

MODEL OF ISLAMIC PHILANTHROPIC FUND MANAGEMENT IN INDONESIAN SHARIA FINANCIAL INSTITUTIONS (LKS)

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Abstract

Introduction : The purpose of this study is to find out the management model of zakat, infaq and alms and the distribution process for economic empowerment carried out by Islamic Financial Institutions with a case study at BMT Marhamah Indonesia

Methods : This research uses a type of qualitative research with a descriptive method. The data used in this study is a type of primary data obtained directly from interviews and secondary data originating from BMT Marhamah Indonesia

Result : research shows that the management model carried out by Baitul Mal BMT Marhamah is collection applying fundraising logic, distribution in a consumptive and productive form, assistance in the form of business training and controlling capital development. Empowerment programs are able to improve the economy and build community mentality.

Keywords: BMT, Indonesian ZIS Fund Management Model

INTRODUCTION

Islamic financial institutions in Indonesia began in the 1990s and grew rapidly in the 2000s marked by the emergence of Islamic banks. The history of Islamic Financial Institutions in Indonesia itself cannot be separated from the law made by the government No.7 of 1992. This law is considered as a legal umbrella for the birth of Islamic financial institutions. This law mentions the possibility of establishing a bank with a profit sharing system. This law then became the basis for the birth of Bank Muamalat Indonesia. This law was later refined by Law No. 10 of 1998 concerning Banking that allows the operation of a dual banking system within the national banking system. As a result, a number of conventional banks in Indonesia have opened sharia divisions in their service systems for customers.

Baitul Mal wat Tamwil (BMT) is an Islamic financial institution that is not included in the category of Islamic banks and non-Islamic banks. BMT was established as an embodiment of the economic activities of the people who uphold the values of ta'awun (help) and kinship as cooperatives. And in carrying out its operations, BMT is based on Islamic law. BMT was born from the community in the Community Self-Help Group (KSM) which agreed and jointly

established BMT Baitul Mal wat Tamwil (BMT) itself has the same mission with the government in empowering the people's economy

Baitul Mal wat Tamwil(BMT) is a non-bank microfinance institution whose main activities are social activities and business activities. BMT social activities have the same function as *amil zakat* agencies or institutions that carry out recipient activities and collect zakat, infaq and alms and other social assistance, to be distributed to those who are entitled to receive or to parties who really need it (Supadie, 2013: 24).¹

In Indonesia, the philanthropic fund management institutions that are legally recognized by the government are BAZ (Amil Zakat Agency) and LAZ (Amil Zakat Institution), BAZ is a philanthropic fund management institution formed by the government, LAZ is a fintropy fund management institution formed by the private sector and gets permission from the government. One of the LAZs that is consistent in managing philanthropic funds is Baitul Mal wat Tamwil (BMT). Philanthropy can mean social donations, meaning that indirectly the philanthropic funds themselves come from social donation funds which are usually in the form of zakat, infaq and alms (ZIS).

The development of zakat is not only related to the substance of the object of zakat (assets that must be issued zakat) but also its management (Supadie, 2013: 37).²Infaq and charity even though the law is sunnah are also the most important parts to help empower our society.

The BMT Marhamah Wonosobo Sharia Financial Services Cooperative (KJKS), which is located at Jl. Tumenggung Jogonegoro Km.0.5 Wonosobo 56311, is an Islamic financial institution that has fairly good credibility as a BMT, established on October 16, 1995. Even though the initial capital was only Rp. . 875.00,00 but with hard work and serious effort, capital and assets can develop properly.

The development of baitul mal at BMT Marhamah has brought trust for the muzakki to channel their funds which will be managed by the baitul mal. The target of the Baitul Mal itself is the poor in the Wonosobo area. The management carried out by the baitul mal itself is very concerned both in terms of collection, distribution, utilization and assistance. The following is data on the acquisition of zakat, infaq, alms BMT Marhamah funds from 2011-2015.

THEORETICAL BASIS

1. Islamic Financial Institutions

Islamic financial institutions (syariah financial institutions) are business entities or institutions whose wealth is mainly in the form of financial assets (financial assets) or non-financial assets or real assets based on sharia concepts (Rododi and Hamid, 2008: 5).

