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## *Principles of Amil Zakat and Best Practice Recommendations for Zakat Institutions*

Muhammad Hasbi Zaenal, Muhammad Choirin, Khonsa Tsabita,  
Amelya Dwi Astuti, Ayu Solihah Sadariyah

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**BAZNAS**  
Badan Amil Zakat Nasional

**Muhammad Hasbi Zaenal**

Center of Strategic Studies  
The National Board of Zakat (BAZNAS)  
Jln. Kebon Sirih Raya, 10340 Central Jakarta, Indonesia  
Fax: +6221 – 3913777  
Email: mohd.hasbi@puskasbaznas.com  
and  
Islamic Economic Studies and Thoughts Centre (IESTC)  
Universiti Kebangsaan Malaysia  
Bangi, 43600 Selangor D.E., Malaysia  
Email: mohd.hasbi@iestc.net

**Muhammad Choirin**

Center of Strategic Studies  
The National Board of Zakat (BAZNAS)  
Jln. Kebon Sirih Raya, 10340 Central Jakarta, Indonesia  
Fax: +6221 – 3913777  
Email: muhammad.choirin@puskasbaznas.com  
and  
Center of Postgraduate  
As-Syafi'iyah Islamic University  
Jl. Raya Jatiwaringin No. 12 Pondok Gede, Jakarta, Indonesia  
Email: choirin.um@gmail.com

**Khonsa Tsabita**

Center of Strategic Studies  
The National Board of Zakat (BAZNAS)  
Jln. Kebon Sirih Raya, 10340 Central Jakarta, Indonesia  
Fax: +6221 – 3913777  
Email: khonsa.tsabita@puskasbaznas.com

**Amelya Dwi Astuti**

Center of Strategic Studies  
The National Board of Zakat (BAZNAS)  
Jln. Kebon Sirih Raya, 10340 Central Jakarta, Indonesia  
Fax: +6221 – 3913777  
Email: amelya.astuti@puskasbaznas.com

**Ayu Solihah Sadariyah**

Center of Strategic Studies  
The National Board of Zakat (BAZNAS)  
Jln. Kebon Sirih Raya, 10340 Central Jakarta, Indonesia  
Fax: +6221 – 3913777  
and  
Tazkia University College of Islamic Economics  
Bogor, 16810. Jl. Ir. H. Djuanda No. 78 Sentul City Bogor, Indonesia  
Email: ayu.sadariyah@puskasbaznas.com

## **Abstract**

*Zakat is the third pillar of Islam. Difference with the other pillars of Islam, zakat has a personal and social dimension as a key economic pillar in the economic development and prosperity. In fact, urgency of zakat is the same as the urgency of prayer. In the aspect of zakat division, Islam has set eight groups of mustahiq. Among these group are the collectors and the distribution of zakat (Al- 'Amil). Amilin has a strategic functions and duties for developing zakat in Indonesia. The aspects of how classical scholarly opinion regarding the terms of Amilin; the classification, duties, and functions of Amil; and best practice recommendations for zakat institutions will be the main themes of this paper.*

**Keywords:** Zakat, amilin, good amil governance

**JEL Classification:** O150, R290, Z120, Z190

## **1. Introduction**

Zakat is a particular treasure that must be issued by the Muslims and given to groups who deserve it. Zakat terms of language means clean, pure, lush, thanks and growing. Zakat starts to be obligated since the year 662 AD, when the Prophet Muhammad SAW institutionalize zakat for the rich to ease the burden of the poors. In the time of *caliphate*, zakat collected by the state employees and distributed to the groups (*ashnaf*) which has been mentioned in Qur'an.

Yusuf al-Qaradawi (1973) depicted *Amil* position as a heart in the human body: if the heart is good, then the whole body will get well, and if it is getting sick then the entire human body will get bad. Thus, it has a very strategic position and a determinant in the rise of zakat.

This paper aims to explain the terms of *Amil* based on the classical scholarly thoughts and to elaborate the classification, duties and functions in managing zakat. This paper also be used as a reference point for the authorities when developing their regulations for zakat operation, especially ones related with *Amil* activities. These objectives are in line with the discussion on the Zakat Core Principles (ZCP) and *Technical Notes on Good Amil Governance*<sup>1</sup> document. These dimensions will be explained further in this paper.

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<sup>1</sup>The document was launched on the International Working Group on *Technical Notes on Good Amil Governance for Zakat Institutions* on October 29, 2016 in Surabaya, Indonesia.

