

The Effectiveness of Income Zakat Distribution to Undergraduates in Universiti Teknologi MARA (UiTM) Kedah

Mohd Nasir Ayub

Universiti Teknologi MARA, Cawangan Pahang Kampus Raub, 27600 Raub, Pahang, Malaysia

Surita Hartini Mat Hassan

Universiti Teknologi MARA, Cawangan Pahang Kampus Raub, 27600 Raub, Pahang, Malaysia

Ramlan Mustapha

Universiti Teknologi MARA, Cawangan Pahang Kampus Raub, 27600 Raub, Pahang, Malaysia

Mohd Marbawi Taha

Universiti Teknologi MARA, Cawangan Terengganu Kampus Dungun, 23000 Dungun, Terengganu, Malaysia

Mohd Asyraf Yusof

Sekolah Menengah Islam al-Hikmah, 42300 Shah Alam, Malaysia

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v13-i11/19262> DOI:10.6007/IJARBSS/v13-i11/19262

Published Date: 12 November, 2023

Abstract

The zakat institutions in Malaysia play a great role in assisting to fulfil the needs of the undergraduates in higher learning institutions. The surge of the pandemic Covid-19 that plagues the country has jeopardised household income and further stalls family's financial assistance to their children in the university. This is a common scenario in Universiti Teknologi MARA (UiTM) Kedah branch. Based on facts, the Zakat Unit in UiTM Kedah has expanded and become the Zakat, Charity and Waqf Coordinator (ZAWAS) UiTM Kedah that has successfully lightened the burden of asnaf among the undergraduates through zakat distribution every semester. A lot of the needs of the asnaf on campus has been resolved through the zakat fund received. With this underpinning phenomenon, this study aims to analyse the effect of the zakat fund distributed to the undergraduates in UiTM Kedah. Data were gathered online using *google form* that was filled in by the undergraduates who receive the zakat. The data obtained will be analysed using the SPSS version 8.0 software. The study outcome establishes that the zakat fund is effective in catering to the needs of the undergraduates such as the Internet and phone bills, books and stationeries, food and drinks, and so on.

Keywords: Effectiveness, Distribution, Income Zakat, Undergraduates, UiTM Kedah

Introduction

Zakat began to be an Islamic obligation since the 2nd year of Hijra. The aim of zakat is to assist people in hardship according to the parameter of Shara', boost the economy of Ummah and uphold the laws of Islam. The poor and the impoverished are among those entitled to get zakat assistance (Yusof et. al, 2020). The zakat fund will be able to lighten the burden of the asnaf, at the same time giving them the opportunity to be independent and to finally get disconnected from the asnaf category. In the Quran, is divided into 8 groups, namely very poor, poor, *amil*, mualaf (converts), people suffering from social issues (*al-riqab*), people in debt (*al-gharimin*), *fi sabilillah* and *ibn sabil*. Zakat also serves as a mechanism in asset distribution and social balance dictated by Allah SWT based on Islamic philosophy and *maqasid* (Zaki, 2020). A fair distribution of zakat must be carried out to all eight groups of asnaf. According to the sect of Imam Syafie, zakat can also be distributed to at least three groups where the third one is the amils, and that would suffice.

The main socio-economic objective of zakat is to eradicate poverty among the Muslim society. Islam regards poverty as a serious issue. Poverty is one of the many reasons for the occurrences of crime in the society. It has brought upon hatred and enmity between the poor and the rich, leading to the social conflicts permeating in the society. The issue here is whether the increased collection of income zakat in Malaysia generally, and Kedah specifically, is the best benchmark for the channelling of zakat fund to the groups of asnaf. Are the zakat asnaf in the public higher learning institutions (IPTA) such as in Universiti Teknologi MARA (UiTM) Kedah able to receive zakat and at the same time, reduce the asnaf's self-sustenance costs during the studies? Thus, this study identifies the effectiveness of income zakat towards asnaf among the staff members and students in UiTM Kedah.