¹Supadie, Didiak Ahmad. 2013. System of Islamic Economic Financial Institutions in Empowering the People's Economy. Semarang: Rizki Putra Library.

According to the law on Islamic banking in Indonesia, Islamic financial institutions are bodies or institutions whose activities are withdrawing funds from the public and channeling them to the public based on sharia principles.

2. Baitul Maal Wat Tamwil

a. Definition of BMT

According to Andri Soemitra (2009: 451)³ BMT is short for the Integrated Independent Business Center or Baitul Mal wat Tamwil, namely Micro Finance Institutions (LKM) that operate based on sharia principles. BMT as the name implies consists of two main functions, namely:

1) *Baitul tanwil*(house of property development), carry out productive and investment business development activities in improving the quality of the economy of micro and small entrepreneurs by encouraging saving activities and supporting financing of economic activities.

2) *Baitul Mal*(house of treasures), receiving deposits of zakat, infaq and alms funds and optimizing their distribution in accordance with regulations and mandates.

The definition of BMT is an integrated independent business center whose contents are based on the concept of baitul mal wat tamwil. BMT activities are developing productive and investment businesses

in improving the quality of economic activities of macro and small entrepreneurs, among others encouraging saving activities and financing of their economic activities (Rododi and Hamid, 2008: 60).

b. BMT Functions and Roles

The function of BMT, first, is to identify, mobilize, organize, encourage and develop the economic potential and capabilities of members, business groups of muamalat members (Puskoma) and their work. Second, enhancing the quality of human resources for members and Puskoma to become more professional and Islamic so that they are more intact and resilient in facing global challenges. Third, mobilizing and organizing community potential in order to improve the welfare of members (Soemitra, 2009: 453).

The functions of BMT in society are (Huda and Heykal, 2010: 364):

1) Improving the quality of human resources for members, administrators and managers to be more professional in facing global challenges.

2) Organizing and mobilizing funds so that the funds owned by the community can be utilized optimally.

3) Develop job opportunities

4) Improving the quality of business and product market members as well as economic and social institutions.

3. Zakat, Infak, Alms

a. Zakat

1) Definition of Zakat

Zakat comes from the word az-zakah, in terms of language it is the basic word (masdar) from the word zaka which means to grow, clean, develop and bless. Meanwhile, according to fiqh terms, it is to surrender certain assets that are

obligatory of Allah to those who are entitled to receive them (Qardawi, 2004: 34).

Zakat is one of the most important pillars of Islamic teachings. With zakat, the social face of Islamic teachings becomes real. Whereas without zakat, the Islamic religion will only be imperfect (Zakat Guidelines: 21). The word zakat in language means holy, growing and blessing. According to the term Islamic Fiqh, zakat means assets that must be removed from the wealth of rich people to be delivered to those who are entitled to receive it, with the rules that have been determined in the syara' (Anshori, 2006: 11-12).⁴

In the Qur'an, Allah SWT has clearly stated various verses about zakat and prayer totaling 82 verses. Zakat and prayer are used as a symbol of the whole teachings of Islam and are also made into one unit. The implementation of prayer symbolizes the relationship with Allah SWT while zakat symbolizes the relationship between humans. In the letter al-Bayyinah verse 5 explains about zakat (Huda and Heykal, 2010: 293-294).

2) Groups entitled to receive zakat

The groups entitled to receive zakat have been regulated in Islamic law, namely there are eight groups (asnaf) entitled to receive zakat.

In general, zakat is divided into two parts, namely zakat fitrah and zakat mal (Ridwan, 2013: 151-180).⁵

a) Zakat Al-Fitr

Zakat fitrah is zakat that must be issued once a year by every Muslimmukallaf (a person who is burdened with obligations by Allah) for himself and for every soul that is his responsibility. The amount is one sha' (1.k 3.5 liters/2.5 kg) per person, which is distributed on the 1st of Shawwal after the Fajr prayer before the Eid al-Fitr prayer.

b) Zakat Mal

Zakat mal or zakat property that has been required by Allah SWT, since the beginning of Islam before the Prophet SAW migrated to Medina. Zakat mal consists of several types, namely zakat gold, silver and money. The nishab for gold and 20 dinars (90 grams) and the nishab for silver is 200 dirhams (600 grams), while the zakat is 2.5%. Zakat gold is issued when it reaches the haul (once a year

infaq comes from the word nafaqa, which means to have passed, passed, exhausted, eviscerated, consumed, spent his, or shopping. Infak is issuing certain assets to be used for an interest ordered by Allah SWT apart from zakat. The priority of infak itself rests on pos fii sabilillah (Ridwan, 2013: 143).

