The Model Investment Management of Cash Waqf

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Abstract
This study aims to analyze the management of waqf through money and its implications for the development of social institutions in the Muslim community. The research departs from the phenomenon of cash waqf management in Nazhir waqf which is not in accordance with the mandate of the legislation, namely cash waqf must be managed and invested in Islamic financial institutions. This study uses a qualitative method with a phenomenological approach. The data were obtained through in-depth interviews and documents on Baitul Maal Muamalat, LAWAZIS DDI, Yatim Mandiri, and LAZISNU PCNU Parepare, and the Ministry of Religion. The results showed that the form of cash waqf management at waqf institutions was in the form of waqf through money. This form of waqf is not invested in Islamic financial institutions. However, the receipt of waqf donations through cash is directly channeled to waqf programs in the form of real assets. The implications of waqf management through money on the development of social institutions are very significant. The social institution that researched allocated waqf money for scholarships, and Al-Qur’an and mathematics learning facilities, mosques, offices, and procurement of land and facilities for the Islamic boarding schools.

Keywords: waqf through money; waqf institutions; real assets

Abstrak

Kata Kunci: wakaf melalui uang; institusi wakaf; aset riil
Introduction

Sharia economic institutions are part of the permanent instrument for the development of the sharia economic system. The existence of this economic system is part of all ecosystems of sharia economic institutions in Indonesia. Therefore, its existence can be seen in a more macro scope related to the existence of society in general, as well as the elements of value that surround it. In the perspective of Islamic economics, economics science includes science with a value-oriented focus. Sharia institutions have the opportunity to participate in economic progress and growth, especially for the transaction needs of modern society.

Waqf through money is waqf by giving money to buy or procure immovable property or movable property as desired by the Wakif to be managed productively or socially.\(^1\) Waqf receipts through cash can be submitted directly to Nazhir who is registered as Nazhir cash waqf at BWI. Both Nazhir are legal entities and foundations. The development of waqf through money can be done through direct and indirect investments. Direct investment is in the form of purchasing real waqf objects whose designation is adjusted to the purpose of waqf from the wakif or according to the waqf program which is a contract between Wakif and Nazhir. While indirect investment is in the form of investment in Islamic financial products.

Waqf management in South Sulawesi (South Sulawesi) is generally developed in the form of improving educational facilities, both Islamic boarding schools and universities which are managed in the form of foundations and legal entities. The progress of Islamic educational institutions in South Sulawesi is inseparable from the management of productive waqf which contributes to job creation and reducing unemployment. Educational institutions that are managed based on productive waqf in South Sulawesi, such as the Indonesian Muslim University, Makassar Islamic University, and Islamic boarding schools spread across every urban district in South Sulawesi.

The classic waqf problem that often arises is the issue of the withdrawal of waqf objects and assets by the wakif and his heirs when the waqf object has developed and is productive. In addition, Nazhir’s competence in managing waqf assets is still limited to conventional business development. Another problem is that the management of cash waqf has been institutionalized and formal as designated by legislation, but its growth is stagnant. Data for 2020 at the Makassar branch of the Muamalat bank, the number of customers registering the cash waqf program is only one customer.\(^2\) Meanwhile, the management of cash waqf at the UMI Waqf Foundation did not develop, the results of the cooperation in the management of cash waqf with Nazhir LKS-PWU, namely the Mega Syariah bank,

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\(^2\) Muhammad Yusuf, Wealth Management Specialist Bank Muamalat Region Sulampua, wawancara tgl 3 Desember 2021

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were not yet optimal, so the realization of the construction of an eye hospital had not materialized.  

Research conducted by Marzuki analyzed that the existence of the management and development of productive *waqf* in the city of Palu has long been accepted by the Muslim community. However, the development is not significant. The form of *waqf* is productive in the form of land. In normative-juridical terms, the management of *waqf* assets is in accordance with the *waqf* law as enforced. Research conducted by Ajub Ishak show that the management of *waqf* assets in the province of Gorontalo is manifested in the form of building religious and educational facilities. *Nazhir* consists of social organizations and foundations. Optimization of *waqf* assets in productive form is quite significant. Najim Nur Fauziah argues that cash *waqf* can be an alternative to solving financial problems for the social business sector in Indonesia with the allocation of financing funded from the cash *waqf* program.

The Indonesian *Waqf* Agency (BWI) recorded the realization of cash *waqf* in the 2021 timeframe in total reaching approximately Rp. 819.36 billion. In detail, the recapitulation of *waqf* through money is around Rp. 580.53 billion, while the recapitulation of cash *waqf* is around Rp. 238.83 billion.

The potential of *waqf* through very large money has made *Nazhir* *waqf* institutions, such as Dompet Dhuafa, Yatim Mandiri, Modern Courier Sky Mosque Foundation, LAWAZIS DDI, and LAZISNU PCNU Parepare intensively socialize *waqf* acceptance through money. As illustrated in the following chart:

![Waqf Recapitulation Through Money and Cash Waqf](chart)

Source: Data 2022

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3 Direktur Zakat, Infaq, Sedekah, dan Wakaf Yayasan Wakaf UMI Makassar, *wawancara*, tgl. 23 Maret 2022 di kantor ZISWAF Menara UMI Makassar

4 Marzuki, *Pengelolaan Wakaf Produktif di kota Palu (Kajian Hukum Islam)*, Disertasi, Perpustakaan UIN Alauddin Makassar, 2021


The chart above shows that the potential for waqf through money in Nazhir waqf institutions managed by organizations and legal entities for the 2020-2021 period reaches Rp. 5,788,771,217,-, while Baitul Maal Muamalat nationally only collects temporary cash waqf of Rp. 1,088,337,877.