## 2. The Origin of *Amil*

In the practice of zakat, the Prophet Muhammad SAW and his successors constantly formed *Amil*. The term of *Amil* used by the Prophet SAW is intended for people who collect and distribute zakat, as narrated below:<sup>2</sup>

عَنْ عَطَاءِ بْنِ يَسَارٍ أَنَّ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ: لَا تَجُلُ الصَّدَقَةَ لِغَنِيِّ إِلَّا  
لِخُمْسَةٍ: لِغَارٍ فِي سَبِيلِ اللَّهِ أَوْ لِغَامِلٍ عَلَيْهَا أَوْ لِغَارِمٍ أَوْ لِرَجُلٍ اشْتَرَاهَا بِمَالِهِ أَوْ لِرَجُلٍ  
كَانَ لَهُ جَارٌ مِسْكِينٌ فَتُصَدَّقَ عَلَى الْمِسْكِينِ فَأَهْدَاهَا الْمِسْكِينُ لِلْغَنِيِّ.

*“The [obligatory] charity (zakat) is not permissible for any rich person, except for five: The fighter in the cause of Allah, or the amil of zakat, or the one in debt, or for a person who purchases an item given in Zakat from his own wealth, or for a person who has a neighbour that is poor to whom he gives his Zakat and then the poor neighbour gives the Zakat item as a gift to a rich man.”*

The word *Amil* derived from (عامل-يعمل-عمل) which means "[who] do, do [the activity], waiters"<sup>3</sup>. *Amil* defined as persons who collect and seek zakat, and who distributed it. Al-Suyuti (1990) stated that those who carry out the activities of zakat affairs are ranging from charities to the treasurer and guard, as well as recording until the counting out zakat and distributing it to the mustahiq.<sup>4</sup>

The various *Fiqh* schools (*mazahib*) have tried to explain the definition:<sup>5</sup> *First*, Al-Jaziri (1992), from Al-Hanafi and Al-Hanbali *mazhab*, said that *Amil* is a person appointed by a leader to collect zakat and will have a share in accordance with the content of his work. *Second*, according to Al-Maliki *mazhab*, *Amil* is a group/party that is trying to collect zakat, report, and share zakat funds. After finishing his duty, he is entitled to receive the zakat fund. However, *Amil* will gets two parts if he were poor, which is from poor sections and *Amil* sections. *Third*, according to al-Shafi'i *mazhab*, *Amil* is the person who has contributed in zakat collection and allocation, included zakat collectors, writers, guards, and distributors.

<sup>2</sup>Abu Dawud No. 1635 and Ibnu Majah No. 1841.

<sup>3</sup>Ahmad Warson Munawwir (1984), Kamus al-Munawwir, Yogyakarta: Pondok Pesantren al-Munawwir, , 1045.

<sup>4</sup>Imam Jalaluddin al-Mahally and Imam Jalaluddin as-Suyuthi (1990), Tafsir Jalalain Translation and as-Babun Nuzul, Bandung: Sinar Baru, 786.

<sup>5</sup>Abd al-Rahman al-Jazari, al-Fiqh 'Ala Madzahib al-Arba'ah. Kairo: Dar al-Irshad, 550-554.

Al-Ghazali (2004) mentions that *Amil* is the party for zakat collecting, security officer, writer, counter, treasurer and also a carrier.<sup>6</sup>

Muhammad Rashid Rida (1368 H) defined *Amil* by interpreting QS. At-Tawbah verse 60 which stated that they are ones assigned by the government or the representative, to carry out the collection of zakat. They are called by *Al-Jubat*, while the people who save or maintain the zakat fund named *Al-Hazanah* (treasurer), including the herders and administration officers.<sup>7</sup> In line with the statement, Yusuf al-Qaradawi (1973) said *Amil* are those who work in zakat organizations, both the collector, the treasurer, the clerk, and person in charge of distribution and administrators.<sup>8</sup> In addition, Quraish Shihab (1992) defined *Amil* as a person who takes care about zakat with the skills on how to collect, record, and distribute to the people who are eligible to receive it.<sup>9</sup>

Regarding the various terms proposed by the previous scholars, the term of *Amil* zakat are those who carry out the activities of zakat operation, from collecting, storing, keeping, recording how the zakat comes and exits as well as channeling or distributing the zakat funds to *mustahiq* (zakat receivers). Thus, these perspectives indicate that the *Amil* has a significant role for implementing of zakat function. Similarly, it has been inaugurated by the leader/government to collect zakat from the owner of wealth by collecting, keeping, transporting, and managing it.<sup>10</sup>