Infak from the word al-infaq (Arabic) means to spend. In the Qur'an the word infak is only mentioned once, namely in the letter al-Isra verse 100.

⁴Anshori, Abdul Ghofur, 2006, Zakat Law and Empowerment Efforts to Synergy Zakat and Taxpayers in Indonesia, Yogyakarta: PILAR.

⁵Ridwan, Muhammad. 2005. Baitul Mal Wa Tamwil Management. Yogyakarta: UII Press

Sadaqah comes from the word *ash-shidqu*, which means people who have a lot of truth in what they say, expressed for people who have never lied. *Sadaqah* is proof that someone has the truth of faith and confirms the existence of the Day of Judgment. Therefore the Prophet said, meaning *Sadaqah* is proof. In general, one's kindness in the form of giving part of one's possessions to others is called *sadaqah* (Ridwan, 2013: 138-139).⁶

Zakat Management

Zakat management in Indonesia is regulated in Republic of Indonesia Law Number 38 of 1999 concerning Zakat Management Chapter III, article 6 and article 7, which states that Zakat Management Institutions (LAZIS) consist of two types, namely the Zakat Amil Agency (BAZ) formed by the government, while the Amil Zakat Institution (LAZIS) was established by the private sector. Zakat Management Institutions have not been able to capture ZIS (Zakat, Infaq and Sadaqah) optimally from muzakki, due to muzakki's lack of trust in the existing LAZIS.

principal that determines the image of a trustworthy and professional zakat institution (Sarah Anabarja and Syarifah Ajeng, 2015).

Zakat management is carried out with a work and professional system as is the management of company management. However, in accordance with the rules of sharia law. There are four areas that must be owned by zakat institutions, namely (Ridwan, 2013: 126-127):⁷

b. Fundraising Management

1) Making socialization and self-promotion media that is better and of better quality.

2) Conduct outreach by cooperating with print and electronic media (newspapers, radio, television).

3) Optimizing and improving the quality of donor services in various forms (gatherings, collecting zakat, consulting on zakat, infaq, alms and waqf (ZISWAF), religious lecture services, and others).

4) Utilizing sophisticated technology to receive donations (infaq SMS, infaq via ATM, website, and others).

5) Increase the number of infaq boxes.

Islamic Financial Institutions (LKS), which show an encouraging trend, although it is still very small and has a small marked share, when compared to conventional financial institutions (LKK). One of the fundamental differences LKS

LKK is located on the profit sharing mechanism (return). LKK is based on an interest system (fixed return), while LKS is on profit loss and sharing. So far,

⁶Ridwan, Muhammad. 2005. *Baitul Mal Wa Tamwil Management*. Yogyakarta: UII Press

⁷Ridwan, Ahmad Hassan. 2013. *Baitul Mal Wa Tamwil Management*. Bandung: Faithful Library.

Ridwan, Muhammad. 2005. *Baitul Mal Wa Tamwil Management*. Yogyakarta: UII Press

Islamic banking has shown quite good performance (Saefuddin, 2011: 99-110).⁸

RESEARCH METHODS

A. Types of research

This research method is qualitative. In this study, the object of research was the Management of the Baitul Maal KJKS BMT Marhamah Wonosobo, which is located at Jl. Tumenggung Jogonegoro Km.0.5 Wonosobo 56311 Tel. (0286) 3320722, 321556 Fax. (0286) 324716 . The subjects of this study were the poor who received ZIS assistance from KJKS BMT Marhamah Wonosobo.

B. Data Sources and Types

The type of data used in this study describes two types of data, namely:

1. Primary data

Primary data is data obtained directly. In this study, primary data was obtained by interview or semi-structured interview. The interview was conducted on

administrators of the KJKS BMT Marhamah baitul mall and the poor recipients of ZIS funds from KJKS BMT Marhamah.