The management of waqf through money is not invested in Islamic banking products, but is directly distributed to the waqf benefit program in real assets. So that the benefits are felt directly for the beneficiaries.

The idea of cash waqf began to be echoed after the development of Islamic banking in Indonesia. The definition of cash waqf as stated in the fatwa of the Council of Indonesian Religious Scholar (Majelis Ulama Indonesia) is waqf carried out by a person, group of people, institutions or legal entities in the form of cash. Included in the definition of money are securities. Money waqf is legal (permissible) Cash waqf can only be distributed and used for things that are permitted by sharia. The principal value of cash waqf must be guaranteed for its sustainability, it may not be sold, donated and or inherited. 8

Method
This research is based on qualitative-phenomenological. The research locations were Yatim Mandiri, Baitul Maal Muamalat, Lawazis DDI, Makassar, and LAZISNU PCNU Parepare. Data were obtained through interviews and documents from the Nazhir Waqf Institution. The results of the reduction and presentation of the data, then the source triangulation model was carried out, the results of the interviews were confirmed with other informants. The results of the interview were then strengthened by document data related to the recapitulation of the receipt of waqf funds through money. Testing the data is done by testing the credibility. The author extends observations and increases persistence by repeatedly making observations and in-depth interviews with selected informants. Furthermore, the results of interviews, observations, and documents were triangulated to obtain data validity. Then the results of the research were developed and analyzed according to the waqf theory and management theory.

Results and Discussion
RI Law No. 41 of 2004 concerning Waqf and Government Regulation of 2006 concerning Waqf states that waqf is a legal act of wakif to separate and or surrender part of his property to be used forever for a certain period of time in accordance with its interests for worship purposes and or general welfare according to sharia.

Based on the definition of waqf above, it can be emphasized that the ownership of the waqf property is cut off from the wakif’s property forever or for a

8 Majelis Ulama Indonesia, Keputusan Fatwa Komisi Fatwa Majelis Ulama Indonesia Tentang Wakaf Uang
9 Undang-undang Nomor 41 Tahun 2004 Tentang Wakaf
certain period of time, as the Hanafiyah and Malikiyah groups argue. Waqf assets that are donated are only the benefits.

The designation of waqf assets as stipulated in Article 22 of the Republic of Indonesia Law Number 41 of 2004 explains that waqf assets are used for; 1) worship facilities and activities; 2) Education and Health facilities and activities; 3) Assistance to the poor, abandoned children, orphans, and scholarships; 4) Economic progress and improvement; 5) Progress and other general welfare that do not conflict with sharia and laws and regulations. 10

The economic aspects of waqf can be classified into three parts as follows:

1) Direct waqf, which is oriented towards providing services in the form of building worship, education, and health facilities.

2) Productive waqf, namely assets that are produced in order to obtain profits which are then taken advantage of by the groups who are entitled to receive them.

3) Cash or cash waqf, namely money that is waqf and managed by financial institutions. The profits can be rolled out in the form of qardh hasan assistance with zero interest as capital for small-medium entrepreneurs. 11

RI Law No. 41 of 2004 concerning Waqf Article 16 paragraph (1) divides the types of waqf assets into 2 parts, namely, First, the waqf of immovable objects which include, (1) Land rights in accordance with the provisions of the law; (2) Buildings or parts of buildings consisting of land. (3) Plants and other objects related to soil; (4) Other immovable property in accordance with sharia provisions and applicable laws and regulations. Second, Waqf of movable objects which include: (1) Money; (2) Precious Metals; (3) Securities; (4) Vehicle; (5) Intellectual Property Rights; (6) Rental Rights; (7) Other movable objects in accordance with sharia provisions and applicable laws and regulations.

Meanwhile, RI Law No. 41 of 2004 concerning Waqf defines waqf cash waqf can utilize movable objects in the form of money through sharia financial institutions appointed by the Minister and the proceeds are used for the social interests of the community.

Andrew F. Sikul defines management from the management aspect as a series of coordination activities that include planning, organizing, directing, controlling, placing, and making decisions to produce products and services that are effective and efficient.

Management is a series of activities to arrange steps in achieving goals. The process of achieving goals is supported by elements, namely, 1) organizational resources consisting of the use of human resources and other production factors;

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10 Undang-undang Nomor 41 Tahun 2004 Tentang Wakaf
2) Using management functions, such as planning, organizing, directing, and controlling; 3) There is a process in completing the activity.  

From the above definition, it can be concluded that management is an activity to organize the resources available in an organization for the purpose of benefit and interest of the organization. Therefore, management will always interact with elements that exist within an organization, such as human resource management, administrative governance management, organizational facilities and infrastructure management.

The management function according to Nickels and McHugh includes four components, namely,

1) Planning, namely the selection of facts and linking the facts with one another. then formulate future actions to achieve maximum results.

2) Organizing is a series of activities to carry out all activities that must be carried out by the working group and provide authority and responsibility for the achievement of common goals.

3) Implementation is the process of implementing the program so that it can be operationalized by all elements of the organization and motivating the group to work consciously and responsibly in order to achieve the goals that have been set according to what has been planned.

4) Controlling is defined as the process of determining, measuring and correcting implementation activities so that they can run according to the expected plans and targets.

**Waqf Regulations in Indonesia**

The legal system in Indonesia is based on three systems of legal norms, namely customary law norms, Islamic legal norms, and Western legal norms. Each system of legal norms has different characteristics and characteristics from one another. Customary law norms are unwritten laws in the social order of society, so they can be said to be living law in the social context of Indonesian society. Customary law norms can be a source of material for the formation of positive legislation. Therefore, there are some norms of customary law that are transformed into laws and regulations, both at the level of laws and government regulations.