### **3. Principles of *Amil***

One of the zakat function is to alleviate poverty. In this context, *Amil* not only has a responsibility to manage zakat funds effectively, but also has a primary task which all are related to the management of zakat funds, ranging from counting the number of properties and the amount of zakat, picking it up, carrying out to review the poverty minimum levels, and ensuring *mustahiq* to receive zakat fund. In the principles of zakat administrators, there are at least three aspects that needs to be explained in details, such as responsibilities of *Amil*, right of *Amil*, and some conditions issues.

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<sup>6</sup>Muhammad al-Ghazali (2004), *Ihya 'Ulum al-Din*. Beirut: Dar al-Ma'rifah, 1/222.

<sup>7</sup>Muhammad Rasyid Ridha (1368), *Tafsir Al-Manar*, Jilid 10, Mesir: Percetakan Al-Manar, 513.

<sup>8</sup>Yusuf al-Qardhawi (1973), *Fiqh al-Zakah*. Beirut: Muassasah al-Risalah, 579.

<sup>9</sup>M. Quraish Shihab (Ed), *Ensiklopedi Islam*, Jakarta: PT. Ichtiar Baru van Hoeve, Jilid I, Cet. Ke-1, 134.

<sup>10</sup>Abu Bakar Jabir al-Jaza'iri (1994), *Minhaj al-Muslim*. Madinah: Maktab Dar al-Salam. 240. Ibrahim Uthman, *Nidzam Masraf al-Zakahwa Tawzi' al-Ghana'im*. T.P: TP, 77.

### 3.1 Responsibilities of *Amil*

In general, *Amil* has two major tasks, i.e. collecting and distributing zakat.<sup>11</sup> The collecting tasks are observing and guiding the *muzakki* (zakat payers), determining the types of assets which are compulsory for zakat and the amount they have to pay (*nisab*), then taking and storing zakat funds to the disbursement division. With regard of these tasks, *Amil* requires a knowledge of Islamic laws and skills on the zakat management.<sup>12</sup>

In order to realize a better zakat management, *Amil* must hold several requirements, such as strong (*al-Quwwah*) and trustworthy (*al-Amanah*). The strong means they have a strong personal capacity, sufficient knowledge and experience to support a good zakat management. While the trustworthy means having the good nature, ethics and virtues which are reflected in the character and behavior of *Amil*. These qualities will be the barrier of fraud and irregularities in the zakat fund management. Both of these requirements are taken from the QS. Al-Qasas verse 26, Allah SWT said:<sup>13</sup>

قَالَتْ إِحْدَاهُمَا يَا أَبَتِ اسْتَجِرْهُ إِنَّ خَيْرَ مَنِ اسْتَجَرْتَ الْقَوِيُّ الْأَمِينُ

“One of the women said, “O my father, hire him. Indeed, the best one you can hire is the strong and the trustworthy.”

*Khalifah* Umar ibn al-Khattab initially stating some requirement factors for *Amil* like collecting, distributing and avoiding the misuse of zakat funds.<sup>14</sup> Completing this study, refer to Sahal Mahfudh (1994), *Amil* must be a skilled labor, dedicated, honest, trustworthy and able to control the problems associated with zakat such as problems related to *muzakki*, *nisab*, *haul*, and *mustahiq*.<sup>15</sup> Didin Hafidhuddin (2003) requires *Amil* to have a sufficient understanding about zakat law properly, an ability to carry out the task given, and a full time work to fulfill his duties. In addition, *Amil* should actively disseminate zakat, organize it, then distribute it to the *mustahiq*.<sup>16</sup>

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<sup>11</sup>Yusuf al-Qardhawi, *Fiqh al-Zakah*, 580.

<sup>12</sup>Quraish Shihab (1992), *Membumikan al-Qur'an: Fungsi dan Peran Wahyu dalam Kehidupan Masyarakat*, Bandung: Mizan, 328

<sup>13</sup>Qur'an: Al-Qasas/28: 26.

<sup>14</sup>Husain Husain Shahatah, *al-Dawabit al-Shar'iyah li Taqnin al-Tatbiq al-Ilzami li al-Zakah 'Ala Mustawa al-Dawlah*. Kairo: Silsilah Buhuth wa Dirasat, 6.

