

ACCOUNTING PROCEDURE AND MANAGEMENT CASH WAQF IN INDONESIAN WAQF INSTITUTIONS

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Abstract

This paper aims to explore the management and reporting of cash waqf in Indonesia Waqf Institutions. The methodology used in this study is qualitative descriptive research with case study approach to explain specifically about the management and reporting of cash Waqf. The results of this study indicate that the management of cash waqf in Dompot Dhuafa has fulfilled the waqf principle that adopted from the principle of BCPs corresponds to laws and regulations. On the contrary, at the Representative of Indonesian Waqf Board (BWI) in Banyumas Regency as the representative of waqf regulator, its management of waqf is not yet optimal. Dompot Dhuafa reports their waqf management in financial statement, while at Representative of Indonesian Waqf Board in Banyumas Regency did not report management of cash waqf.

Keywords: Waqf, Cash Waqf, Management, Accounting, Waqf Institution

Abstrak

Penelitian ini bertujuan untuk mengeksplorasi dan memahami prosedur akuntansi dan pengelolaan wakaf uang pada lembaga wakaf di Indonesia. Metode yang digunakan pada penelitian adalah deskriptif kualitatif dengan pendekatan studi kasus untuk menjelaskan secara spesifik mengenai pengelolaan dan pelaporan wakaf uang. Hasil penelitian ini menunjukkan bahwa pengelolaan wakaf uang di Dompot Dhuafa telah memenuhi prinsip wakaf yang yang diadopsi dari prinsip BCPs sesuai dengan peraturan perundang-undangan yang berlaku. Sebaliknya, pada Perwakilan Badan Wakaf Indonesia (BWI) Kabupaten Banyumas sebagai perwakilan regulator wakaf, pengelolaan wakaf uang belum optimal. Dompot Dhuafa melaporkan pengelolaan wakaf uang pada laporan keuangannya, sedangkan pada Perwakilan BWI Kabupaten Banyumas, tidak melaporkan pengelolaan wakaf uang.

Kata Kunci: Wakaf, Wakaf Uang, Pengelolaan, Akuntansi, Lembaga Wakaf

INTRODUCTION

The society's economic problems and demands of economic prosperity in the twenty one century, *waqf* and its utilization have great potential in developing sharia economy and finance in Indonesia. In addition to *waqf* is one aspect of the spiritual teachings of Islam, *waqf* is also a teaching that emphasizes the importance of economic prosperity (Sambas, 2014). Generally, in Indonesia, Lack of society understanding about productive *waqf* makes *waqf* objects are not growing and less supported. Society recognize productive *waqf* as a giving in fixed assets, such as land, mosques, schools, orphanages, and graves. It has become one of caused productivity inhibiting *waqf* and unpopular (Mu'alim & Abdurrahman, 2014). Thereby, the society takes consider twice to do *waqf* because according to them, *waqf* require high funds compared to *zakah*, *infaq*, and *sadaqah*. Whereas at this time, *Nazhir* has been developed another type of *waqf* asset, called cash *waqf* (money). MUI (2002) stated that cash *waqf* defined as *waqf* by a person, group and institutions or legal entities in the form of money (cash). Understanding money (cash) can be securities, such as stocks, checks and others.

Potential of Cash *Waqf* in Indonesia is quite large as a country with largest population of Muslims in the world, so the effort to raise funds productive Cash *Waqf* is expected to run well. In addition, diversity of management of productive Cash *Waqf* can provide a wide field of jobs for the society, because it would require *Nazhir* who have professional skills related to the *Waqf* programs (DEKS Bank Indonesia – DES-FEB UNAIR, 2016). Other than that, *Waqf* Assets can be managed and developed so the benefits of *waqf* can increase and maintenance cost of *Waqf* Asset is not become society responsibility. Later on *Mauquf Alaih* is not only fakir, poor, unemployed, places of worship, social facilities, but also can be used for human resources development such as giving scholarships (Forum Ekonomi Islam Unsoed, 2017). Benefits option of productive Cash *Waqf* is quite diverse. Among them are *Waqf* of food, educational of *Waqf*, *Waqf* of health and economical of *Waqf* those can be utilized through the productive Cash *Waqf* (Global Wakaf, 2017). In *Waqf* of food, there are other kinds of benefits such as water *Waqf*, *Waqf* arranges in provision of wells and their supporting equipment to distribute appropriate water for consumption and used to community life.

Obstacles of productivity Cash *Waqf* is due to the decrease of public trust to the Official *Waqf* Institution (Republika, 2016). It is related to *Waqf* in Indonesia which is facing important problems, especially on its management and reporting. In fact, *Waqf* Institutions in Indonesia have not been managed with a professional framework, so they could not respond the needs of society (Republika, 2017). It is characterized by the lack of professionalism of *Nazhir*, so *Waqf* is not well managed and cannot provide welfare solutions. As one of strategies and role of the Government of Indonesia's attention in supporting *Waqf* of Indonesia is shown by enacting Law No. 41 Year 2004 on *Waqf* which is expected to be guidelines for *Waqf* Institutions in management and optimization of *Waqf* activities as religious institutions that have potential and economic benefits. Unfortunately this regulation still cannot respond the needs of the society because the Act does not regulate the calculation and accounting of *Waqf*. Nevertheless, Bank Indonesia (BI) and Otoritas Jasa Keuangan (OJK) as the supervisor, Ikatan Akuntan Indonesia (IAI) as the accounting profession, and Majelis Ulama Indonesia (MUI) are in process of arranging the appropriate accounting standards for *Waqf* (DEKS Bank Indonesia – DES-FEB UNAIR, 2016). Based on the facts of phenomena that have been described, researcher is interested to explore more deeply about *Waqf* management, especially Cash *Waqf* in *Waqf* Institutions. In addition to researcher also want to explore more deeply about the accounting, recording, and financial systems are used by *Waqf* Institution.