2. Secondary Data

Secondary data is data obtained indirectly. Secondary data in this study is in the form of documents obtaining ZIS funds from KJKS BMT Marhamah.

C. Data collection technique

The data collection techniques needed in this study are:

1. Observation

The type of observation used is overt or covert observation, that is, when the researcher collects data, he states frankly to the data source that he is conducting research. It is possible that if it is done frankly, the researcher will not allow it to make observations (Sugiono, 2010: 407)⁹

2. Interview

This type is to find problems more openly, where the parties invited to the interview are asked for their opinions and de-ideas. In conducting interviews, researchers need to listen carefully and record what the informants say (Sugiono, 2010: 413).

complement of the use of observation and interview methods in qualitative research (Sugiono, 2010: 422).

⁸Saefuddin, AM. 2011. Grounding Islamic Economics. Jakarta: PT PPA Consultants.

⁹Sugiyono. 2010. Business Research Methods. Bandung : Alfabet.

The method used is that researchers utilize documents in the form of images (photos) which aim to obtain documents related to the ZIS fund management process at BMT Marhamah.

D. Data analysis technique

The data analysis technique used in the qualitative research used descriptive analysis, namely analyzing the data received from BMT Marhamah and trying to describe the ideas obtained from interviews or observations conducted on the dhuafa recipients of ZIS funds.

RESEARCH RESULT

1. Zakat, Infaq and Alms Management Model (ZIS)

The Amil Zakat Institution (LAZ) is a zakat management institution formed by the community and confirmed by the government to collect, distribute and utilize zakat in accordance with religious provisions. Whereas Baitul Mal is a part of LAZ which can legally carry out activities in accordance with the provisions. Conceptually, Baitul Mal has the same function and purpose as BAZ, LAZ or OPZ, namely to collect and distribute funds from the public to be given to those in need.

Meanwhile, according to Rahmayanti (2014: 22) Amil zakat are all parties who carry out work related to the collection, storage, protection, recording and distribution of zakat assets. They are appointed by the ruling government by the local Islamic community to collect and distribute and other tasks related to zakat.

Hafidhuddin (2002: 130), explains that in Law Number 38 of 1999 concerning Management of Zakat Chapter III, article 6 and article 7 states that zakat management institutions in Indonesia consist of two types, namely Badan Amil Zakat (BAZ) and Lembaga Amil Zakat (LAZ).). BAZ was formed by the government, while LAZ was founded by the community. Indirectly Baitul Mal is

LAZ is allowed to carry out zakat management activities because it was founded by the community who are members of the BMT unit.

After more than ten years of Law Number 38 of 1999 being considered not optimal, there has been an urge to change and clarify its substance. Several reasons for the changes made include the not optimal role of the government and zakat institutions in collecting, managing and distributing zakat, the unclear determination of zakat obligations, zakat items, nishab and haul. Then it was perfected in Law Number 23 of 2011 concerning the management of zakat, although there are changes that actually have something in common, namely a deep focus on the existence of zakat management bodies or institutions.

The same thing is also emphasized in Siradj (2014: 24-26), it is explained that Baitul Mal wat Tamwil is included in the eighteen LAZs that already have the legality to become LAZ according to the Decree of the

Minister of Religion Number 468 of 2002 dated 28 November 2002 concerning the inauguration of Baitul Mal wat Tamwil as Amil Zakat Institution.

In the letter At-Taubah verse 103 it is explained that zakat is taken (picked up) from people who are obliged to give zakat (muzakki) and then given to those who are entitled to receive it (mustahiq). The one who picks up and or picks up is the officer ('amil). Imam Qurthubi in Hafidhuddin (2004: 125) interprets that 'amil are people who are assigned to take, write, calculate and record the zakat they take from the muzakki to then give it to those who are entitled to receive it.

a. Fundraising

A characteristic is very important to build an image in society. The characteristics that the Baitul Mal Marhamah continues to build include several very important things as the basis for the running of a Baitul Mal. An institution must have characteristics that make it an advantage for the institution itself.