<sup>15</sup>Sahal Mahfudh (1994), *Nuansa Fiqih Sosial*, Yogyakarta: LKiS dan Pustaka Pelajar, 151-152.

<sup>16</sup>Didin Hafidhuddin (2003), *Panduan Zakat bersama Dr. KH. Didin Hafidhuddin*, Jakarta: Republika, Cet. Ke-2, 147-148

Al-Qardhawi said that *Amil* has various tasks and jobs that are related to zakat regulation. Some of them are the census regarding *muzakki*, as well as the details of *mustahiq* who receive zakat funds, such as how many zakat funds to be allocated and can be given to *mustahiq*.<sup>17</sup> *Amil* zakat is also obligated to pray for *muzakki* whenever they give their zakat through *Amil*, in order to distinguish them with non Muslim (*dhimma expert*) who pay *jizyah*, and to execute the commands of Allah. It is stated in the Quran as follows:<sup>18</sup>

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ

“Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah 's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing.”

Understanding to this verse “...and invoke upon them”, there are two opinions which can be concluded. *First*, Ibnu Abbas said that it is invoke forgiveness for them. *Second*, some *ulama* said it prays for *muzakki* goodness. While, the word “...Indeed, your invocations are reassurance for them”, there are four opinions. *First*, Ibnu Abbas said that they are closer to Allah SWT. *Second*, Thalhah stated that is a mercy for them. *Third*, Ibnu Qutaibah said that it led to the reinforcement of their faith. *Fourth*, it acts as a security for them.<sup>19</sup>

### 3.2 Right of *Amil*

To ensure the zakat operation runs successfully, QS. At-Tawbah verse 60 described *Amil* or zakat administrators entitled to be part of the zakat recipient. However, scholars disagree about the number of decent portion, does each group in the verse gets one-eighth or get some amount. This is due to the differences opinion about the meaning of *Lam* in pieces of verse *li al-fuqaraa*’ which associated with the seven other groups. Ibn Al-'Arabi in *Ahkam al-Qur'an* as cited by Quraish Shihab (1992) explained that the letter does not mean “own”, but means *lam al-Ajl* defined as “to” as in “*hadza al-Bab li al-Dar*” (this is door of the house). This opinion embraced by Imam Malik and Imam Abu Hanifah; while Imam Shafi'i said that *Lam*

<sup>17</sup>Yusuf al-Qardhawi, *Fiqh al-Zakah*, 580.

<sup>18</sup> Al-Tawbah/9: 103.

<sup>19</sup>Imam Al-Mawardi (2000), *Hukum Tata Negara dan Kepemimpinan dalam Takaran Islam*, Translation by Abdul Hayyie al-Kattani and Kamaluddin Nurdin, Jakarta: Gema Insani Press, 236.

is the *lam attamlik* that can be interpreted “own” as in the words "*hadza al-Mal li Zaid*" (Zaid is the owner of this wealth).

On this implication, Shafi'i argued that part of the *Amil* is the same right as the seven others. Meanwhile, Imam Ahmad considered submitting it to the government discretion to set a reasonable amount.<sup>20</sup> Ibn Rushd (1995) in *Bidayatul Mujtahid* explained that the ulama who allows wealthy *Amil* to receive zakat also allow judges (*al-Qadhi*) and also the people who can benefit the Muslims to receive it even though they are rich. The excuse is *'Illat* which requires zakat to the eight groups mentioned in the Quran is not just a necessity but also the usefulness for Muslims.<sup>21</sup> Quraish Shihab added that what is meant by the judge/*qadhi* and such that are considered to acquire a share of zakat are those who are indirectly involved as *Amil*. This means they are more like the consultants and ones who are involved in the implementation of zakat.<sup>22</sup>

More explicit conditions are disclosed by Didin Hafidhuddin (2003) that *Amil* who are entitled to receive *Amil*'s part fully, that is one-eighth (1/8) or 12.5 percent of the total collected funds. According to him, *Amil* are more than trustworthy, honest, and understanding the law of zakat properly, but also undertaking the full-time duties instead of doing the job as freelancer and does not perform their duties perfunctorily. Besides that, *Amil* should not passively and quietly wait for *muzakki*, rather they should actively distribute the zakat funds, pick and administer it well, and then share it to right target. Meanwhile, people who are only acts as *lajnah* (committees) as what are common today, are not entitled to have full allocations from parts of *Amil* (12.5 percent), but simply receive for administration fee, transportation fee, or wage of 1 or 2 percent or probably half of the parts of *Amil*.<sup>23</sup>