LITERATURE REVIEW

Waqf is derived from Arabic "Waqafa" (plural: awqāf) which means "to withhold" or "stop" or "keep quiet" or "stand still". In most cases, *Waqf* is defined as assets given by Wakif to *Nazhir* and then his assets is used its benefits for commonweal. Cash *waqf* is part of productive *waqf* which

have differences with *zakah*, *infaq* and *sadaqah*, those are the existence of time constrains, the limit of the amount of fund paid, and the last is the current reward that God give to the contributors. On *zakah*, there is a provision regarding the due date of payment, to do Cash *Waqf*, *Infaq*, *Sadaqa*, there are no time limit, contributors can do anytime. The limit of the amount of fun paid on *Zakah*, for example, for *Zakah* income, the *Zakah* payer will pay it, if it has exceeded the equivalent of eighty grams of goods a year, but to do Cash *Waqf*, *Infaq* and *Saqadah*, do not have to wait until contibutors are rich, because the property is distributed through the provision of funds some people or parties. Then, the difereences between Cash *Waqf*, *Infaq* and *Sadaqaf* are in the benefits that receive by the receiver. For Cash *Waqf*, it has long term benefit, but for *Infaq* and *Sadaqah* only for that time to fulfill the receiver needs, for example give money to buy food for hunger one (DEKS Bank Indonesia – DES-FEB UNAIR, 2016). The legal basis of *Waqf* is not found in the Qur'an (QS Al-Hajj 22:77, QS Ali Imran 3:92, QS Al Baqarah 2:261) and Assunah. According to Law No. 41 Year 2004 article 6, *Waqf* can be implemented by fulfilling the elements of *Waqf*, there are *Wakif*, *Nazhir*, Cash *Waqf*, Declaration of *Waqf*, Allotment of Cash *Waqf* ad Period of *Waqf*.

As described above that *Waqf* Institutions in Indonesia have not been managed with a professional framework, Bank Indonesia arranges standard of *waqf* management by adopt 8 (eight) of 29 (twenty nine) principles of BCPs which existed and recognized in world (2012) by Bank for International Settlement (BIS) in Basel, Swiss. Those principles are relevant and appropriate to the characteristic of *waqfs*, they are 1) The Power of Law on Authority 2) *Waqf* Assets Classification and *Nazhir* License 3) Permitted Activities 4) *Waqf* Assets Management 5) Internal and External Control 6) *Nazhir* Governance 7) Financial Reports and Reporting Standard 8) Abuse of *Waqf* Assets and Financial Service. (DEKS Bank Indonesia – DES-FEB UNAIR, 2016).

1. *The Power of Law on Authority*

This principle emphasizes the regulatory system, effective and comprehensive management as stipulated in the Regulation of *Waqf*. These regulation of *waqf* into a solid legal basis which includes the existence of an independent authority. Authority has the authority to manage *waqf*. The authority is: Giving permission for the establishment of *Nazhir*, continuous monitoring of *Nazhir*, ensure that the implementation of *Nazhir* is in accordance with the law, and make corrections to *Nazhir* for better.

In Indonesia, the regulation on *Waqf* already exists, Law No. 41 Year 2004 on *Waqf*, Government Regulation No. 42 Year 2006 on the Implementation of Law No. 41 Year 2004 on *Waqf*, Regulation of the Minister of Religion No. 4 Year 2009 on Cash *Waqf* Registration Administration, and Decision of the Director General of Islamic Society No DJ.II / 420 Year 2009 on Model of Form and Specification of Cash *Waqf* Form. The *Waqf* rules show that *Waqf* regulations have been sufficiently thorough despite the need for improvement.

2. *Waqf Assets Classification and Nazhir License*

The second principle regulate about assets of *Waqf* classification dan *Nazhir* license. Authorities must have asset mapping system arrangement for many different assets and each asset has a different economic impact. The clasification of *Waqf* assets can be divided by asset size, asset development potential, asset management, investment, profit sharing of *Waqf* project by using that asset. Criteria for making the asset classification should be considered.

3. *Permitted Activities*

The third principle regulate the allowed activities in the management of *Waqfs*. Allowed activities must have followed the sharia and legal laws of the country. *Waqfs* activities include collection, utilization, *waqf* assets and distribution of *Waqf* benefits. For example, *Waqf* stock, then there must be an investment rule that has a small risk, but still bring profit and follow the sharia rules. Collection of *Waqfs* should get approval about its sophistication. In the third principle is also regulated how the allocation of funds used Cash *Waqf* collected. The rules of *Waqf* priority should be clear so that the use of money is efficient and provides great benefits to *Mauquf Alaih*

4. *Waqf Assets Management*

The next principle of *Waqf* regulate is about the *Waqf* assets management. Wakif give assets to Nazhir accompanied designation. For example, Wakif wanted to the land *Waqf* to build school. Thus, Nazhir attempted to fulfill Wakif's request. *Waqf* asset management arrangement are categorized into six parts, namely: Collection, Utilization, Benefits Distribution of *Waqf* assets, Transfer, Transactions with Related Parties, and Risk Management. *Waqf* asset management and its relation to risk can be illustrated in the scheme contained in Figure 1. *Waqf* Asset Management Scheme.