Meanwhile, according to an interview I conducted with Mr. Khanif Rosyadi as the manager of Baitul Mal BMT Marhamah (March 4 2016) regarding the fundraising process (collection) is the process of influencing the public, both individuals and institutions to channel funds to organizations and institutions that handle zakat. As for the way

the collection of funds carried out by BMT Marhamah is detailed in several programs implemented.

Based on the data presented above, it is known that the collection of ZIS funds made by Baitul Mal BMT Marhamah went through several stages, including:

1) Observation

Observation is the beginning of the process of collecting logic carried out by Baitul Mal BMT Marhamah. Observations were made with the aim of knowing how the condition of the location, the condition of the people who will receive assistance.

Based on the results of the interviews, the researchers carried out an observation process or a survey was carried out in several predetermined areas to find out the condition of the location, the condition of the community and if it has potential that could

developed and of course felt the need for a helping hand. The next stage is to find the right solution to the constraints faced by the community.

2) Work program

After making observations, the Baitul Mal will design an activity program that suits the needs of the community which will later be enough to attract the muzakki's interest to want to spend part of their wealth for ZIS.

Apart from the elements in making the program, the most important thing is the steps taken in making the program itself. The steps taken in making the program apart from a few

According to Ridwan (2013: 126-127)¹⁰ management of ZIS fundraising, namely making socialization and promotional media, conducting outreach by collaborating with print and electronic media, optimizing and improving the quality of donor services in various forms, utilizing sophisticated technology to obtain donations and increasing the number of infaq boxes. This has also been implemented by the Baitul Mal BMT Marhamah.

The principles of fundraising carried out by Baitul Mal BMT Marhamah include:

- 1) Pick up the ball, this must be done because quite a lot of people are reluctant to come to Baitul Mal themselves to distribute their ZIS funds.
- 2) Get to know and understand potential muzakki, recognize muzakki's character and attract muzakki's heart so they want to spend their wealth for zakat, infaq or alms. In this principle, you shouldn't be in a hurry, you have to be slow, but the results will be sure if

In a hurry, it is feared that muzakki are reluctant to spend their wealth for bezakat.

- 3) Understand the concept of zakat, for people who are reluctant to spend their wealth to tithe, infaq or alms
- 4) Trust and confidence, as an amil must have self-confidence as capital to find muzakki who will willingly spend their wealth for good.
- 5) Report, this is quite important. The report is a form of trust from the muzakki who is willing to spend part of his wealth.

These aspects include:

- 1) Institutional performance is something that cannot be eliminated because the better the community's evaluation of an institution, the better the impact will be
- 2) Program and creativity are two things that cannot be separated because they are interrelated. As an institution engaged in the social field, creativity in packaging programs that will be carried out requires a process.
- 3) Amil, is the most important human resource in the fundraising process. In order to create maximum work results, an amil must have good quality.
- 4) Donations are not always money, because social activities are not only focused on money alone. Therefore the donation given can be in any form as long as it is useful

¹⁰Ridwan, Ahmad Hassan. 2013. Baitul Mal Wa Tamwil Management. Bandung: Faithful Library.

Ridwan, Muhammad. 2005. Baitul Mal Wa Tamwil Management. Yogyakarta: UII Press

5) *Marketing plan*, not only big companies use it. Baitul Mal as an institution in the social sector also needs it to raise funds

then distributed to those in need. In marketing activities, of course, many strategies are needed to attract the public's interest to spend some of their assets. One of them has been explained by using a creative program according to the needs of the community to attract community interest.

6) Donor relationship management, is a cooperative relationship between the institution and the donor so that both parties are mutually beneficial. In this case, the institution will not force but rather focus on building interaction with the program of activities managed by the institution to create an attitude of trust.

7) Volunteer synergy, is a cooperative relationship carried out with certain institutions or agencies, especially the relationship between fellow BMTs that must be built strong. Because good and great the power of synergy will produce far greater benefits.

8) Dreams and activities, are two things that build each other, the beginning of an activity is formed from the dream that you want to realize. Therefore, every activity has a dream to be implemented and be able to provide benefits to the community.

According to the Al-Qur'an letter At-Taubah verse 60 in carrying out the distribution of zakat one should act fairly and give priority to those who really need it so that the funds distributed are right on target. In this case the Baitul Mal BMT Marhamah has carried out the distribution in accordance with the provisions, namely prioritizing the eight asnaf mentioned in the Qur'an.