### 3.3 Some Conditions Issues

Some scholars have established certain terms and conditions of *Amil*. Therefore, the following will discuss some of these issues. *First*, does *Amil* should a Muslim? Refer to literatures, *Amil* must be a Muslim. However, it is permissible for a non Muslim to do the basic tasks, as long as they are not within the scope of zakat collection and distribution. This is based on history, when Umar bin al-Khattab once reprimanded Abu Musa al-Ash'ari who

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<sup>20</sup>M. Quraish Shihab, *Membumikan Al-Qur'an*, Op. Cit., page 329

<sup>21</sup>Ibnu Rusyd, *Bidayatul Mujtahid*, Volume II, Jakarta: Pustaka Amani, 1995, page 64-65

<sup>22</sup>M. Quraish Shihab, *Membumikan Al-Qur'an*, Op. Cit., page 330.

<sup>23</sup>Didin Hafidhuddin, *Op. Cit.*, page 140-142



hires a Christian as a registrar administration on zakat affairs.<sup>24</sup> *Second*, does *Amil* should be trusted? *Amil* has to be honest and trusted to manage the Muslims wealth. The nature of this mandate is very prominent characteristic of the Prophet Muhammad SAW and the caliphs.<sup>25</sup> *Third*, does *Amil* should understand the fiqh zakat? As the most responsible for the zakat management, *Amil* must be understood the details of zakat rules and laws. These conditions related to *Amil* duties as managers of *ummat* wealth. If not, the failure to realize *mustahiq* welfare will most likely to happen.<sup>26</sup>

*Fourth*, does *Amil* should be a man? Regarding the condition, it has been a long debate among scholars. Some scholars require *Amil* must be a man and forbid women to be involved. Basis of the prohibition, due to lack of information from the Prophet Muhammad SAW and his companions as the basis for permissibility women become *Amil*. Nevertheless, the majority of *khalaf* scholars stated that gender is not a requirement for *Amil*, which means women can be selected. According to al-Qaradawi (1973) the concept of men's obligation to fulfill women's needs is not proper to imposed women restrictions, as long as the job type is in line with the condition of women nature. Although there is a hadith which said that a country will not prosper in the women hand, but this proposition to restrict women as *Amil* is not right at all.<sup>27</sup>

#### **4. Best Practice Recommendations**

The principles of *Amil* and some related issues elaborated in the previous section has justified the essential need of a good *Amil*. However, in a zakat institution, the term *Amil* does not only entitle to someone who manage zakat funds, but also to the whole zakat governance called as Good Amil Governance (GAG). This governance refers to a set of organizational structure and mechanism which are reliable to sustain transparency, accountability, independence, responsibility, and professionalism in decision making process<sup>28</sup>. Also, the *Amil* term reflects the non-profit seeking orientation in the zakat operations.

With regard to this, previous efforts to create a standard regarding good amil governance have been made in an international working group that was designed to discuss zakat core principles for sound and effective zakat system. The efforts were summed up in the *Technical Notes on Good Amil Governance for Zakat Institution* document which was

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<sup>24</sup>Ibn Kathir, Ismail bin Umar al-Qurashi (2002), *Tafsir al-Qur'an al-Adzim*. Beirut: Dar Tayyibah, 3/133.

<sup>25</sup>Abdul Bari Shoim, *Zakat Kita*. Kendal: PDM Kendal, 155.

<sup>26</sup>Al-Nawawi, al-Majmu' Sharh al-Muhadzab. TT: Dairah al-Muniriyah, 6/167.

<sup>27</sup>Yusuf al-Qardhawi, *Fiqh al-Zakah*, 588-589.