Study Methodology

This study is a case study involving an observation on the impact of income zakat fund distribution from UiTM Kedah to the zakat asnaf comprising of students and staff members of UiTM Kedah. This study adopts a quantitative approach, with the questionnaire distributed online using *Google Form*. This study chooses its sample using the purposive sampling method, and it approaches the population area, which is UiTM Kedah and the sample of students and staff members of UiTM Kedah. For this study, the sample selected is students who have received zakat assistance from UiTM Kedah without accounting for the frequency of assistance received, UiTM Kedah students who have completed their studies or are still studying, also Muslim UiTM Kedah staff members who have received zakat assistance. Due to the limitation of time and costs, the sample size was in the form of 186 respondents. Having completed the data collection process using *Google Form*, the data obtained was collected and analysed using the *Statistical Packages for the social sciences* (SPSS). This study involves a descriptive method using the percentage, mean and standard deviation.

Literature Studies

The daunting task of managing zakat today requires high level of professionalism. This view is consistent with the view held by that zakat management today is not the same with the one established previously. The *amil* appointed years ago comprised of ustaz and religious teachers with reliable transparency. However, today, there is a requirement for zakat managers who have very high professionalism and knowledge encompassing various fields of skills to manage and administer issues related to collection and distribution of zakat fund. He added that the establishment of zakat institutions in Malaysia is essential in ensuring that the

implementation of the zakat collection and distribution can be done efficaciously, transparently and effectively. The failure of the zakat institutions to function properly can also impede the execution of the mission and vision of the institutions. He also proposed that zakat managers and administrators instil high Islamic values like being trustworthy, fair, wise and so on when it comes to collecting and distributing zakat. This is to avoid the issue of injustice in zakat distribution and collection. Consistently, viewed that zakat contributes a great deal to the national economic growth. This can be realised by increasing the efficacy of the role played by the amil in managing zakat. According to him, zakat management is moving towards a more progressive and professional direction, in line with other Islamic financial institutions, but it still needs to adhere to the Shara'-oriented guideline and procedure.

Zakat studies in IPT have been carried out by several researchers. For instance, their studies find that every IPT has their own method of administration. The pay for amil given by the higher learning institutions is not uniform, where every State Religious Council tends to give different rates of pay to their respective amils. Based on their study, Perak Council of Islamic and Malay Customs (MAIPK) is found to pay the highest to their amil which is 12.5 percent. Selangor Zakat Board is found to have returned the highest zakat distribution which is 43.75 percent from the total collection of zakat fund at the university. Finds that the zakat distribution can assuage the rate of the students lagging behind in their studies especially those learning in higher learning institutes. The cases of students lagging behind in higher learning institutes are mostly due to failure and not due to poverty. With reasonable zakat funding, this kind of group can be rescued and can succeed just like others. Thus, the zakat fund needs to be appreciated and used as much as possible for the self-development and benefit of the asnaf. However, according to there are also asnaf, or students entitled to get zakat assistance, who do not appreciate and understand that the zakat assistance can actually motivate them to study and to form a better moral and improve their quality of acts of worship. This necessitates the management to plan on the strategy to boost the students' motivation so that they will better appreciate the contribution they receive for their development and improvement in the future.

Based on the previous literature studies, there have yet to be specific studies on the effectiveness of the zakat fund distribution in UiTM Kedah. Thus, this study will examine the impact of zakat distribution in UiTM Kedah on the asnaf, especially the group of undergraduates, who is really in need of financial assistance to cover their basic needs on campus.

Study Analysis and Discussion

At UiTM Shah Alam level, the management of zakat, waqf and charity is managed by the Zakat, Waqf And Charity Department, or known as ZAWAS. ZAWAS UiTM Shah Alam was set up, as the product of the joint effort between UiTM's higher management and Selangor Zakat Board that started in 1998. Meanwhile, UiTM Kedah's zakat management is the responsibility of ZAWAS UiTM Kedah.