Islamic law material is spread in three places, first, it is contained in fiqh books. Second, in the form of statutory regulations containing Islamic law, among the Islamic laws that are legislated are Law Number 1 of 1974 concerning marriage,
Law no. 21 of 2008 concerning Islamic banking, and Law no. 41 of 2004 concerning *waqf*. Third, the judge’s decision which has been codified in the form of jurisprudence. However, the dilemma is, because the three sources of Islamic law often contradict each other, both between fiqh and legislation, as well as between judges’ decisions and legislation. 

Provisions related to *waqf* have long been regulated in the regulations as follows:

1) Circular Letter of the Secretary of the Gubereman Number 435 dated January 31, 1905 and published in the Bijblad Number 6196 of 1905 concerning Toezicht Op Den Bouw Van Mohammedaansche Bedehuizen. This circular aims to list places of worship in Java and Madura.

2) Circular Letter of the Secretary of the Gubereman Number 1361/A dated June 4, 1931 and published in the Bijblad Number 12573 of 1931 concerning Toezicht Van De Regeering Op Mohammedaansche Bedehuizen, Vrijdagdiensten En Wakafs. This circular regulates the requirement for a Regent's permit in *waqf*. *Waqf* that has received the Regent's permission is included in the inventory list by the Head of the Religious Courts and notified to the Assistant Wedana and reported to the Landrence office.

3) Circular of the Secretary of the Gubereman Number 1273/A dated 27 May 1935 and published in the Bijblad Number 13480 of 1935 concerning Toezicht Van De Regeering Op Mohammedaansche Bedehuizen, Vrijdagdiensten En Wakafs. This circular ordered the Regent to collect data on *waqf* assets.

4) Government Regulation Number 33 of 1949 concerning the Authority of the Minister in the Management of *Waqf*. This PP was revealed in the Regulation of the Minister of Religion Number 9 of 1952 regarding the authority of the Head of the Regency Religious Affairs Office to investigate, record, and supervise the implementation of *waqf*. As the Joint Decree of the Minister of Home Affairs and the Minister of Agrarian Affairs Number Pem.19/22/23/7: S.K./62/Ka./59P dated March 5, 1959 concerning the Transfer of Authority of the Regent as Supervisor of *waqf* property is the duty of the Head of Agrarian Supervision. So that *waqf* rules are absorbed in the legislation related to agrarian.

5) Law Number 5 of 1960 concerning Basic Regulations on Agrarian Principles.

6) Government Regulation No. 28/1977 concerning *Waqf* of Owned Land

7) Presidential Instruction No. 1/1991 on the Compilation of Islamic Law

8) Law Number 41 of 2004 concerning *Waqf*

9) Government Regulation Number 42 of 2006 concerning the Implementation of Law Number 41 of 2004 concerning *Waqf*

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10) Regulation of the Indonesian Waqf Board
11) Regulation of the Minister of Religion Number 4 of 2009 concerning Administration of Cash Waqf Registration
12) Decree of the Director General of Islamic Community Guidance No. Dj.II/420 of 2009 concerning the Model, Form, and Specification of the Cash Waqf Form
13) Government Regulation Number 25 of 2018 concerning Licensing of Waqf Land Ruislag
14) Regulation of the Indonesian Waqf Board Number 1 of 2009 concerning Guidelines for the Management and Development of Immovable Waqf Assets in the Form of Money
15) Regulation of the Indonesian Waqf Board Number 2 of 2009 concerning Guidelines for Accepting Cash Waqf for Nazhir of the Indonesian Waqf Board,
16) Regulation of the Indonesian Waqf Board Number 2 of 2010 concerning Procedures for Registration of Nazhir Cash Waqf

The products of legislation related to waqf since the colonial era to the reform era have provided an overview of the dynamics of waqf management in Indonesia structurally and institutionally. In addition, waqf regulations also expand the scope of waqf to not only include immovable property, such as land and buildings, but also movable property, in the form of money, securities, and precious metals. The government realizes that the economic potential of waqf is very large, so it is deemed necessary to regulate it from the aspect of positive legal regulation to provide legal certainty for wakif, Nazhir, waqf object, and waqf mustahik, both from the aspect of management, distribution, utilization, and dispute resolution, so that it can have an impact positive impact on the welfare of the Indonesian Muslim community.

**Waqf Management Through Money**

Article 1 of the Regulation of the Indonesian Waqf Board Number 1 of 2009 concerning Guidelines for the Management and Development of Immovable Waqf Assets in the Form of Money states that the waqf of immovable property in the form of money is waqf in the form of money that can be managed productively, the results of which are used for mauqif alaih. Article 9 states that the management of cash waqf by Nazhir includes cash waqf deposits, cash waqf investments, and cash waqf investment results. Article 6 of the Regulation of the Indonesian Waqf Board Number 1 of 2020 concerning Guidelines for the Management and Development of Waqf Assets states that the receipt of cash waqf from the Wakif can be made through cash waqf for a certain period of time and/or cash waqf for a permanent period. 17

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17 Pasal 6 Peraturan Badan Wakaf Indonesia Nomor 1 Tahun 2020 Tentang Pedoman Pengelolaan Harta Benda Wakaf

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Institutions and foundations that manage cash waqf and are registered as Nazhir cash waqf in South Sulawesi, namely the Indonesian Muslim University Waqf Foundation, Dompet Dhuafa, Baitul Maal Muamalat, Waqf, Zakat and Infaq Institute Darul Dakwah Wal Irsyad (LAWAZIS DDI), Orphan Waqf Foundation Mandiri, Ponpes al-Ikhlas Bone, BMT Faudzan Adzhimah Parepare, BMT As’adiyah Sengkang.