<sup>28</sup>As described in the *Technical Notes on Good Amil Governance for Zakat Institution*.

officially launched on October, 2016. This document includes several practical dimensions which can be implemented as the best practice recommendations regarding GAG for zakat institutions. As depicted in the Table 1, there are thirteen dimensions of GAG which are derived from the said technical note document as follows:

Table 1. Dimensions of Good Amil Governance

| Dimensions |                                                                                |     |                                                                |
|------------|--------------------------------------------------------------------------------|-----|----------------------------------------------------------------|
| 1.         | Definition of <i>Amil</i> as per Mentioned in Zakat Act or Related Regulations | 8.  | Performance Evaluation of the Management of Zakat Institutions |
| 2.         | Rights and Obligations of <i>Amil</i>                                          | 9.  | Certification and Development of <i>Amil</i>                   |
| 3.         | Guidance of Good <i>Amil</i> Governance                                        | 10. | Standard Operating Procedures (SOP) of Zakat Institutions      |
| 4.         | Regular Assessment of Good <i>Amil</i> Governance Policy                       | 11. | Risk Mitigation of Good <i>Amil</i> Governance                 |
| 5.         | Special Organizational Structure responsible for Good <i>Amil</i> Governance   | 12. | Disclosure and Transparency                                    |
| 6.         | Role of the Board and Management of Zakat Institutions                         | 13. | <i>Shariah</i> Compliant and Regulations                       |
| 7.         | Performance Evaluation of the Board of Zakat Institutions                      |     |                                                                |

Source: Technical Notes on Good Amil Governance for Zakat Institution (2016)

The first dimension provides essential criteria to identify the definition of *Amil* in the zakat act or related regulations. There are five indicators with regard to this dimension, namely: (1) the existence of zakat act and/or related regulation to govern the *Amil*, (2) the definition of *Amil* is clearly mentioned in that particular zakat act and/or related regulations, (3) the definition of *Amil* should cover general responsibility of zakat institution in managing zakat, (4) the requirements of zakat institution which are regulated by zakat act and/or related regulations, (5) in case of Muslim minority countries, where there is no legal recognition or zakat act or related regulations, the definitions of *Amil* should be clearly mentioned in the MoA (memorandum of association).

The second dimension aims to define the rights and obligations of *Amil*. Beside the detail explanations from the previous section, a zakat institution must have three indicators. First, the existence of regulation that is related with the rights and obligations of *Amil*. Second, those regulation must be governed by the act and/or memorandum of association (MoU) regulation related to zakat. Lastly, the existence of regulation that governs the

utilization of infaq and sadaqah funds for *Amil* operational cost if the fund that comes from *Amilright* (12.5 percent) is not sufficient.

The third dimension is related with the guidance of GAG. There is a need for zakat institutions to have a guidance that governs GAG specifically. This guidance will be assigned by the board of zakat institution. Also, there are at least five aspects that should be included in this guidance, such as the guidance of collection, management, disbursement, responsibility and accountability mechanism, and code of ethics that regulates relation of *Amil* and other stakeholders.

The fourth dimension deals with the regular assessment of GAG policy. Some aspects are needed in every zakat institutions to ensure professionalism of zakat activities. Zakat institutions shall have three aspects: (1) assessment and supervision procedure of the GAG implementation, (2) indicators and measurement tools to assess and supervise the GAG implementation, and (3) reward and corrective actions system in implementing GAG.

The fifth dimension emphasizes on the special organizational structure responsible for GAG. In this context, a zakat institution should have a special division (organizational structure) which responsible for supervising GAG implementation. This special division must be appointed and regulated by the board/director of zakat institution. It should give periodic reporting regarding GAG implementation. Also, it is responsible for mitigating all risks due to a weak GAG implementation.

The sixth dimension is related with the role of the board and management of zakat institutions. There are at least five important roles of the board and management. *First*, they approve and actively oversees implementation of the zakat supervisory direction and strategy. *Second*, they establish and communicate Islamic norms and values through code of conduct. *Third*, they also establish fit and proper standards in selecting *Amil* officers who have good characters, integrity, and three basic knowledge (zakat collection, zakat disbursement, and financial management). *Fourth*, they create conflicts of interest policies and a strong control environment. Lastly, they ensure the effectiveness of *Amil* governance over the zakat institutions' entire management.

As a follows up of the sixth dimension, the seventh one suggests the performance evaluation of the board of zakat institutions. There must be an authority that is responsible to supervise and evaluate the performance of zakat institution's board. Here, the supervision function must be conducted independently and objectively, and must be governed by the Act or specific regulations. In case of zakat institution has branch or representative offices in various regions, the supervision must be conducted by the zakat institution's board through

the establishment of a special division. On the other hand, the eighth dimension discusses the performance evaluation of the management of zakat institutions. This evaluation is executed by the board of zakat institutions based on an objective, measurable, and reliable assessment system and procedure. Furthermore, the aspects on annual assessment and evaluation of management's performance must be assigned in a regulation which can be accessed by all management staff within the zakat institution.