Source: Baitul Mal BMT Marhamah

Judging from the table above, the Baitul Mal BMT Marhamah has divided zakat funds into three groups whose portions have been determined from the functions, uses and priority scales needed, including:

3) Dhuafa is the main priority in the distribution of ZIS funds, the portion that will be given to the poor is fifty percent (50%) of the ZIS funds obtained. Those included in the dhuafa category are the poor, the poor, the converts, the riqob and the ghorim. Seconded distribution can be either consumptive or productive. Assistance that is consumptive in nature can be in the form of groceries or cash compensation to the poor, health for medical expenses, affected by disasters and educational scholarship assistance to poor children. Productive assistance in the form of venture capital assistance.

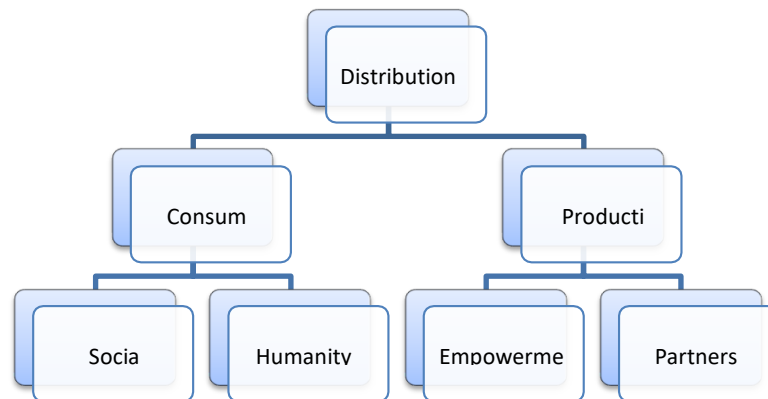
4) Sabilillah took second place in the distribution of ZIS funds, the portion given to sabillah was thirty-seven point five percent (37.5%) of the ZIS funds obtained. There are two categories of recipients of financial assistance

5) Amil occupies the last position in the distribution of ZIS funds, the share given to amil is two point five percent (12.5%)

According to Mr. Jati as administrative staff, up to now eighty percent (80%) of funds have been distributed for consumptive assistance, while twenty percent (20%) of funds have been distributed for productive assistance or

provision of capital assistance.

Figure 4.3



Source: Baitul Mal BMT Marhamah

The distribution programs carried out by Baitul Mal BMT Marhamah through ZIS funds, both consumptive and productive, are detailed as follows:

- 1) The program is consumptive

Consumptive programs include social humanitarian programs. This social humanitarian program is usually given to the community or the poor with charity (social compensation) or consumables. Below are programs that include getting social assistance, namely:

- a) BALADA UMAT (Direct Aid for Dhuafa and Orphans)

This assistance is given to poor and orphaned children. To date, more than 103 orphans have been recorded as receiving this assistance which is given to abandoned children in Leksono and orphans in PAY Hidayatus Sibyan, PAY Aisiyah Bener Kepil and PAY Muhammadiyah Wonosobo. One of the goals that led to the formation of this program is to create concern for others, maintain friendship and ukhuwah Islamiyah and of course want to help ease the burdens of life they experience.

- b) GSPR (Gebyar 1,000 Ramadhan Packages)

The package that was given was in the form of a package containing groceries and a preacher's package. The form of the activity is:

distribution of groceries (in the form of: rice, sugar, oil, tea and instant noodles) in the amount of 2,173 packages and compensation for preachers (in the form of: worship equipment, gifts, THR) in the amount of 307 in 2015.

- c) SURGA UMMAT (Compensation for Dhuafa Families)

Compensation program for dhuafa families and children

orphans is also a new breakthrough. This program is an innovation from combining existing programs. Baitul Mal BMT Marhamah continues to focus on providing benefits and benefits for the people as a whole and specifically for the poor and orphans.

