate in their vicinity.

However, independent zakat distribution can lead to issues and discomfort, sometimes even resulting in disputes or conflicts among potential recipients due to overcrowding and queuing for assistance. In this context, it is vital to note that the collection and distribution of zakat through formal institutions like BAZNAS Batang can help in organizing and streamlining the process, ensuring that zakat reaches its intended beneficiaries more effectively. Below is a table outlining the implementation of zakat distribution by BAZNAS Batang in 2022:

Picture. 1

Muzakki/ Munfiq	Jumlah Perolehan	Ditasarrufkan muzakki	Dikelola Baznas	Pembagian sesuai asnaf 30% / 100%							
				Faqir	Miskin	Muallaf	Riqob	Ghorimin	Sabilillah	Ibnu Sabil	Amil
				20%	40%	2,5%	%	2,5%	20%	2,5%	12,5%
Saldo awal	Rp. 1.337.131.103	Rp. 914.204.434	Rp. 1.709.417.278	Rp. 341.863.456	Rp. 683.746.911	Rp. 42.732.932	x	Rp. 42.732.932	Rp. 341.863.456	Rp. 42.732.932	Rp. 213.670.960
Muzakki/ Munfiq	Rp. 592.402.891	Rp. 402.121.652	Rp. 190.280.239	Rp. 38.056.047	Rp. 76.112.096	Rp. 4.757.006		Rp. 4.757.006	Rp. 38.056.047	Rp. 4.757.006	Rp. 23.785.030
Jumlah	Rp. 1.929.533.994	Rp. 1.316.326.086	Rp. 1.899.697.517	Rp. 379.919.503	Rp. 759.859.007	Rp. 47.489.938	x	Rp. 47.489.938	Rp. 379.919.503	Rp. 47.489.938	Rp. 237.455.990

Source: Baznas Batang 2022 zakat reporting

Based on the table, BAZNAS receives funds from zakat, *infaq*, and *sedekah*, totalling 100%, which are further divided into several parts. Firstly, BAZNAS manages funds it receives directly from individual *muzakki* and institutions that do not channel their contributions through UPZ (Amil Zakat Units). Secondly, funds obtained and managed entirely by BAZNAS are redistributed, with 70% going back to UPZ, specifically UPZ from the Ministry of Religious Affairs (Kemenag) Batang and UPZ from the Batang Regency Government. Since these UPZs independently distribute these funds, they are obligated to report their disbursements, while 30% of the zakat is managed by BAZNAS.

BAZNAS Batang has formulated a policy for the distribution of zakat based on different categories of recipients (*asnaf*) and the funds obtained directly by BAZNAS (100% and 30%) in the following proportions: *Faqir* (poor) 20%, *Miskin* (needy) 40%, *Muallaf* (new converts) 2.5%, *Riqob* (captives) 0% (since modern times do not have a system of slavery), *Ghorimin* (those in debt) 2.5%, *Sabilillah* (those in the path of Allah) 20%, *Ibnu Sabil* (travellers) 2.5%, and *Amil* (those involved in zakat management)

12.5%. This policy outlines the distribution of zakat for the year 2022-2023.

Table. 1

NO	BIDANG	2022 (Juni-Des)	2023
1	Humanity	17.5 %	36.8 %
2	Health	15.5 %	7.9 %
3	Education	25.8 %	33.2 %
4	Economy	24.7 %	18 %
5	Da'wah-Advocacy	16.8 %	4 %

Source: Baznas Batang policy 2022-2023 for zakat recipients

Analysis of Fund Misappropriation by Staff in Terms of Positive Law

The Republic of Indonesia Law Number 23 of 2011 concerning Zakat Management is explained in Chapter VIII regarding the prohibition in Article 37 where everyone is prohibited from engaging in actions of owning, mortgaging, donating, selling, or transferring zakat, alms, charity, or other social funds under their management. This is further detailed in Article 42, stating that the actions specified in Article 37 are considered a crime. The criminal sanctions that the perpetrator should receive according to Article 40 are a maximum imprisonment of 5 years or a maximum fine of 500 million (Zakat and Hukum, 2011). However, what happened in BAZNAS Batang is that the member who misappropriated the funds for personal interests resolved the issue through family connections by returning the funds intended for the community, assisted by the BAZNAS management, as a sense of responsibility for recruiting them as a staff member at BAZNAS. In light of the staff's actions causing financial harm to the community and violating the law, the BAZNAS Batang management resigned and was subsequently replaced by a new team.