5. *Internal and External Control*

This regulate is an approach taken by the *Waqf* authority associated with the control scheme carried out by the authorities to *Nazhir*. Authority control scheme must be integrated which includes the collection, utilization, managerial and distribution of *Waqf* asset benefits. Integration also includes the methodologies used by the authorities to assess and determine the risk of sharia aspects, management, in optimizing *Waqf* assets. This principle governs the technicalities and instruments used by the authorities to exercise control over the *Nazhir*. The Authority also evaluates the performance of the internal auditor, in so doing the authority is also entitled to use the external auditor as a third party to maintain objectivity. In addition, authorities are also entitled to require *Nazhir* report performance results to the authorities with timely and accurate, especially in the financial statements

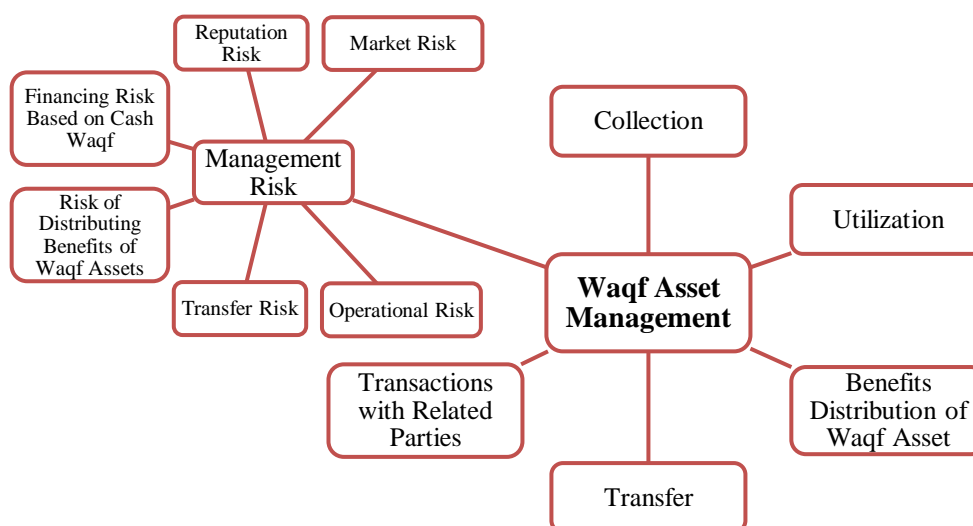


Figure 1. Waqf Asset Management Scheme

Source: (DEKS Bank Indonesia – DES-FEB UNAIR, 2016)

6. *Nazhir Governance*

On this principle, the authorities have full authority to make policies regarding the *Nazhir* criteria to ensure the optimization of wakaf assets. The fact that *Waqf* assets vary, from unproductive *Waqf* to productive *Waqf*. Both types of *Waqf* require different *Nazhir*, then the criteria are needed. *Nazhir* which has been authorized by the authority must carry out its duties well. Therefore, the authorities should create guidelines, whether specific or general about governance by *Nazhir*.

7. *Financial Reports and Reporting Standard*

This principle focuses on financial reporting and the importance of external financial auditors to control *Nazhir*, especially in reporting standards. This regulate requires the presence of an external auditor to audit the financial statements and ascertain the financial statements are in conformity with world-recognized accounting practices. This rule would make it easier for *Nazhir* to cooperate with foreign and local *Nazhir*. *Nazhir* in choosing an external auditor should consider the auditor's competence on his understanding of *Waqf*. The arrangement also focuses on the transparency, disclosure, and publication of reports covering all activities undertaken by *Nazhir*. Then, in order to improve the quality of financial statements, the authorities and institutions shall conduct a rigorous review of the reporting standards issued by *Nazhir*.

8. *Abuse of Waqf Assets and Financial Service.*

This principle regulates *Waqf* abuse problems. The authorities must ensure that *Nazhir* does not commit disgraceful activities. For example, *Nazhir* conducted operations by bringing in funds from abroad, but after funds reached Indonesia, *Nazhir* abused the funds.

The accounting system is the organizational forms, records, and reports are coordinated in such a way as to provide the financial information needed by management in order to facilitate the management of the company (DEKS Bank Indonesia – DES-FEB UNAIR, 2016). From the definition can be said that the accounting system is a recording system that produces financial report. The information presented in the financial statements of *Waqf* Institutions is general, in the book which title *Wakaf: Pengaturan Tata Kelola yang Efektif* (2016) (DEKS Bank Indonesia – DES-FEB UNAIR, 2016) according Kustiawan et al (2012: 28), define a form of financial statements zakat institution to be adopted for the financial statements *Waqf* Institutions, as follows: Amount and nature of assets, liabilities, and proceeds of *Waqf*; The effect of transactions, events, and other situations that change value and the nature of the equity proceeds; The type and amount of inflow and outflow of resources in one period and the relationship between both; The *Nazhir* method to obtaining and spending cash and other factors affecting liquidity; *Nazhir* Compliance to the provisions of sharia and information of acceptance that is not in accordance with the provisions of sharia when it exists and how such revenue is obtained and disbursement; The level of results management and development of *Waqf* gained PSAK 109 requires amil zakat to disclose transactions related to zakat. Thus, *Nazhir* as the manager and developer of *Waqf* also have the same obligations related to *Waqf* transactions, not limited to the following:

- a. Distribution policy of *Waqf* result, such as determining the priority scale of distribution, and the recipient;
- b. Distribution policy of *Waqf* result for beneficiaries, such as percentage sharing, reason, and policy consistency;
- c. The method to determining the fair value for the receipt of *Waqf* in non-cash assets
- d. Details of the amount of *Waqf* funds distribution covering the total management expenses and the amount of funds received directly by each beneficiary;
- e. A special relationship between *Nazhir*, and the beneficiaries which include: the nature of the special relationship, the amount and type of benefits and the percentage of the *Waqf* proceeds distributed from the total distribution during the period.