Then there is consumptive assistance with humanitarian programs, in this program the form of concern can be in the form of assistance from volunteers, health experts, goods or even cash, including the following:

a) Dhuafa Ambulance Service

Free transportation services for the poor to provide convenience for people who are not well off. In addition, this service can also be used for the public by reimbursing operational costs in the form of subsidy infaq

b) BALKES (Health Service Assistance)

This health service assistance is to help and provide convenience in accessing health services for the poor. Aid funds are given for treatment during hospitalization.

c) Disaster Response

The program cares for the handling of natural disasters and humanitarian disasters covering various regions. Of course, with a real action agenda, including raising public awareness in responding to natural disasters and sending volunteers and logistical assistance to disaster-stricken areas.

This program has provided scholarships to 157 students from 32 SMA (High School) and several SD (Elementary School) or MI (Madrasah Ibtidaiyah) and Madrasah Diniyah in the Wonosobo, Banjarnegara and Purworejo areas.

Furthermore, this program will be given to outstanding students or those who have a strong desire to go to school but lack funds. The criteria for children who will be given scholarships by the Baitul Mal are:

1. Poor child.
2. Still in school.
3. Recommendations from the school.
4. Children must have a minimum achievement ranking in the top five in their class.

In this program the school will recommend children to the Baitul Mal. Then the Baitul Mal will make observations both from the personality at school and from their family background. If deemed worthy, a scholarship will be given. This scholarship program is long-term and costs a lot of money. So that the children who have been funded will not necessarily leave

Baitul Mal, Baitul Mal itself organizes motivational training for these dhuafa children. In the end, the children who have finished carrying out their education will help the Baitul Mal to provide motivation and direction to the next children.

2) Programs are productive

Programs that are productive relate to community empowerment and partnerships. The community empowerment program is provided not only in the form of venture capital assistance but also in the form of training to support education, the following are among the empowerment programs:

a) Dhuafa Economic Empowerment

Empowerment is carried out by providing capital assistance to the poor who have high enthusiasm and business creativity but experience problems with capital to either start or develop their business. Generating a spirit of business and

creating and empowering independent people.

b) Foster SDI (Human Resources)

Competition in the business world is getting tougher, labor competition is also increasing while employment is decreasing and competitiveness will increase. Of course this will be difficult for people who are unable to complete basic education and do not have sufficient skills. This program collaborates with competent agencies or institutions in the field as intermediaries to guide, foster and develop the skills of disadvantaged human resources through the provision of science, technology and skills training.

Meanwhile, the form of the partnership program is collaboration between one party and another and the profits are shared according to the agreement, namely THK (Sharing Sacrificial Animals).

In terms of stocking sacrificial animals, this is supported by National LAZ (Amil Zakat Institution) networks such as Dompot Dhuafa (DD) Republika, which since 2002 has given confidence to the THK BMT Marhamah team to distribute sacrificial animals in areas to reduce disparities in the distribution of meat sacrifice.

In the last few years Baitul Mal BMT Marhamah has not only distributed sacrificial animals from DD Republika.

Another thing that Baitul Mal BMT Marhamah has begun to do is collaboration with the dhuafa who are assigned to take care of animals that will be marketed for Eid al-Adha. It was explained that for the THK program, the Baitul Mal would mutually coordinate with the executor and coordinator for the distribution of this THK program. Then party Baitul Mal will also coordinate with breeders which will manage animal sacrifice, usually the sacrificial animal will be handed over to the breeder at least two months before Eid al-Adha. The duty of the breeder is to take care of the sacrificial animal from providing food and maintaining its health. The benefit that the breeder gets is profit sharing on the sale of the livestock according to what has been agreed upon. As for the recipients of the sacrificial animals, they will distribute them to areas where there is a shortage of sacrificial animals or even none at all.

The purpose of holding the distribution of sacrificial animals to remote areas is to enliven the symbols of Islam, apart from even distribution of the sacrificial meat, it also provides understanding and awareness about the obligation to sacrifice for those who can afford it. Da'wah bil Hal is carrying out the obligation to sacrifice in areas prone to apostasy and polytheism.