Yatim Mandiri Makassar

On July 22, 2008, Yatim Mandiri officially changed its name and was registered with the Ministry of Law and Human Rights of the Republic of Indonesia with the number: AHU2413.AH.01.02.2008 under the name Yatim Mandiri. In 2019 Yatim Mandiri was registered with the Indonesian Waqf Board as Nazhir cash waqf with Decree No. 3.3.00052, with this decree, Yatim Mandiri manages cash waqf or waqf through cash for physical and non-physical programs. Yatim Mandiri manages cash waqf through programs consisting of,

1) Benefit Waqf; 2) Productive Waqf.

Benefit waqf is waqf in the form of the use of benefits from assets that are productive and generate profits. The results of this profit are used for the empowerment of self-reliance programs. Waqf with benefits can be done permanently or for a certain period of time according to the agreement between wakif and Nazhir. Included in the waqf of benefits are the waqf of shop houses or houses for rent. Waqf vehicles for rent. Meanwhile, productive waqf is a form of providing and managing waqf assets in a sustainable manner. The results of this waqf management become a source of funds for empowerment programs. Types of productive waqf consist of movable waqf in the form of money and immovable in the form of land and buildings.

Yatim Mandiri Makassar branch has a cash waqf program for funding the following programs:

1) Scholarship assistance in the form of procurement of school equipment;
2) Educational studio for orphans of Dhuafa;
3) Studio to learn the Koran and Mathematics.

Yatim Mandiri is a philanthropic institution that manages 3 social fields, namely, As an Amil Zakat Institution, As a Waqf Institution; As a Humanitarian Institution. Operational permit as a zakat institution from the Ministry of Religion with a decree. The Ministry of Religion of the Republic of Indonesia Number 185 of 2016 and an operational permit as a waqf institution from the Indonesian Waqf Agency with Decree Number 3.3,00052 as well as an operational permit as a humanitarian institution from the Ministry of Social Affairs.

Yatim Mandiri conducts a socialization system for receiving ziswaf social funds through social media, such as Facebook, Instagram, and the Kitabisa.com platform, internet through the orphanage.org page, and through amil with a system of prospective donors and prospective wakif coming directly to the Yatim

https://yatimmandiri.org/program/wakaf
Mandiri offices spread across 46 service offices in 14 provinces in Indonesia. In addition, Yatim Mandiri also accepts donations with a direct pick-up service to the donor’s ziswaf address and through the distribution of brochures and donation coupons. 19

The system for receiving ziswaf donations can be done with a direct deposit system to the Yatim Mandiri service outlet office in each province. Or you can also purchase a donation voucher with a minimum amount of Rp. 10,000, - and a maximum of Rp. 50,000, - which is distributed by the amil on certain activities. In addition, amil can also pick up ziswaf donations at the address of potential ziswaf donors. Meanwhile, the transfer system can be done through bank accounts that have collaborated with Yatim Mandiri, and through the Qris barcode service for zakat, waqf, and infaq or alms. Receipt of ziswaf donations is recorded in the admin books and reported to the Yatim Mandiri head office admin. Acceptance accounting reports will be published regularly every month on the Yatim Mandiri website. Also the recapitulation will be published at the end of each year of the acceptance period after being audited by a public accountant. 20

Receipt of ziswaf donations for Yatim Mandiri is published every month online on the Yatim Mandiri website. This is part of the accountability of financial statements to the public. In addition, Yatim Mandiri also reported the receipt and distribution of ziswaf donations to Baznas, the Ministry of Religion, and the Ministry of Social Affairs.

The recapitulation of acceptance of waqf donations through Yatim Mandiri 2020-2021 money nationally can be seen in the following chart:

![Chart: Total Waqf Revenue Through Money 2020-2021](image)

<table>
<thead>
<tr>
<th>Series1</th>
<th>Total Penerimaan 2020</th>
<th>Total Penerimaan 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60,297,000</td>
<td>64,387,000</td>
</tr>
</tbody>
</table>

Source: Yatim Mandiri Makassar 2022

While the total distribution of waqf through money is illustrated in the chart as follows:

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19 Rasnal, Pimpinan Yatim Mandiri cabang Makassar, *wawancara*, tgl 13 Maret 2022 di kantor Yatim Mandiri Jl. Andi Tonro
20 Rasnal,
The program flow for receiving and utilizing ziswaf Yatim Mandiri donations is as follows:
1) Yatim Mandiri offers a waqf program
2) Candidates for wakif visit the service office or via online. You can also contact amil to pick up donations
3) Donations can be transferred via Yatim Mandiri partner bank account
4) Wakif can use the non-cash Qris waqf provided by Yatim Mandiri
5) Admin records receipts in the accounting recording journal
6) Donations will be channeled to Yatim Mandiri waqf programs

The supervision system carried out by Yatim Mandiri related to the management of ziswaf funds by involving the following elements:
1) Through the Sharia Board which is in charge of overseeing the foundation’s policies
2) Through the Sharia Supervisory Board which is tasked with making the opinion of the Sharia Board regarding the investment of cash waqf or through cash
3) Through the Auditors, both internally and externally from the Ministry of Religion and public accountants in charge of ensuring the operational system of policies and programs runs well and is accountable. 21

As evidence of transparent and accountable financial performance, Yatim Mandiri always received an Unqualified Financial Audit (WTP) assessment from Erfan & Rakhmawan public accountants and was also ranked 2nd in the leading Ziswa category, Fesyar BI Tk. National.