The types of information should be reported and audited in the form of financial statements on a regular basis, such as: Balance Sheet (Financial position Statement), Fund changes statement, Changes in assets under management Statement, Cash flows statement, Financial statements notes.

RESEARCH METHODOLOGY

Research used qualitative method with case study approach. Qualitative research attempted to illustrate the true illustration of the phenomenons occurring in *Waqf* accounting and management in Indonesia *Waqf* Institutions. Case study approach used in reseach aims to explain the specific in identifying phenomenons. Research conducted in Dompot Dhuafa Purwoketo and Indonesian *Waqf* Board. Subjects of research are selected through purposive sampling procedure based on the availability of structure and financial report in *Waqf* Institution. Data collection method used in research is interview, observation, and document analysis. Interview is a method where researcher as interviewer conduct an interview with informants as interviewees to collect data. Then, Observation is a method to observe research object and document analysis method used to complete the data through document. According to (Creswell, 2012), data analysis in qualitative research will be hand-in-hand with other sections in the development of qualitative research, namely data collection and writing of findings. In this reseach, data analysis used Data Reduction, Data Display, and Conclusion: Drawing or Verifying. Validity is one of strengths of qualitative research and is based on determination of whether findings are accurate from point of view of researcher, participants, and readers (Creswell, 2012). Creswell (2012) revealed there are eight main strategies for assessing accuracy of findings, but researcher use only three strategies in assessing accuracy of findings, they are triangulation, member checking and spend longer time in the field.

RESULT AND DISCUSSION

An Overview of Dompot Dhuafa

Dompot Dhuafa Republika is a non-profit institutions owned by Indonesia people who are solemn to raise the social worth of humankind of *dhuafa* with Ziswaf funds (Zakat, Infaq, Shadaqah, *Waqf* and other halal and legal funds, from individuals, groups, companies/institutions). The establishment of Dompot Dhuafa begins with empathy of journalist community which is interacted with poor, and also rich people. Then, it was initiated a fundraising joint for caring *dhuafa*. Four journalists and initiators are Parni Hadi, Haidar Bagir, S. Sinansari Ecip and Eri Sudewo combined as the Board of Founders of independent institutions Dompot Dhuafa Republika. Dompot Dhuafa was founded on September 4, 1994 by four founders, they are Parni Hadi, Haidar Bagir, S. Sinansari Ecip and Eri Sudewo with Ziswaf activities. Since then, Dompot Dhuafa Foundation has been actively collecting and distributing Ziswaf funds on the basis of caring through humanitarian programs, especially disaster relief in health, education and economy. Dompot Dhuafa professionalism is increasing in line with the expansion of its programs,

so that on September 14, 1994, Dompot Dhuafa was listed in the Department of Social Affairs as an organization in the form of Foundation. The formation of the foundation is conducted in the presence of Notary H. Abu Yusuf, S.H. and announced in the State Gazette of the Republic of Indonesia No. 163 / A.YAY.HKM / 1996 / PNJAKSEL.

On 8 October 2001, the Minister of Religious Affairs issued Decree No. 439 of 2001 on the Confirmation of Dompot Dhuafa Republika as the National Amil Zakah. It proves that the spirit of humanity and professionalism is getting stronger year to year. Besides, Dompot Dhuafa realized which is in addition to zakat, *waqf* also has a high potentials. Meanwhile, until present, the management of *waqf* is not yet optimal and managed effectively and professionally. On July 14, 2005, Dompot Dhuafa established Tabung Wakaf Indonesia (TWI) as *Nazhir* of Dompot Dhuafa as a form of commitment in developing *waqf* resources to be managed productively and support the development of social programs and economic empowerment which has been implemented through the management of zakat resources, infaq and sadaqah safely and professionally. Through Tabung Wakaf Indonesia, Dompot Dhuafa Republika Foundation has also been registered in Indonesian *Waqf* Board as *Nazhir* on June 16, 2011, with registration number 36.74.3.1.0000.1 referring to Law No. 41 Year 2004 on *Waqf*. In addition, Dompot Dhuafa Foundation has also been listed as the *Nazhir* cash *waqf Nazhir* on Indonesian *Waqf* Board on February 10, 2015 with registration number 3.3.00100.

An Overview of Indonesian Waqf Board

Indonesian *Waqf* Board is an independent state institution to develop *waqf* in Indonesia which in the execution of its tasks are free from the influence of power and is responsible to the community. The establishment of Indonesian *waqf* Institution itself is a form of the realization of Law No. 41 Year 2004 on *Waqf*. In Law No. 41 Year 2004 Article 47 states that the Indonesian *Waqf* Board is established in order to promote and develop national *waqf*. Indonesian *waqf* Institution membership for the first time was appointed and approved by the President of the Republic of Indonesia on July 13, 2007 in accordance with Presidential Decree no. 75 / M in 2007.