Zakat fund is the fund received from the zakat collection carried out in UiTM Kedah. UiTM Kedah based on the memorandum of agreement with LZNK had agreed to allow UiTM Kedah to collect income and asset zakat. The income asset encompasses any halal acquisition, and fuqaha' members would classify this as "*Mal al-Mustafad*". This includes any income other than the ones explained in the shara'. The calculation of income zakat would be based on one's gross income. This is based on the decree of Allah SWT which means:

“Let the man of means spend according to his means: and the man whose resources are restricted, let him spend according to what Allah has given him. Allah puts no burden on any person beyond what He has given him. After a difficulty, Allah will soon grant relief.”. (al-Talaq:7)

There are several views concerning the income zakat in Malaysia. This has become an issue and the point of debate among the Muslim scholars. Stating that there are three forms of responses for the Malaysian society with regard to the obligation in paying income zakat. The first one is those who refuse to do so because the fatwa is not based on valid evidence. Secondly, those who are willing to do it for the sake of the wellbeing of the society and fellow recipients. Thirdly, those who receive the obligation of paying for the income zakat as the law is based on the evidence from the Qur'an and Hadiths.

However, the 31st Muzakarah Jawatankuasa Fatwa Majlis Kebangsaan Bagi Hal Ehwal Ugama Islam Malaysia (MKI Muzakarah Committee) and Special Muzakarah conferencing on 9 Dec 1992 had discussed the issue of Professional Salary and Income Zakat. The Muzakarah had decided that Muslims can issue their zakat from their income and the State Internal Revenue must release the zakat rebate on the amount paid. The same goes with the professional income where zakat is made obligatory, as it is included in business zakat. (JAKIM, 2022). Meanwhile, the obligation of paying for income zakat in Kedah was decreed on 10 April 1986 under the Islamic Administrative Enactment 1962 No.9. (LZNK, 2022). There are several methods of income zakat assessments namely the method without basic needs deduction where [2.5% X gross income per year] is divided by 12 months, or the method of basic needs deduction, where 2.5% from the annual gross income minus several permissible expenses (oneself, wife, children, EPF) and divided by 12 months. Meanwhile, the next method is by making deduction on the actual expenses covering basic needs (food, clothes, medicine, transportation, education and accommodation), and 2.5% from the remaining (if it covers the nisab) will be divided by 12 months.

The income zakat obtained in UiTM Kedah is the outcome of the zakat collection from the staff members through the salary deduction every month according to the current rate calculated, minus the household dependants. The asset zakat is received for staff members who wish to pay zakat upon them other than the income like gold zakat and so on. The asset zakat can also be paid by LZNK to ZAWAS UiTM Kedah as a valid collector of asset zakat.

Criteria of Zakat Asnaf in UiTM Kedah

Based on the memorandum of understanding signed previously, the total amount of collection equally divided between LZNK and UiTM Kedah is 50% from the total amount of collection. For example, if the total amount of collection per month is RM50,000, UiTM will use RM25,000 to be distributed to the students and staff members of UiTM categorised as Zakat asnaf. It has been mentioned that generally, the zakat asnaf comprises of 8 asnaf namely the very poor, the poor, amil, converts, people with social issues, people in debt, fisabilillah and ibn sabil. However, for UiTM Kedah only four asnaf were listed namely the very poor, the poor, fi sabilillah also amil. The determination of the categories is shown in Table 1.

TABLE 1: Categories of Zakat asnaf in UiTM Kedah

CATEGORY	AMOUNT OF INCOME (RM)	GROUP	FORM OF ASSISTANCE
VERY POOR	0-1000	Students and staff members	Financial help, for life sustenance
POOR	1001-3000	Students and staff members	For life sustenance
FISABILILLAH	3000 above	Lecturers of UiTM Kedah	To conduct research related to zakat
AMIL		Eligible amil	Financial

Table 1 shows the four categories of asnaf who are eligible to receive the zakat money in UiTM Kedah. The first category is the very poor where the total household income is under RM1000. For the poor category, the total amount of income stays under RM3000. For the category of fi sabillillah it is given to lecturers who intend to conduct studies related to zakat, with an income of RM3000 above. The total amount of distribution does not have a fixed rate as it depends on the amount of collection and the total number of applications. Zakat applications are open 2 times a year, which is once for every semester. Students can make the application for every semester. There is no limit in the application- as long as the students are comprised in the asnaf groups, then they are entitled to apply.