In a normative-textual sense, the criminal act of corruption referred to by the term *al-ghulul* is clearly prohibited. From a legal perspective, a person is considered a perpetrator of the crime of corruption if they meet two criteria: First, they legally engage in acts to enrich themselves, others, or corporations, which can harm the state's finances or the state's economy. Second, with the intention of benefiting themselves, others, or a corporation, they abuse the authority, opportunities, or means available to them due to their position or status, which can harm the state's finances or the state's economy. (Pemerintah Republik Indonesia, 1999). In cases of corruption, the perpetrators are not only corrupting money, but beyond that, they have engaged in moral corruption. Their corrupt behaviour signifies the destruction and contamination of the high moral values and conscience passed down by noble predecessors (Ilyas, 2011).

Inequality and misappropriation of social funds within the Baznas (National Amil Zakat Agency) can be a serious problem because it diminishes the effectiveness and positive impact of the social programs that the institution should be implementing. Misappropriation of social assistance can also be categorized as an act of breaching trust. The position as a manager is a trust given by the people, and as someone entrusted, they should fulfil this trust responsibly, rather than exploiting it for personal gain. Here are some potential solutions to address these issues: Transparency and Accountability: a) Baznas should implement high levels of transparency and accountability in the utilization and distribution of social funds (Latief and Sandimula, 2022); b) Independent Oversight: Strengthening mechanisms for independent oversight of Baznas activities and finances can help prevent fund misappropriation; c) Public Education and Awareness: Baznas needs to enhance public education and awareness regarding the importance of correctly paying zakat and social contributions. By improving the public's understanding of the social benefits of paying zakat, individuals are more likely to participate actively and make appropriate contributions; d) Improvement in Information Technology Systems: Utilizing advanced and integrated information technology systems can enhance transparency and efficiency in social fund management. The right technology can aid in tracking fund flows, assessing program success, and ensuring that assistance reaches the right recipients; e) Sanctions and Penalties: Imposing strict sanctions and penalties on individuals proven to have misappropriated social funds can be an effective deterrent (Button *et al.* 2012). It can also help shape an environment where unethical practices will not be tolerated; f) Continuous Improvement: Policies should be open to renewal and adjustment in line with the changing needs and developments of the society over time.

To enhance the values of justice as a manifestation of the judicial process, it is only fitting that specific sanctions or criminal provisions are enforced firmly, without any differentiation in the application of the law, including towards corrupt individuals. Even though the application of Islamic law may vary, the law must be positioned as the guardian of society against any form of crime, including corruption (Muhammad Yahya, 2020).

Analysis of Islamic Law Review of Zakat Misappropriation Cases

Speaking about the Islamic perspective on corruption, it is important to refer to the Quran and Hadith as the primary sources of Islamic teachings. Islam is a complete and universal religion that not only regulates the relationship between creatures and the Creator (*hablum minallah*) but also governs the relationship among human beings (*hablum minannas*) and the relationship between humans and the environment (*hablum minal 'alam*)

(Munib, 2018). Therefore, Islam comprehensively teaches several principles to ensure that human relationships are harmonious and civilized.

In another form, Islam also develops clear regulations and legislation, a robust administrative oversight system, and stringent managerial practices. Therefore, in delivering and determining punishments for corrupt individuals, it should be impartial, regardless of whether they are officials or not. The purpose of these punishments is to instil a sense of deterrence to prevent the crimes they have committed, thus fostering peace and harmony within society (Burhan, 2014).

From the perspective of Islamic law, corruption cases fall within the domain of *mu'amalah maliyah* (socio-economic transactions) or *fiqh siyasah* (state law). In the Qur'an, there are several verses that are capable of shaping moral awareness in humans to refrain from greedily consuming public funds. The Qur'an also provides a theoretical framework to combat corruption, such as prohibiting Muslims from selecting oppressors as their leaders (Burhan, 2014).

It's important to note that implementing these solutions requires commitment and collaboration from all relevant parties, including Baznas itself, the government, the public, and other stakeholders involved in the management and distribution of social funds. Corruption of social assistance involves wrongfully taking another person's property by abusing authority or position, and such abuse can be categorized or equated to *ghulul* in Islamic criminal law. *Ghulul* is an extremely wicked act, not only harming one or two individuals but harming the entire society in all aspects because the wealth taken is the communal property that should be used for the welfare of the people (Ervin Kaffah, n.d.). Besides being categorized as *ghulul*, corruption of social assistance can also be equated with an act of betrayal of the trust bestowed by the people (Mahmud, 2004).

Fatwa issued by the Indonesian Ulema Council (Majelis Ulama Indonesia or MUI), specifically Fatwa Number 4/Munas VI/MUI/2000, defines *ghulul* as the act of wrongfully taking something under one's authority. This includes bribery, corruption, and giving gifts. The fatwa further stipulates that giving gifts before a person holds a certain position or authority is generally considered halal in Islam, as long as the intention is not to influence the actions or decisions of the official when they assume their position.

The Islamic rulings regarding giving and receiving gifts can vary depending on the context and intentions behind the action. In this regard:

1. If the gift is unrelated to any matter between the giver and the official, and there is no hidden intention to influence the official's decisions or actions, giving and receiving such gifts is considered halal.