Regulation of Indonesian *Waqf* Board No. 2 Year 2012 about Representative of Indonesian *Waqf* Board stipulates that Indonesian *Waqf* Board may establish the Representative of Indonesian *Waqf* Board in the Provincial Capital and Representative of Indonesian *Waqf* Board in Regency/City domiciled in the Capital City of Regency/City. Representative of Indonesian *Waqf* Board in Banyumas Regency is located in Banyumas Regency which was formed on October 10, 2016 as a request to form Representative of Indonesian *waqf* Board in Banyumas Regency on July 11, 2016 by the Head Office of the Ministry of Religious Affairs of Banyumas Regency. Representative of Indonesian *waqf* Board in Banyumas Regency was formed to overcome the

problems of *waqf*, especially the problems of *waqf* land. In the implementation of Representative of Indonesian *Waqf* Board in Banyumas Regency has task and authority as regulated in Regulation of Indonesian *Waqf* Board No. 2 Year 2012 on Representative of Indonesian *Waqf* Board, as follows:

1. Implement Indonesian *Waqf* Board policies and tasks at the regency/cities level
2. Coordinate with ministries and agencies in the implementation of Indonesian *Waqf* Board regency/cities.
3. Guiding *Nazhir* in managing and developing *waqf* assets of regency/city.
4. To act and responsible for and on behalf of Representative of Indonesian *Waqf* Board in regency/cities both inside and outside.
5. Dismissals and replacing *Nazhir* when the wide of *waqf* land is less than 1000m² (thousand square meters)
6. Publishing Receipts of *Nazhir* Registration of the *waqf* land area is less than 1000m² (thousand square meters)
7. Surveying and reporting on the proposed changes of *waqf* asset allotment in the form of land of less than 1000m² (one thousand meters per square).
8. Surveying and reporting on the proposed exchange /change of *waqf* asset status (ruislagh) in the form of land of an area less than 1000m² (one thousand meters per square)
9. Carry out other tasks provided by the Provincial BWI Representative.

Data Analysis

The results of this study indicate that the management of cash *waqf* in Dompot Dhuafa has fulfilled the *waqf* principle that adopted from the principle of BCPs: 1) The Power of Law on Authority 2) *Waqf* Assets Classification and *Nazhir* License 3) Permitted Activities 4) *Waqf* Assets Management 5) Internal and External Control 6) *Nazhir* Governance 7) Financial Reports and Reporting Standard 8) Abuse of *Waqf* Assets and Financial Service that corresponds to laws and regulations. On the contrary, at the Representative of Indonesian *Waqf* Board (BWI) in Banyumas Regency as the representative of *waqf* regulator, its management of *waqf* is not yet optimal.

In the Power of Law on Authority Principle, the compliance of Tabung Wakaf Indonesia as *Nazhir* to manage and develop cash *waqf* corresponding to regulation which applied that marked by registration of Tabung Wakaf Indonesia as *Nazhir* of cash *waqf* to Indonesian *Waqf* Board. Registration follows stipulated of Law No. 41 Year 2004 Article 14, Government Regulation No. 42 Year 2006 Article 11 and Regulation of Minister of Religious Affairs No. 4 Year 2009 Article 1 Paragraph 4 that *Nazhir* of *waqf* should be registered in Ministry of Religion and Indonesian *Waqf* Board. Moreover, Tabung Wakaf Indonesia as *Nazhir* also publishing cash *waqf* certificate to the *Wakif* who do *waqf* corresponds to Regulation of Minister of Religious Affairs No. 4 Year 2009 Article 3 and Regulation of Indonesian *Waqf* Board No. 01 Year 2009 Article 3. While in

Representative of Indonesian *Waqf* Board in Banyumas Regency claimed runs those regulation even not comprehensive yet, as Vice Chairman said that Indonesian *Waqf* Board Representatives of Banyumas regency established to solve *waqf* issues, especially land *waqf* and currently has not received letter of assignment to manage cash *waqf*.

In *Waqf* Assets Classification and *Nazhir* License Principle, Tabung Wakaf Indonesia has arranged classification of cash *waqf*, involve: Money, Gold and silver, Dinar and dirham Gold and silver jewelry Stock Cash *waqf* classification corresponds to the definition of movable property which is in Law No. 41 Year 2004 Article 16 Paragraph 3. For the management, cash *waqf* assets are categorized to 7 (seven) classifications to make it easier to manage, they are:

1. Social property; used directly to social programs need
Portofolio: 1) RS. Rumah Sehat Terpadu Dompot Dhuafa, RS. AKA Medika Sribhawono, 2) Masjid SMART Sekolah Semen Cibinong, 3) Masjid Al Madinah
2. Commercial property; based on rent
Portofolio: 1) Philanthropy Building
3. Social business; based on business management
Portofolio: 1) Sekolah Islam Al-Syukro Universal
4. Farm; planted with trees whose harvest period is not more than 5 (five) years and beneficial plants.
Portofolio: 1) Pabrik Ekstrak Buah Indonesia Berjaya
5. Ruilslag; unproductive buildings and land
6. Capital market securities (Stock); based on risk management analysis of capital market by emphasizing sharia principle, fundamental companies and potential dividends..
7. Vehicle

Classification of cash *waqf* assets management later on distributed its management benefits into 2 (two) categories, those are 1) Economic welfare such as agriculture, farm, and stock, 2) Social welfare such as education, health, and mosque.

In the Permitted Activities Principle, Tabung Wakaf Indonesia has 2 (two) division, they are fundraising division and assets management division. Fundraising division in raising funds do offers to community through the corporation, community, social network, open booth, one by one by offers *waqf* programs to prospective *Wakif* and also launch movement such as *Gerakan Satu Juta Wakif*. After funds collected and transfered to fundraising division's account will also transfered to account of shelter managed by dinance division. Funds are submitted to assets management division to be managed its business development in accordance to its allocation. Those activities should be approved by Sharia Board of Dompot Dhuafa in order its implementation is in accordance with Islamic ethics and still bring profit in the sharia corridor. In the other hand, the Chairman of Representative of Indonesian *Waqf* Board said that Indonesian