Waqf, Zakat, and Sadaqah Institutions in Darul Dakwah wal Irsyad (LAWAZIS-DDI) South Sulawesi.

The Executive Board of DDI (PB-DDI) officially formed the DDI Waqf, Zakat, Infaq and Sadakah Institution (LAWAZIS DDI) by inaugurating its board of directors on March 28, 2021 at the Auditorium of the Faculty of Medicine, UNHAS Makassar at the event, the LAWAZIS DDI management launched an application

Source: Yatim Mandiri Makassar 2022

21 Rasnal, Pimpinan Yatim Mandiri Cabang Makassar, wawancara, tgl 3 Maret 2022 di kantor Yatim Mandiri Jl.
to make it easier for DDI residents and the Muslim community in general to distribute their zakat, waqf, and infaq through an android application under the name LAWAZIS DDI on the play store program. LAWAZIS DDI has officially become a Nazhir institution that manages cash waqf and cash waqf through the Decree of the Indonesian Waqf Agency Registration Number: 3.3.00285.

LAWAZIS DDI launched the waqf program through cash for the construction of the PB DDI secretariat office and the tahfidz DDI headquarters in Makassar. Receipt of cash waqf donations and waqf through money transferred to the accounts of Bank Syariah Indonesia and Bank BNI.

LAWAZIS DDI combines manual and digital work systems in the process of collecting zakat and waqf for DDI residents and the general public. The official website can be visited on the https://www.lawazisddi.org/ page and to facilitate access to digital services, it can be downloaded via the Playstore application under the name LAWAZIS DDI. The mechanism for receiving waqf through money at LAWAZIS DDI is done by distributing flayers in the WhatsApp group.

The recapitulation of waqf donations through money at waqf, zakat, infaq, and alms (LAWAZIS DDI) institutions is illustrated in the following table:

<table>
<thead>
<tr>
<th>No</th>
<th>Total Receipts</th>
<th>Total distribution</th>
<th>Beneficiary Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rp. 259,078,070,-</td>
<td>Not yet distributed</td>
<td>Development plan for the central secretariat of DDI and the Tahfidz Institute</td>
<td></td>
</tr>
</tbody>
</table>

Source: LAWAZIS DDI 2022

Supervision of waqf donation funds through money at LAWAZIS DDI is carried out internally. Each expenditure is accompanied by an application for the use of the budget to the general chairman. In addition, this institution is also audited by public accountants every year. And the report on the use of funds is submitted via whatshap group so that it becomes an internal control. 22

LAZISNU Parepare

The Parepare branch of the Amil Zakat, Infaq and Shadaqah Institute (LAZISNU) was established at the end of 2018 and is registered as an amil zakat and waqf institution according to the LAZISNU Central Decree. The daily management structure of LAZISNU Parepare consists of elements of chairman, vice chairman, secretary, deputy secretary, treasurer, deputy treasurer, director of management, director of collection, and director of data and information.

22 Ustadz Muh. Yahya, Lc, Koordinator Lembaga Wakaf dan Zakat DDI, wawancara di kantor LAWAZIS DDI jl. Toddopoli Raya Makassar
LAZISNU Parepare manages three fields, namely zakat, waqf, infaq and shadaqah in accordance with the Decree of the Central PB-NU Nahdatul Ulama Amil Zakat Institution. Because the Central LAZISNU collects and manages the zakat and waqf fields according to a permit from the Ministry of Religion and the Indonesian Waqf Board, all LAZISNU branches have the authority to manage zakat and waqf fields. 23

The mechanism for collecting waqf funds through money at LAZISNU is as follows:

1) Determine the location and price of the goods to be released
2) Create a special waqf flyer through money by including the partner bank account number
3) Upload to social media, either via facebook, whatsapp group, and Instagram
4) Wakif donors make transfers to partner bank accounts. It can also be through the donation pick-up service system
5) The list of wakif names is inventoried by the collection division
6) The collection division submits the donation to the treasurer along with the name and proof of payment of the donation
7) Funds collected by the treasurer are distributed to the allocation of beneficiaries according to the flyer.
8) The treasurer makes a report on the allocation of funds which is then published through social media
9) The treasurer makes periodic reports to be submitted to partner agencies, namely BAZNAS Parepare, Ministry of Religion Parepare, Central LAZISNU, and PCNU Parepare. 24

LAZISNU Parepare has a waqf program consisting of, namely object waqf, asset waqf, infrastructure waqf, waqf funds through money. The socialization system for the waqf program is carried out through online media, either through Facebook, WhatsApp groups, and Instagram. For the waqf program, Nazhir focused the beneficiaries on the construction of facilities and infrastructure for the Zubdatul Asrar Islami boarding school in Parepare. The boarding school is owned by the Representative of the Nahdatul Ulama Branch (PCNU) of the Parepare branch. 25

The recapitulation of waqf funds through money managed by LAZISNU Parepare is illustrated in the following chart:

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23 Irfan, Bendahara Umum LAZISNU Parepare, wawancara, tgl. 24 Juni 2022 di kantor Ponpes Zubdatul Asrar Parepare
24 Irfan, Bendahara Umum Lazisnu Parepare, wawancara, tgl 24 Juni 2022 di kantor Ponpes Zubdatul Asrar Parepare
25 Kyai Hannani, Pimpinan PCNU cabang Parepare, wawancara, tgl. 26 Maret 2022 di kantor PCNU Parepare

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The supervision system for the distribution of waqf donations through money at LAZISNU Parepare is carried out by reporting mechanisms to relevant agencies, such as BAZNAS and the Ministry of Religion of Parepare. Reports on the use of funds were also reported to the Central LAZISNU and the PCNU of the city of Parepare. Reports are only audited by internal auditors.