The distribution of zakat funds is endeavored to be finished within a year because zakat funds are trustworthy and must be issued immediately. Zakat has a time limit, for example zakat fitrah, the time has been determined. Meanwhile, infaq and alms funds are flexible in their distribution according to needs. The distribution of funds by Baitul Mal BMT Marhamah was recorded in 2015 amounting to Rp. 1,759,150,358, - an increase of 15% from the previous year of Rp. 1,534,629,800, -

b. *Accompaniment*

In programs that are productive or business capital assistance, mentoring is felt to be very much needed, but the mentoring activities carried out by Baitul Mal BMT Marhamah are felt to be not optimal. There are several assistance processes carried out by Baitul Mal BMT Marhamah, including:

1) The Baitul Mal is trying hard so that the assistance can still be carried out with visits every one or two months to stay in touch and see how far the capital assistance has developed and whether it has been able to help overcome the problems it is facing. The visit made by the baitu mall is carried out simultaneously with the installment payment schedule.

2) Baitul BMT Marhamah Mall in collaboration with IIBF (Indonesian Islamic Business Forum) helps recipients of venture capital to increase their knowledge

about the business so that the business that is built can develop properly. The aim of the IIBF itself is to promote local products and reduce foreign products so that people want and trust to use local products themselves. Therefore, BMT Marhamah mall baitu invites its members to join IIBF.

In this case it shows that Baitul Mal BMT Marhamah does not only distribute, but also provides assistance to muzzaki. Assistance is carried out once every 1-2 months to see the development of the capital provided and help overcome problems that arise

faced, as well as the owners of the capital receive training so that the business built can develop.

2. *Community Economic Empowerment*

The position of Baitul Mal is equal to that of Baitul Tamwil, meaning that the social and business fields must be able to operate in a balanced way. And both have their respective activities in its implementation. The function of the Baitul Mal as a social institution can be seen from the activities carried out, namely managing zakat, infaq and alms funds from the community as an amil zakat institution that leads to the welfare of the ummah without any worldly benefits. Ilmi (2002: 65) describes Baitul Mal wat Tamwil in terms of language means a house of money and a house of financing, so that when interpreted separately, Baitul Mal means a house of money or a socio-religious oriented financial institution whose main activities are accommodating and distributing community assets in the form of zakat, infaq and charity (ZIS). Based on the provisions set by the Qur'an and His sunnah.

Looking back at the history of the development of the Baitul Mal which was first formulated and established by the Prophet, the task of the Baitul Mal is to record, collect zakat and distribute zakat.

As explained Ridwan (2005: 126)¹¹, Baitul Mal was developed based on the history of its development from the time of the Prophet to the Middle Ages of Islamic development. Where is the main function of the Baitul Mal itself to collect

¹¹Ridwan, Ahmad Hassan. 2013. Baitul Mal Wa Tamwil Management. Bandung: Faithful Library.

Ridwan, Muhammad. 2005. Baitul Mal Wa Tamwil Management. Yogyakarta: UII Press

as well as organize social funds.

Zakat, infaq and alms are very important for community empowerment efforts. Community empowerment includes development, acceleration of potential and independence so that community empowerment can be carried out with the ability and potential so that it can be developed to achieve a form of independence.

Seeing the many functions that can be carried out with zakat, infaq and alms funds, empowerment is one way to help improve the community's economy. According to Mardi (2000: 1-2). there are two efforts to empower the community's economy that can be carried out first, preparing private people to become entrepreneurs with business and capital training. Second, through the education sector which is channeled in two ways namely

through direct scholarships and provision of infrastructure, both formal and non-formal.

This is also implemented by Baitul Mal BMT Marhamah in the economic empowerment program. Based on interviews conducted by researchers with Pak Paryanto as marketing and empowerment division (2 March 2016) regarding the empowerment process carried out by Baitul Mal BMT Marhamah. The purpose of empowerment itself is loyalty to the community.

The empowerment program carried out by the Baitul Mal includes two programs and their distribution, as follows:

a) Business capital assistance

Funding assistance for business capital provided by Baitul Mal has two types of assistance, namely grant funds, funds given to the community without having to return the funds back.

One of them is entrepreneurship education that collaborates with Baitul Mal BMT Marhamah is an ABA officer. Abdurrahman bin Auf Agribusiness Entrepreneurial Boarding School (AbA Officer) is an entrepreneurship development institution, located in Dukuh Tlangu RT.03 RW.02, Bulan Village, Wonosari District, Klaten Regency, Central Java. Entrepreneurial boarding schools with free education programs for the underprivileged.

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