The Impact of Income Zakat On The Asnaf In UiTM Kedah

Our study finds that the income zakat in UiTM Kedah has been able to help the asnaf groups. The feedback from the students establishes that the zakat fund received is used to buy their daily essentials, help their families, pay for medical needs, and some even use it to pay for their study fees.

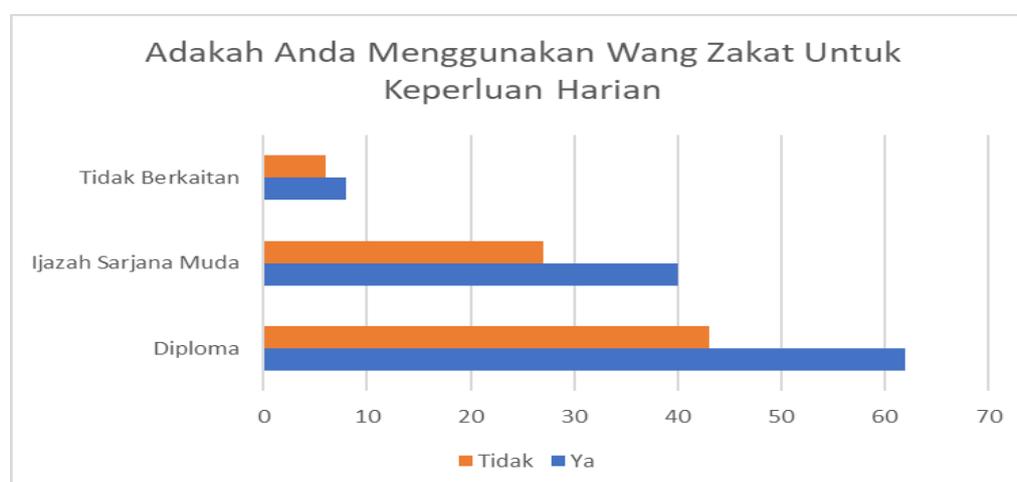


Diagram 1: The Use of Zakat Money for Daily Needs

Source: Data SPSS

Based on Diagram 1, a total of 61 Diploma students and 40 Degree students uses the money for their daily needs. These essentials, in college or at home, include buying for clothes, providing learning equipment and other needs. The pandemic Covid-19 gives an effect to the student’s own financial situation, and this means that they might be using more money along the way.

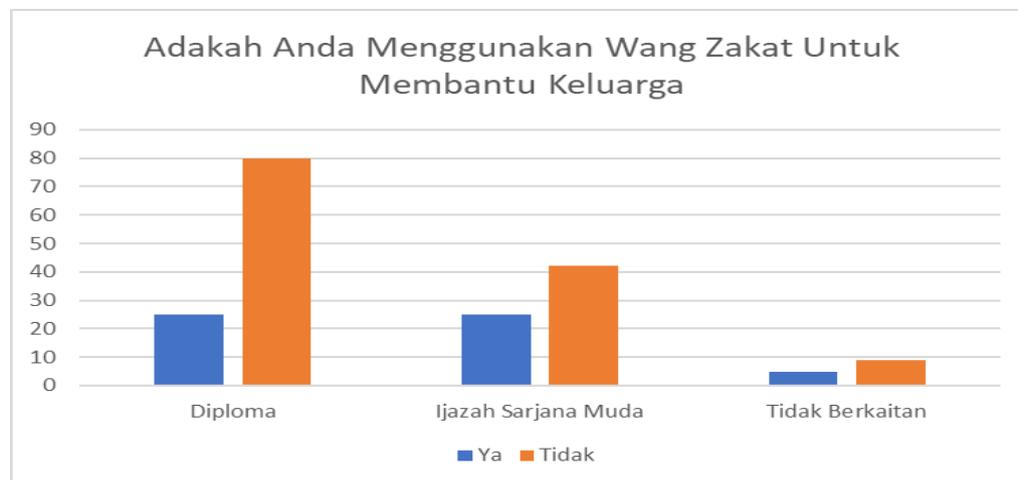


Diagram 2: The Use of Zakat Money to Help Family

Source: SPSS Data

Based on Diagram 4.2, the zakat money is also used to help their families. A total of 25 Diploma and 25 Degree students use the zakat money to help their families. Not only the zakat assistance, the PTPTN loan is also sent to the families to lighten the family burden. This is common among B40 students.