Waqf donations through money are channeled to the pesantren program which consists of land acquisition, purchase of building materials and materials, as well as wages for construction workers. From waqf funds through cash, LAZISNU Parepare has freed up 2.5 hectares of pesantren land located in the village of Lappa Angin Parepare and has built facilities for the Zubdatul Asrar Islamic Boarding School, such as the office and house of the Islamic Boarding School leader.

Discussion

The waqf system has become an economic institution with inputs, processes and outputs related to economic activities, business, and management. As an economic institution, waqf continues to develop along with the dynamics of the economy in various sectors. In the era of globalization, waqf institutions continue to experience a paradigm shift. Waqf which was previously associated with the transfer of ownership of immovable property in the form of an economic institution that has implications for the welfare of Nazhir and the Muslim community in general.

Waqf institutions in the present context have characteristics, namely, 1) Waqf management patterns must be integrated and connected to internet media. The development of cash waqf and waqf through money as a new paradigm must be managed in an integrated manner and connected through internet and digital services; 2) The principle of welfare of Nazhir waqf manager. As the community’s paradigm changes towards the object of waqf property, Nazhir’s position is very urgent regarding the management of movable waqf assets. Therefore, Nazhir’s previous status as a social worker must be changed to a certified profession and

26 Irfan, Bendahara Umum LAZISNU Parepare, wawancara, tgl. 24 Juni 2022
entitled to a decent living from Nazhir’s profession; 3) The principle of accountability and transparency. Waqf institutions are part of philanthropic institutions whose sources of funds come from the community. Accountability and transparency of reporting waqf donations and their allocation will further increase public trust, so that the economic sustainability of waqf will continue to have a social impact that will prosper Nazhir and the beneficiaries of the waqf. 27

The effectiveness of waqf management can run optimally when managed by institutions that are in accordance with the characteristics of waqf. There are two institutional models introduced by applicable law. That is a) Limited company. Article 1 point 1 of the Law of the Republic of Indonesia Number 40 of 2017 concerning Limited Liability Companies (PT) states that a limited liability company, hereinafter referred to as a company, is a legal entity in the form of a capital partnership, established in accordance with an agreement, conducting business activities with authorized capital which is entirely divided into contributions. shares and fulfill all the requirements stipulated by the company law and its implementing regulations. Article 2 of the Company Law underlines that a Limited Liability Company has a purpose and objective, as well as business activities that do not conflict with laws and regulations, public order, and/or decency.

Meanwhile, Article 71 of the Company Law explains that all net income will be distributed to shareholders, unless otherwise specified in the General Meeting of Shareholders. Article 1 paragraph 1 of Law Number 16 of 2001 junto Law of the Republic of Indonesia Number 28 of 2004 concerning Foundations formulates that a Foundation is a legal entity consisting of assets that are separated and intended to achieve certain goals in the social, religious and humanitarian fields that are not have members. This definition is in line with Article 10 paragraph (3) letter c which explains that a legal entity acting as Nazhir is engaged in social, educational, community, and or Islamic religious fields.

Based on this law, the most appropriate waqf institution is in the form of a foundation. Along with the dynamics of developing types of waqf, there are productive waqf, cash waqf, and cash waqf. These types of waqf have a profit business orientation. Therefore, the appropriate institution for this type of waqf is a Limited Liability Company. Technically, a limited liability company is authorized to manage productive waqf assets, such as the rental of waqf hotels or buildings. The income earned will be reduced by operating costs, resulting in a profit. The GMS can make profits as dividends to be distributed to shareholders who are also the foundation itself to be allocated to the waqf benefit program or the profits can be used as retained earnings. 28

27 Andri Soemitra, Bank Dan Lembaga Keuangan Syariah, II (Jakarta: Kencana Prenada Media Group, 2010).
28 Bank Indonesia, Wakaf: Pengaturan Dan Tata Kelola Yang Efektif, I (Jakarta: Departemen Ekonomi dan Keuangan Syariah, 2016).
Waqf Management Through Money

1. Elements of Human Resources

*Nazhir* is one of the most important elements in the *waqf* system. *Nazhir* is a person, legal entity, and foundation that is given the authority to manage *waqf* assets. 29 *Nazhir* can take the form of individuals, legal entities, and foundations. In general, *Nazhir* has responsibilities, namely:

1) Perform maintenance and management of *waqf* assets. There are two types of *waqf* assets, namely immovable property and movable property. *Waqf* assets in the form of immovable objects must be maintained by means of certification and formal documents are made. Meanwhile, the management of *waqf* property in the form of immovable property can be rented out to third parties, productive buildings can be built, can be planted if it is in the form of rice fields and plantations, fishery and aquaculture land can be made, and *waqf* assets can be changed in other forms without leaving their designation as stated in the regulation. stated in the *waqf* pledge. Maintenance and management of *waqf* property in the form of money and *waqf* through money is carried out by investing in sharia banking products and purchasing goods in accordance with the *waqf* program run by *Nazhir*.

2) Manage *waqf* assets according to the requirements determined by the *Waqif*. *Nazhir* must be trustworthy in carrying out his duties. *Nazhir* must follow the requirements set by the *Wakif* regarding the management of *waqf* assets. *Nazhir* must not violate the provisions of *Waqif*, except for considerations of the benefit and sustainability of the function of the *waqf* property. Such as changing the function of *waqf* assets that are considered no longer able to be used for social purposes. However, the transfer must be approved by the Religious Courts.