Waqf Board Representatives of Banyumas regency is not a *Nazhir* who manage *waqf* because there is no letter of assignment to be a *Nazhir*, moreover, DR. Supani, MA said that Representative of Indonesian *Waqf* Board is a non-government institution, there is no budget. Thus, the implementation of *waqf* management has not gone well. In Law No. 41 Year 2004 Article 59 stated that in the performing duties of Representative of Indonesian *Waqf* Board, Government is obliged to assist its operational costs. More details about the financing of Indonesian *Waqf* Board is in Government Regulation No. 42 Year 2006 Article 52 Paragraph 1 which stated that Indonesian *waqf* Board financing assistance is charged to APBN for the first 10 (teen) years through Ministry of Religious Affairs budget and can be extended. Those researcher's findings cause the researcher is questioning whether Indonesian *waqf* Board lacks of and/ or have not understood the exciting regulations or there is lacking of coordination between Indonesian *Waqf* Board and its representatives. So, operational of Indonesian *waqf* Board Representatives in Banyumas Regency is not going well.

In the *Waqf* Assets Management Principle, Tabung Wakaf Indonesia collaborates with Dompot Dhuafa Enterprise in managing *waqf* assets. Zona Madina is a community empowerment area which is integrated and sustainable performing. Zona Madina Area is built above 8.5 H *waqf* land in Parung, Bogor. Zona Medina Area consists of several programs of empowerment activities and community services whose management are sourced from ziswaf funds. Management program based on *waqf* funds are Sekolah Smart Ekselensia, DD University, RS. Rumah Sehat Terpadu, and Masjid Al Madinah. Rumah Sehat Terpadu Hospital is one example of cash *waqf* program managed by Dompot Dhuafa in Zona Madina Area. Rumah Sehat Terpadu Hospital is built on unproductive empty *waqf* land and its development based on survey of the hospital potential there. Surroundings of the hospital, many *dhuafa* rejected by hospital because the hospital does not have operational cost at the beginning. Therefore, Dompot Dhuafa took initiative to set up RSCM class hospital for free for the *dhuafa*. It corresponds to Law No. 41 Year 2004 Article 42 and 43. An example of managing a cash *waqf* assets in Dompot Dhuafa is figured in the scheme which is the result of the researcher's analysis of the interview data conducted with Sunarto (March 23, 2018) on Figure 2. An Example of Fundraising and *Waqf* Management Scheme In Rumah Sehat Terpadu Hosital.