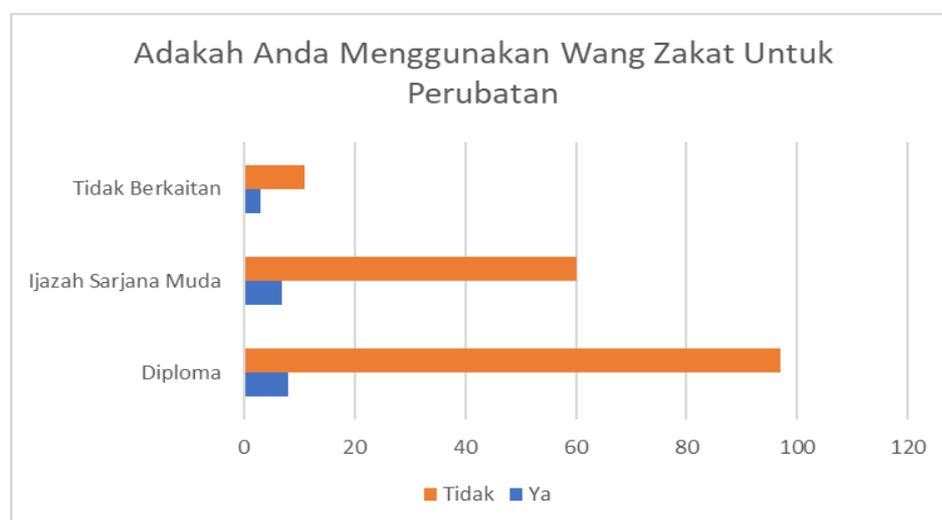


Diagram 3: The Use of Zakat Money for Medicine

Source: SPSS Data

Diagram 3 also portrays the statistics of the students who use the zakat money for medical needs. 6 Diploma students and 8 Degree students use the zakat money for this purpose. The pandemic has left a lot of impacts to the students, especially the B40 families. Zakat assistance has been helpful when it comes to buying medicine, and resolving the costs of the treatment involved. This, more or less, influences the success of the students in UiTM Kedah. The students’ health should be of priority when they are in college, and a good environment must be created so that the students’ learning process will not be disrupted.

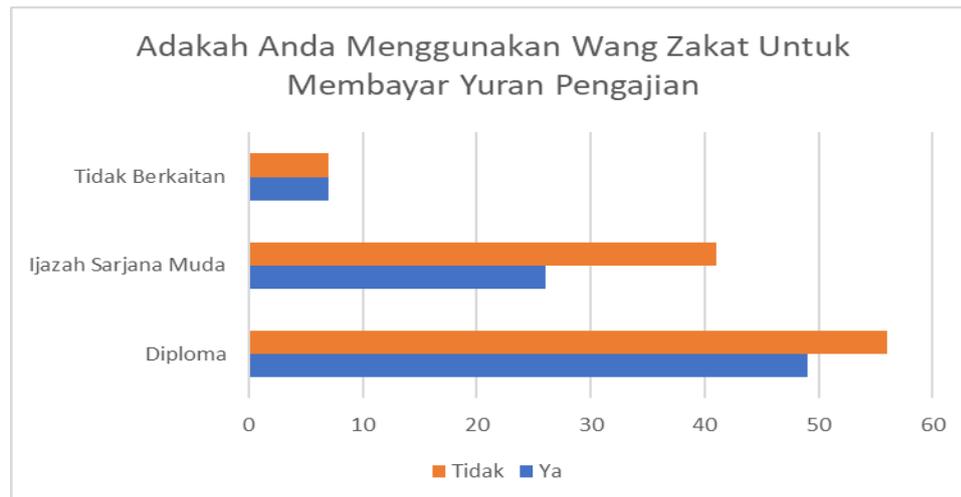


Diagram 4: The Use of Zakat Money to Pay Study Fees

Source: SPSS Data

Diagram 4 shows that the students in UiTM Kedah have used the zakat money received to pay for study fees. A total of 26 Degree students and 49 Diploma students use the zakat money to pay for study fees that have to be paid every semester. According to the record from the Academic Affairs, there are students who failed to pay for their fees because of the fact that their parents are very poor. The PTPTN loan that should be used to pay for the fees has been expended to help the families at home. This causes the fees to be mounting, and finally they have to be assisted using the Amil Fund to pay the fees. Tabung Amil is also helpful to help students who are running out of money to eat, to pay for the traveling cost for them to go back to the village, for hospital treatment costs for example, if there is an accident happening and many more. The situations have happened to both the asnaf and the non-asnaf in UiTM Kedah.