3) Maintain *waqf* property. *Nazhir* is obliged to maintain and maintain the status of *waqf* property from disputes that arise in the future. *Nazhir* can take a non-litigation dispute resolution route, namely prioritizing the principles of deliberation and consensus in the dispute resolution process. Dispute resolution through non-litigation is a win-win solution and ends peacefully.

4) Issue obligations on the management of *waqf* assets. *Nazhir* is obliged to manage and make productive use of *waqf* property. The return on the management of *waqf* assets is partly allocated for the wages of *Nazhir* and the manager. *Nazhir* is given 10% of the proceeds from the management of the *waqf* property

5) Distribute the results of *waqf* management to the beneficiaries of the *waqf* in accordance with sharia. This distribution is carried out as soon as possible and is not deposited for a long time. Because the essence of *waqf* is the

circulation of wealth from the surplus group to the minus group of wealth ownership.

6) Conduct financial and performance audits. As a form of accountability and accountability to the public in order to increase public trust, Nazhir conducts financial and performance audits. Audits are carried out internally and externally by involving independent auditors.

7) Evaluate and report work results to related agencies and institutions. Nazhir reported his work to the Indonesian Waqf Agency and the Zakat and Waqf Division of the Ministry of Religion in accordance with the established reporting mechanism. 30

Formally, Nazhir’s duties are regulated in Article 11 of the Republic of Indonesia Law Number 41 of 2014 concerning Waqf, namely Nazhir has the task of: 1) Administering waqf assets; 2) manage and develop waqf property in accordance with its purpose, function and designation; 3) supervise and protect the waqf property; 4) Report the implementation of tasks to the Indonesian Waqf Board. 31

Observing the Nazhir waqf institution which is the object of research, there is Nazhir in the form of a legal entity, such as Baitul Maal Muamalat. Meanwhile, Nazhir takes the form of foundations, such as the Yatim Mandiri Foundation, LAWAZIS DDI, and LAZISNU Parepare. Nazhir institutions waqf money and through the money have an operational permit from the Indonesian Waqf Agency and the National Amil Zakat Agency, so legally they are categorized as formal institutions.

Fundraising activities, known as fundraising, include fundraising activities from the public, whether from individuals, institutions, and legal entities. 32 The most important element of fundraising activities is the effort to influence prospective wakif to donate by spending some of their money for social and religious purposes. 33 The most important actor in the influencing process is its human resources (HR). However, these HR will have strong power and justification, if they take shelter in a formal organization and legal entity and have an official operational license. The ability to influence and gain public sympathy through organizations and legal entities is more effective, systematic, and organized.

31 Pasal 11 Undang-undang RI Nomor 41 Tahun 2014 Tentang Wakaf.
Article 7 and Article 11 of Government Regulation of the Republic of Indonesia Number 42 of 2006 concerning the Implementation of Law of the Republic of Indonesia Number 41 of 2004 concerning Waqf explains that Nazhir organizations and legal entities must be registered with the Minister and Indonesian Waqf Agency through the local Religious Affairs office. The requirements to become a Nazhir waqf, organizational elements and legal entities must attach documents, namely, a copy of the notarial deed related to its establishment and articles of association; Management structure; Bylaws; Work programs related to waqf development; List of assets originating from waqf which is separated from other assets or is included in the assets of organizations and legal entities; f) Statement letter willing to be audited. 34

The management of organizations and legal entities has a clear structure and division of labor and authority according to the articles of association and by-laws. So that work management is very systematic and organized. One of the most important elements in the management structure is the Supervisory Board. The function of the supervisory board is to supervise the operationalization of waqf, both in terms of administration, financial flow, work programs, and the implementation and distribution of waqf benefits.

Yatim Mandiri, Baitul Maal Muamalat, LAWAZIS DDI, and LAZISNU Parepare each have a supervisory board. The supervisory board structure consists of the General Supervisory Board and the Sharia Supervisory Board. The task of the general supervisory board is related to the administration and recording of the flow of receipts and disbursements of cash waqf and waqf through money. Meanwhile, the task and authority of the sharia supervisory board is to recommend sharia-compliant contracts for the waqf programs offered while at the same time overseeing the conformity of these contracts with sharia principles as stated in the Fatwa of the Council of Indonesian Religious Scholar.

The roles and functions of the sharia supervisory board are related to waqf institutions, namely,

As Supervisor. This authority is exercised in relation to its duties and functions as a supervisor on sharia compliance and the implementation of the Fatwa of the Council of Indonesian Religious Scholar. As an Advisor. Serves as a giver of advice, advice, and consultation on the development of waqf products. As an Marketers. As a source of socialization, literacy, and educator to the community related to waqf. 35 As an Role Model. Functioning as actors and role models for the community in the field of waqf, both as wakif and at the same time as managers of waqf institutions.

Article 56 of the Republic of Indonesia Government Regulation Number 42 of 2006 explains that the supervision of waqf is carried out by the Government and

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34 Peraturan Pemerintah RI Nomor 42 tahun 2006 Tentang Pelaksanaan Undang-undang RI Nomor 41 tahun 2004 Tentang Wakaf
the Community, both active and passive. Supervision of *waqf* management is actively carried out by direct examination and or requesting reports, both reports relating to administration and financial reports once a year.

The management of *waqf* investment through money based on statutory provisions has been managed according to the applicable rules. The provision that cash *waqf* can be invested directly in real assets, namely financing of immovable assets and indirect investment in the form of investment in Islamic financial products.  

The provisions of the Fatwa of the Council of Indonesian Religious Scholar concerning Cash Waqf, namely that the main value of cash waqf must be guaranteed for its sustainability, cannot be sold, donated, and inherited. Therefore, the supervisory board must ensure that the investment of cash *waqf* or through money in real assets in the form of immovable property remains or increases in value.  