The ninth dimension provides the certification and development of *Amil*. There are four indicators in this dimension. *First*, the zakat institutions must have a program regarding the sustainable development of human resources. *Second*, there must be a certification to ensure the quality of human resources or *Amil* of the zakat institution. *Third*, the institution must provide the human resources or *Amil* performance assesstment system which is transparent and objective. *Fourth*, it must be followed by a continuous training and capacity building of the zakat institutions.

The tenth dimension deals with the Standard Operating Procedures (SOP) of zakat institutions. Every zakat institutions should create a clear and comprehensive SOP which regulates the overall zakat process, including the zakat collection, management, allocation, reporting, and plan and measures in case of violation. This SOP shall be arranged by the board of the zakat institution. In addition, there should be a division of tasks and authority regarding the zakat collection, management, allocation, and reporting process. Here, the board of zakat institution is responsible to ensure the implementation of SOP to be inline with the institution's mission. However, in the application, the board of zakat institution may appoint a special division which responsible for monitoring the overall implementation of SOP.

The eleventh dimension emphasizes on the risk mitigation of GAG. Zakat institutions must create a risk management procedure to prevent a failure on GAG implementation. Then, this procedure shall be defined in the regulations of each zakat institution. To ensure the GAG implementation of risk mitigation, there must be a special structure in charge for this task. In completing the task, this special structure must also elaborate clear indicators and criteria regarding risk management.

The twelfth dimension elaborates the disclosure and transparency in the zakat institutions. As part of the responsibility to public, zakat institutions should submit the reports of zakat management transparently to the relevant stakeholders such as public, government, and parliament. They must assure the existence of a transparent and accountable zakat management standardization. Moreover, the reports shall include at least an annual

audited financial report conducted by authorized auditors, collection and distribution report of zakat, and also *Shariah* audit report.

Last but not least, the thirteenth dimension proposes the *Shariah* compliant and regulations in the zakat institutions. At least three aspects, must be owned by each zakat institution regarding this dimension. These three aspects are as follows: (1) the existence of clear provisions regarding *Shariah* compliance aspects and zakat regulations, (2) the existence of measurable assessment regarding shariah compliance aspects and zakat regulations, and (3) the existence of annual report regarding implementation of shariah compliance aspects and zakat regulations.

## 5. Conclusion

Zakat is the third pillar of Islam after the confession of faith and prayer. It considers as the important obligation from the Muslim around the world in order to empathize with others and to develop the economy of ummah. In the implementation, *Amil* is plays a decisive part in managing the zakat. *Amil* can be defined as persons who collect and seek alms, zakat, and ones who distributed them to the right targets. There are various opinions from scholars regarding the definition of *Amil*. Each school of thoughts such as schools Al-Hanafi and Al-Hanbali, schools Al-Maliki, and schools Al-Shafi'i, has their own definition about the *Amil*.

In general, the main responsibility of *Amil* is to manage zakat funds effectively. There are at least six requirements that must be fulfilled by the *Amil*, namely: Muslims, sanity and maturity, trusted, understanding the fiqh of zakat, capable to complete the duties, and men. However, these requirements are not rigid to every *Amil*. There are pros and cons regarding to this and it mostly depends on the Imam or ulama or the government which has the authority to manage zakat. Other important points in this paper are the rights and obligations of *Amil*. *Amil* has a right to receive the zakat funds as he includes to the eight recipients of zakat (*mustahik*). However, the shared amount given to *Amil* is still debatable. Most of scholars stated that the portion given to *Amil* is at least one-eight from total zakat funds. On the other hand, the main obligation of an *Amil* is to properly manage the zakat funds and organize it based on the zakat rules.

In the context of best practice recommendations for zakat institutions regarding good amil governance, there are thirteen dimensions as pointed out in the *Technical Notes on Good Amil Governance for Zakat Institution* document. These dimensions are definition of *Amil* in zakat act or related regulations; rights and obligations of *Amil*; guidance of GAG; regular assessment of good *Amil* governance policy; special organizational structure responsible for

GAG; role of the board and management of zakat institutions; performance evaluation of the board of zakat institutions; performance evaluation of the management of zakat institutions; certification and development of *Amil*; SOP of zakat institutions; risk mitigation of GAG; disclosure and transparency; and *Shariah* compliant and regulations. All these dimensions are elaborated in the best practice recommendations as a guidance for the zakat institutions to implement the GAG.

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