Based on the study outcome, it shows that the majority of the students use the zakat money to buy their daily essentials and also to pay for their study fees. These are a student's urgent needs. Thus, the dependency on zakat money is an opportunity for this kind of students. The zakat money, is thus, very useful to cater for the needs of the asnaf in UiTM Kedah.

Conclusion

In sum, the study outcome establishes that the Zakat, Waqf and Charity Department (ZAWAS) of UiTM Kedah has been demonstrating good efficacy in executing the tasks. This efficacy is highlighted with a more systematic work division with the establishment of the Head of Unit led by the Zakat Coordinator himself. There are four sections namely the Zakat Head of Department, Waqf Head of Department, Charity Head of Department and Research Head of Department. What is interesting is that, the Zakat Head of Department is sub-divided into two units, namely Collection and Distribution Units. These two units play a major role in collecting and distributing zakat fund.

The zakat distribution received by asnaf gives a positive effect especially to the undergraduates themselves. The zakat money is used to fulfil the daily needs of the students like food and drinks, clothes, medicine and so on. Some spend the money to pay for their study fees as their families are too poor, although this is temporary. Based on the data obtained in this study, ZAWAS UiTM Kedah and LZNK have to collaborate to help more asnaf

in UiTM Kedah. Also, through this data, LZNK should be able to identify the profiles of asnaf students and subsequently, help LZNK to locate asnaf from the families of the asnaf themselves.

Corresponding Author

Mohd Nasir Ayub,

Universiti Teknologi MARA, Cawangan Pahang Kampus Raub, 27600 Raub Pahang, Malaysia,

Email: mnasir251@uitm.edu.my

References

- Mahmood Zuhdi, A.M. (2003). *Pengurusan Zakat*. Malaysia, Kuala Lumpur: Dewan Bahasa dan Pustaka.
- Mahmud, R., Ahmad, S., Mohamad, A.B.H., & Ahmad, S.H. (2014). Institusi Pengajian Tinggi Sebagai Model Melokalisasikan Urus Tadbir Zakat Di Malaysia. *Jurnal Muamalat*, (3), 133-163.
- Shamsuddin, K.B., Wahab, B. & Salleh, M.S. (2021) Impak Bantuan Zakat Terhadap Prestasi Akademik Pelajar Dan Penghayatan Agama: Kajian Kes Semasa Era Covid-19, *Proceedings of the 2nd Kedah International Zakat Conference 2021 (i-KEIZAC 2021)* eISBN: 978967171284 841 (Impact of Zakat Assistance on The Students' Academic Performance and Religiosity: A Case Study During The Covid-19 Era)
- Yusof, S.M., Tahir, R.M., Othman, A. & Hamed, A.B. (2020). Pelaksanaan Pengurusan Agihan Zakat Di Kedah. *International Journal of Zakat and Islamic Philantropy*, 2(2), 50-57.
- Suryani, M. (2012). *Kaedah pembayaran zakat pendapatan melalui skim potongan gaji oleh Lembaga Zakat Selangor*. Tesis Ijazah Doktor Falsafah, Universiti Malaya.
- Wahid, H. (2009). Pengagihan zakat oleh institusi zakat di Malaysia: Mengapa masyarakat Islam tidak berpuas hati?. *Jurnal Syariah*, 17(1), 89-112.
- Zaki, M.M.M., Sulong, J. & Ghani, N. (2020). Cabaran Amil Lembaga Zakat Negeri Kedah Dalam Revolusi Perindustrian 4.0. *Journal of Contemporary Islamic Law*, 5(1), 1-8.