2. If there is a matter or issue between the giver and the official, and the gift is given or received with the intention to influence decisions or actions that contradict the principles of justice or Islamic law, then giving and receiving such gifts may be considered haram (Sabir and Mutmainnah, 2020).
3. If there is an issue between the giver and the official, either before or after the gift is given, and the gift is not intended for purposes contrary to the principles of justice or Islamic law, the giving of the gift might be considered halal. However, the official may be discouraged from accepting it, especially if there is a potential conflict of interest or bias.

The Quran explicitly prohibits the practice of *ghulul* (corruption) in the sight of Allah, as mentioned in Surah Ali Imran, verse 161. Allah indeed purifies His Prophet from the attribute of treachery in the matters of war booty. He would not take anything except what Allah had allotted for him. This demonstrates the purity and exemplary character of Prophet Muhammad (peace be upon him) in fulfilling his role as a leader and a messenger. In Islam, treachery in the matters of war booty is a strongly prohibited act and is subject to severe punishment. Those who are treacherous in this matter will be held accountable on the Day of Judgment, where they will be burdened by the wealth they betrayed. Every soul will receive a fair and complete recompense for their deeds without any reduction. This statement emphasizes that anyone who takes the war booty (*ghanimah*), funds from the treasury (*baitul mal*), or zakat without proper authorization from the leader will carry the burden of this act on their neck on the Day of Judgment. It is considered one of the major sins and is included as number 22 in Imam Az-Zahabi's book "Al-Kabair" (The Major Sins). In Islam, unauthorized taking of public funds or property is a grave offense, and it carries significant consequences in the hereafter (Syafi'iy, 2007). This message emphasizes the importance of honesty, justice and integrity in managing property and world affairs. The Prophet Muhammad SAW is a prime example in this regard, showing that these qualities must be adhered to by every individual, especially those in positions of leadership or responsibility for collective property.

Ibn Latbiyyah was ordered by the prophet to take care of the zakat, then said this is for you and this is a gift for me, then the prophet went up to the pulpit and said: By Allah, none of you will take anything that is not his right, unless on the Day of Resurrection he will carry it, I do not know any of you who He came before Allah carrying a camel or a mooing cow, or a bleating goat, then Rasulullah raised both hands saying: O Allah, have I conveyed everything (Al-Ja'fi, n.d.)? There is a narration that tells the story of a person who stole a garment from the spoils of war, and in the Hereafter, that stolen garment is transformed into fire in Hell. Imam Ahmad stated

that the Prophet never refused to perform the funeral prayer for the deceased, except in the case of a "*ghal*" (one who steals from the spoils of war) or a person who committed suicide. There is also a narration that mentions the Prophet's refusal to perform the funeral prayer for a deceased person who had outstanding debts. Furthermore, Allah is reluctant to accept the prayer of someone who is impure, and charity offered from ill-gotten wealth due to "*ghulul*" (embezzlement or misappropriation) (Muslim, 1955).

The understanding of the concept of "*ghulul*" in Islam can indeed be applied more broadly than just betrayal related to the spoils of war. The concept of "*ghulul*" has wider relevance and can encompass betrayal in various aspects of life, both material and non-material (Zaruni and Isnaeni, 2023). Forms of "*ghulul*" include: a) *Ghulul* meaning stealing from the spoils of war (*ghanimah*); b) Embezzling state property (*baitul mal*); c) Misappropriating zakat and gifts intended for officials. In a broader context, "*ghulul*" can encompass all forms of betrayal or misuse of trust and resources, including material wealth, positions or roles, and various actions that can harm individuals or society at large.

CONCLUSION

BAZNAS in Batang Regency is a non-governmental organization that does not use PSAK No. 109. BAZNAS in Batang Regency still uses the SIMBA system (Zakat Management System). In the process of preparing the financial statements, the National Zakat Amil Body must use zakat accounting standards with proper and transparent bookkeeping systems because it is an institution that serves society in social matters. The institution should present information on that is reasonably accurate, trustworthy, and consistent with Islamic Shariah, as outlined in PSAK No. 109, which serves as the zakat accounting standard for financial reporting.

The process of preparing these reports is not detached from journals, ledgers, and reports for each type of data. These reports represent a consolidated report for all types of reports to understand BAZNAS Batang's overall financial status. The accounting cycle is carried out when receiving zakat funds from the *muzakki*. These records are maintained in a ledger, and they include revenue and collection reports, distribution and utilization reports, and source and use reports. Accounting for zakat funds by BAZNAS in Batang Regency is based on cash basis, where all received income is recorded. BAZNAS Batang only creates general ledger reports, revenue and collection reports, distribution and utilization reports, and source and use reports.

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