The supervisory board can cooperate with the internal and external audit teams, as well as hire the services of an assessment team from an independent party to measure and assess the real object of cash *waqf* proceeds and through money. The goal is to determine the value of the asset, whether it is reduced, fixed or increased. The results of the assessment by the public appraisal team are included in the financial report and published. This report becomes input and evaluation material for relevant agencies, such as the Indonesian Waqf Board and the Ministry of Religion.

**Elements of Management**

Investment is a muamalah activity that is highly recommended, because by investing the assets you have become productive and also bring benefits to others. Investment by definition is investing or placing assets, either in the form of assets or funds in something that is expected to generate income or will increase in value in the future. While financial investment according to sharia can be related to trading activities or business activities, where business activities can be in the form of businesses related to a product or asset or service business.

Investment classification based on objects can be categorized into two parts, namely investing money in the financial asset sector and other movable assets and investing in the real asset sector in the form of immovable goods. In general, the

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39 Ahmad Gozali, Halal, Berkah, Bertambah, Mengenal Dan Memilih Produk Investasi Syariah, I (Jakarta: Elex Media Komputindo, 2004).
type of investment in the financial asset sector is intended for the financial sector, such as banking products, stock markets and money markets or other derivative markets. Among them, deposits, stocks, sukuk, and bonds. While investment in the real asset sector is in the form of purchasing assets that have productivity that is easy to cash, including agricultural and plantation areas, apartments and buildings, mining, and joint share ownership for businesses based on profit sharing on income.

The waqf investment model through money consists of two patterns traditional investment patterns and institutional investment patterns. The traditional investment model, Nazhir, develops waqf through money directly by allocating waqf donations through money in the real sector. This investment model is consumptive. While the institutional investment model, Nazhir develops waqf through money in Islamic financial instruments or develops it in the productive sector, such as providing venture capital and equity participation in various types of businesses. The results of the business profits are allocated for the empowerment of mauqaf alaih and waqf beneficiaries through money. This investment model is productive.

Yatim Mandiri, LAWAZIS DDI, and LAZISNU Parepare developed waqf funds through money invested in the real asset sector in accordance with the waqf program that was operationalized. The form of utilization is in the form of land acquisition for Islamic boarding schools, construction of da’wah and educational facilities, construction of mosques and pesantren facilities, procurement of health facilities. Direct investment in the real sector must still pay attention to the value and sustainability of real assets.

The implications of Waqf Management Through Money on the Development of Social Institutions in South Sulawesi are realized based on Article 2 paragraphs (1) and (2) of the Indonesian Waqf Agency Regulation Number 01 of 2020 which states that Nazhir is obliged to manage and develop waqf assets in accordance with their objectives, functions and designations. The management and development of waqf assets by Nazhir is carried out productively in accordance with sharia principles and laws and regulations.

Waqf objects, both movable and immovable assets purchased based on waqf through money, must be preserved, cannot be sold, inherited, or donated. Yatim Mandiri, LAWAZIS DDI, and LAZISNU Parepare developed waqf funds through money invested in the real sector of assets in accordance with the waqf program that was operationalized. Meanwhile, Baitul Maal Muamalat invests cash waqf in the financial sector.

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The Yatim Mandiri Foundation develops *waqf* funds through money directly in the real sector of assets in the form of scholarships and school equipment, educational studios for poor orphans, learning centers for the Al-Quran and mathematics. Meanwhile, the *waqf* empowerment program through the Central Mandiri Yatim money takes the form of building an independent campus and building a health clinic. LAWAZIS DDI plans to build a DDI secretariat and the Tahfidz House in Makassar.

LAZISNU Parepare develops *waqf* donations through money directly in the real sector in the form of land acquisition and construction of facilities for the Zubdatul Asrar Islamic boarding school in Parepare. Land acquisition is carried out in stages in accordance with *waqf* donations through incoming money. In 2022, LAZISNU has acquired about 2.5 Ha of Islamic boarding school land, and has also built cottage facilities and facilities, such as the Pembina's house and a mini hall for meetings. Below is a picture of the Zubdatul Asrar Islamic Boarding School facility which was built based on *waqf* through money

The development of *waqf* through money directly in the form of infrastructure for social institutions, such as land acquisition, construction of mosques, construction of Islamic boarding schools, educational facilities and infrastructure, scholarships, and other educational activities have a positive impact on human resource development. The allocation of the distribution of *waqf* donations through money directly in the real sector provides benefits that are directly felt by *muqaf alaih* or *waqf* beneficiaries. In addition, it will foster trust from *Wakif* donors and to the public in general. Direct use of *waqf* donations is part of *Nazhir*’s responsibility to *Wakif* and to related agencies.

**Conclusion**

The form of cash *waqf* management in *waqf* institutions is in the form of *waqf* through money. This form of *waqf* is not invested directly in the products of Islamic financial institutions. However, the results of receiving *waqf* donations through cash are directly channeled to *waqf* programs in the form of real assets. The implications of *waqf* management through money on the development of social institutions are very significant. Yatim Mandiri allocates *waqf* through money for scholarships, and means of learning studios for the Qur’an and mathematics. Baitul Maal Muamalat allocated *waqf* through money for the construction of the Adetarinah mosque in Antang. LAWAZIS DDI allocates *waqf* through money for the construction of the DDI secretariat and the Tahfidz Institute in Makassar. LAZISNU PCNU Parepare allocates *waqf* through money for land acquisition and construction of facilities and infrastructure for the Zubdatul Asrar Islamic boarding school in Parepare.
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