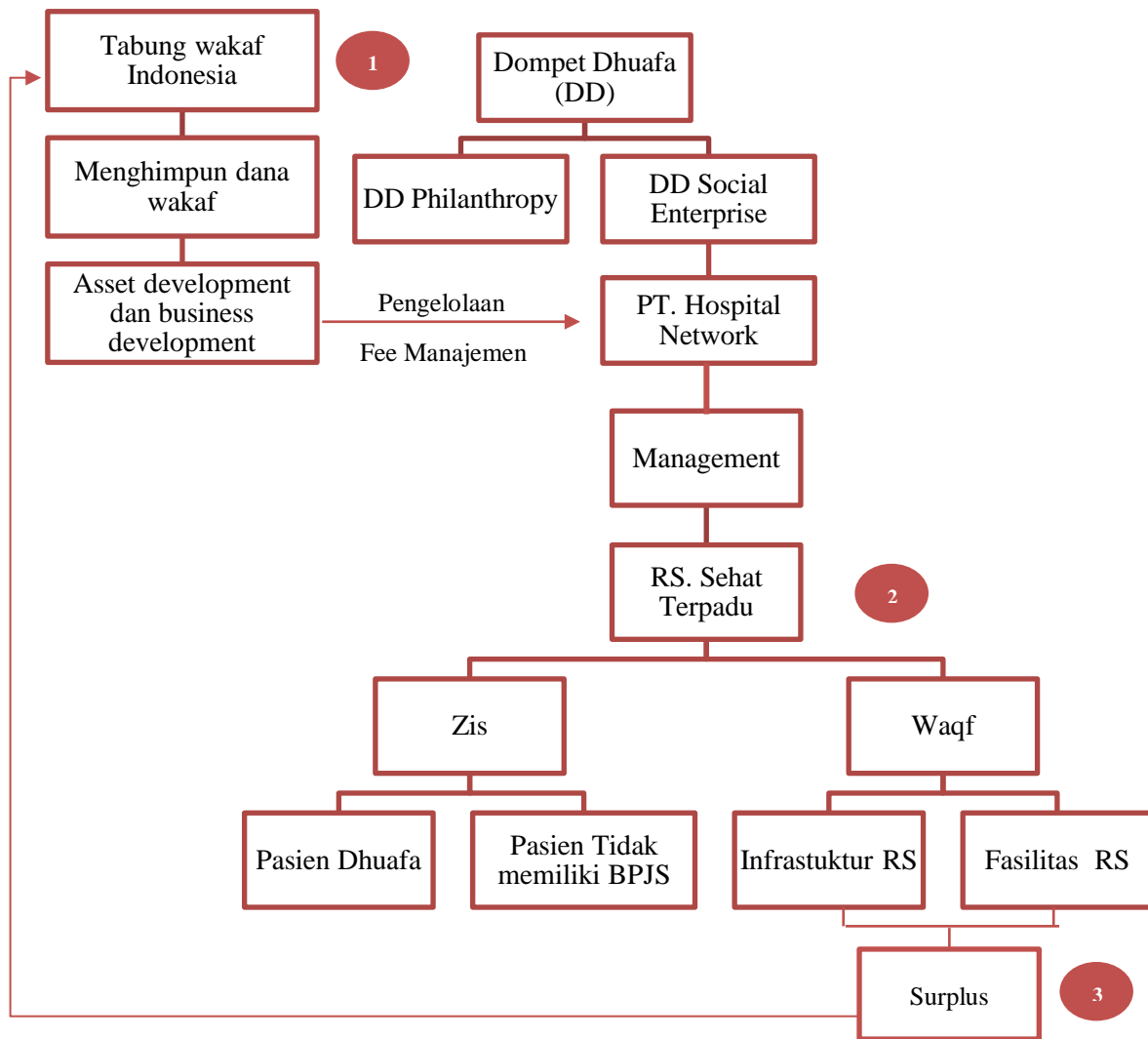


Figure 2. Fundraising and *Waqf* Management Scheme

In the Internal and External Control Principle, internal control in the Tabung Wakaf Indonesia (TWI) in the form of human resource control and asset control which is supervised directly by the Director of TWI. Human resource control is conducted on the fundraising and asset management divisions, whether the task has been carried out in accordance with the provisions of TWI. Asset control is performed considering the number of *waqf* assets managed by TWI. It is said that as *Nazhir*, TWI must be trustworthy and transparent to the community. In addition to internal controls, *Nazhir* also gets external control by public accountants. *Waqf* assets managed, then recorded and reported in the form of financial statements and external control by a designated public accountant. This is performed to assess the accountability of Dompot Dhuafa in managing the *waqf* assets mandated. In Law No. 41 Year 2004 Article 65 states that in the implementation of supervision, the Minister may use public accountant. Meanwhile, In the interview process, the Chairman and Vice Chairman of Indonesian *Waqf* Board Representatives of Banyumas regency states a surprising statement that they do not know who's become *Nazhir* of cash *waqf* in Banyumas Regency. With the findings of this researcher, the researcher questioned how the

functions, duties and authority of Representative of Indonesian *waqf* Board in Banyumas Regency about *Nazhir* and why Representative of *Nazhir* of Dompot Dhuafa can perform operational management of cash *waqf*, but Representative of Indonesian *Waqf* Board in Banyumas Regency as representative of *waqf* authority in Banyumas Regency can not do guide against *Nazhir*. Because according to Regulation of Indonesian *Waqf* Board No. 2 Year 2012 Article 5 Paragraph 2 Number 3 is to guide *Nazhir* in managing and developing *waqf* assets. In addition, the researcher also questioned how the relationship exists between Indonesian *waqf* Board and its representative, because according to Law No. 41 Year 2004 Article 48 that Indonesian *Waqf* Board is domiciled in the capital of the Unitary State of the republic of Indonesia and may establish representation in the province and/ or regency/city as required.

In the *Nazhir* Governance Principle, Tabung Wakaf Indonesia has two main division, Fundraising Division and Asset Management Division. Every staff who assist to manage cash *waqf*, he/she will through several steps. If he/she is placed in asset management division, at least he/she knows about financial management, operational and management cash *waqf*. Then, if he/she is placed in Fundraising Division, he/she have to fulfill *Nazhir's* stipulation, also who arrange policy, he/she has to capability about regulation understanding and asset legality. Dompot Dhuafa has institute values that is INSPIRATION stands for *Islami (islamic)*, *Universal (universal)*, *Peduli (caring)*, *Inovatif (inovative)*, *Responsif (responsive)*, *Amanah (trusted)*, *Profesional (professional)*. It indicates that the Chairman has created a culture and code of ethics of Islam. In the selection of staff who will assist *Nazhir* in managing the *waqf* must pass several stages. In Tabung wakaf Indonesia there are two divisions, namely fundraising division and asset management division. If staff will be placed in the asset management division, then at least he must understand about financial management, operations and management. In addition, the Chairman of Dompot Dhuafa also made a policy that the stakeholders and all administrators have no rights over the assets managed, even the founder of Dompot Dhuafa Republika though. This is performed so that when the stakeholders and managers have been out of their tenure, or died, the heirs cannot claim assets that are managed. Because the managed assets belong to the people, not private assets. Meanwhile, Organizer of Representative of Indonesian *Waqf* Board in Banyumas Regency has other professions and cannot work maximally in Representative of Indonesian *Waqf* Board in Banyumas Regency.

In the Financial Reports and Reporting Standard Principle, Tabung wakaf Indonesia to resolve the unavailability of *waqf* accounting standards by reported the management of *waqf* refers to PSAK 109, the accounting standard of zakah. While at the Representative of Indonesian *Waqf* Board in Banyumas Regency, the operation uses individual funds due to the absence of budget from the government. Through the documents analysis which is researcher do, researcher found on the website BWI (www.bwi.or.id) accessed on March 20, 2018 At 20:57 pm that Indonesian *Waqf* Board has 7 (seven) years did not upload reporting of cash *waqf* management because the last uploaded Report in 2011.

With the findings of researcher, researcher's questioning how is Indonesian *Waqf* Board accountability to the management of *waqf* to the community.

In the Abuse of *Waqf* Assets and Financial Service Principle, Until present, Dompot Dhuafa and Indonesian *Waqf* Board did not commit abuse of *waqf* assets and financial services.

Dompot Dhuafa reports their *waqf* management in financial statement is using PSAK No. 45 Revised 2011 "Non-Profit Entities Financial Reporting" and PSAK No. 109 "Accounting for Zakat and Infak/Saqadah". While at Representative of Indonesian *Waqf* Board in Banyumas Regency did not report management of cash *waqf*.

In Dompot Dhuafa financial statements, *waqf* is presented in one account, there is no separation between *waqf* in other form and cash *waqf* (money), so the numbers cannot be known for sure. The acceptance of the cash *waqf* is acknowledged when it is received by *Nazhir* (received from *Wakif* by *Nazhir* and published certificate of cash *waqf*), the calculation uses the rupiah value, the recognition of the cash *waqf* is recorded in the statement of financial position as the balance of funds (permanently restricted support *waqf*, restricted support *waqf*). Permanently restricted support *waqf* is fund that can only be used for things related to *waqf*, while restricted support *waqf* is fund that can be used for things determined before. Then when cash *waqf* is invested, cash *waqf* is recognized when profit sharing is given, the measurement uses the rupiah value, the recognition is recorded in the statement of financial position as revenue profit sharing. The distribution of cash *waqf* is recognized when the cash *waqf* is distributed, the measurement using rupiah value and its disclosure are disclosed in the statement of financial position as assets under management and management of *waqf* assets. In the financial statements are not explained what is the difference between asset management and management of wakaf assets. The financial statements prepared by Dompot Dhuafa include: Statements of Financial Position provides information about asset, liabilities, net asset and information about relation among these elements at any given time, statements of Activities provides information about the effect of transactions and other activities that change the amount and characteristic of net assets, relation among transactions and other activities and how's using of resources in the implementation of the programs, statements of Fund Changes provides report on changes in *Waqf* funds, *Nazhir* funds, and non-halal funds, both from the collection and income of waqf proceeds; statements of Asset Change Under Management provide information of changes in assets under management statement, starting from current assets, non-current assets, and accumulated depreciation, additions and deductions, beginning balance and final balance; Statements of Cash Flows provides information for users of financial statements which resulted in cash and cash equivalents and *Nazhir* need to use those cash flows. The cash flow statement covers the entire cash flows in operating, investing and financing activities in one period;

Notes to Financial Statement is a various notes that present financial statements to provide more detailed information about *Nazhir*, *Nazhir's* accounting policies, explanation of key posts and human resource development efforts.

CONCLUSION

From the discussion in the previous chapter we can take some conclusion that Cash *waqf* management in Dompot Dhuafa corresponds to Government regulation based on BCPs principle, they are 1) The Power of Law on Authority 2) *Waqf* Assets Classification and *Nazhir* License 3) Permitted Activities 4) *Waqf* Assets Management 5) Internal and External Control 6) *Nazhir* Governance 7) Financial Reports and Reporting Standard 8) Abuse of *Waqf* Assets and Financial Service. While, cash *waqf* management in Indonesia *Waqf* Board Representative still needs an evaluation because the execution of tasks are not running properly, such as there is no budget for operational activities in the Representative of Indonesian *Waqf* Board in Banyumas regency. Accounting system, recording and reporting standard used for cash *waqfs* in Dompot Dhuafa is arranged corresponds to PSAK No. 45 Revised 2011 "Non-Profit Entities Financial Reporting" and PSAK No. 109 "Accounting for Zakah and Infaq/Sadaqah". While, in Representative of Indonesian *Waqf* Board in Banyumas Regency does not report their task implementation in developing cash *waqf* and guide *Nazhir* of cash *waqf*. It caused by ignorance of Indonesia *Waqf* Board of cash *waqf* *Nazhir* in Banyumas regency.

There are several implications for better accounting and management cash *waqf*. For cash *waqf* management in Representative of Indonesian *Waqf* Board in Banyumas Regency as *waqf* authority representative in Banyumas Regency is obliged to guidance *Nazhir* development for cash. This is in accordance with Law Number 41 Year 2004 Article 49 Paragraph 1 (a). Representative of Indonesian *Waqf* Board in Banyumas Regency as *waqf* authority representative in Banyumas Regency established by the Government, should get a budget to implement the operational of *waqf* development, especially cash *waqf*. It corresponds to Law Number 41 Year 2004 Article 59 and Government Regulation Number 42 Year 2006 Article 52 Paragraph 1. Then, need an evaluation about *Nazhir* of Indonesia *Waqf* Board. It is in accordance with Law No. 41 of Article 1 Paragraph 7 stated that the Indonesian *Waqf* Board is an independent institution to develop *waqf* in Indonesia. Whether the independence is not disrupted if the Indonesian *Waqf* Board as a *waqf* authority, also as *Nazhir*. Last, needs a coordination between the head of Indonesian *Waqf* Board and the representative of Indonesian *Waqf* Board in Banyumas Regency about anyone who is *Nazhir* of cash *waqf* Banyumas Regency. It corresponds to Representative of Indonesian *Waqf* Board No. 2 Year 2012 Article 5 Paragraph 2 number 3. If representative of *nazhir* of Dompot Dhuafa can implement cash *waqf* management, why representative of Indonesia *Waqf* Board in Banyumas regency cannot do guide the *Nazhir*. For the accounting system, recording and reporting standard used for cash *waqf* in *Waqf* Institution, Representative of Indonesian *Waqf* Board in Banyumas Regency is obliged to report the task implementation of cash *waqf* development to society. It

corresponds to Law Number 41 Year 2004 Article 61. And in Dompot Dhuafa, *Waqf* asset management program reporting can be supported using conventional accounting standards. It is related to the recognition of the *waqf* asset value, for example the building asset value of the Rumah Sehat Terpadu Hospital.

Based on the research results, here are some limitations in this research. This research was only conducted in one (1) *waqf* institution. So it does not have a comparison and does not reflect the *waqf* management in Indonesia widely. For further research, it can be performed at several other *waqf* institutions. *Waqf* authority representative, namely Indonesia *waqf* board representative of Banyumas Regency is still 1 (one) year old. So, researcher finds some findings of the tasks implementation that has not run properly. For further research, research can be performed on finding of *waqf* development in the head or provincial representative of Indonesian *Waqf* Board for a wider explanation.

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