



Strategy for Collection and Distribution of ZIS Funds during a Pandemic in Lazismu

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ABSTRACT

Many people have lost their jobs in challenging times due to the COVID-19 pandemic and need help to survive. On the contrary, people with excess funds are expected to be sensitive to social phenomena. This study intends to understand the strategy for collecting and distributing ZIS funds in Lazismu throughout the pandemic. The method used is descriptive qualitative approaches. The data is obtained with interviews and documentation, while the data analysis technique uses data reduction, presentation, and documentation. This study indicates that the collection of ZIS funds is carried out in various ways, such as outreach and promotion on social media, but this has not been effective because 95% of *muzakki* still come from among Muhammadiyah residents while a few numbers of it from outside of Muhammadiyah. The strategy for disbursing funds is carried out proportionally, in which funds are channelled for primary needs, business assistance, natural disaster assistance, and study assistance. The results of this study are expected to provide a more comprehensive understanding and information regarding the collection and distribution of ZIS funds in the pandemic era.

Keywords: Covid-19; ZIS; Lazismu

1. INTRODUCTION

Zakat is the third pillar of Islam after the shahadat and prayer in the teachings of Islam. In several verses of the Al-Quran, the word zakat is always side by side with the command to pray. It is based on the balance that Muslims must do related to *hablum minallah* (vertical relationship to God) through prayer and *hablum minannas* (relation to humans) through zakat.

As a financial distributor, Zakat can serve to reduce poverty and improve one's quality of life through funds distributed to eligible parties [1]. The verse of the Al-Quran that discusses this is found in Surah Al-Baqarah verse 43, which means: “*And be steadfast in prayer; practise regular charity; and bow down your heads with those who bow down (in worship).*”

According to [2], the concept of zakat also exists in other religions such as Hinduism regarding alms known as *datradatrtva*, Buddhism known as *dandin*, and Christianity and Judaism known as a *tithe*.

Other sources of benevolent funds such as *infaq* (donations in the form of money) and alms (donations in any form) are undoubtedly different from zakat. *Infaq* and alms are gifts with no *nisab* (measure), while zakat has a 2.5% portion. So, the size of giving *infaq* and alms depends on a person's sincerity in giving part of his wealth to others.

Zakat, *infaq* and alms are things that Muslims often do. Zakat is one of the instrumentals in alleviating poverty, as well as other sources of humanitarian funds that can be collected such as *infaq*, alms, waqf (holding an object to use its benefits for virtue), will (giving an object voluntarily and without compensation from someone to someone else who are still alive to be owned), grants (gifts or gifts to others voluntarily and irrevocably) and other benevolent funds [3].

These sources of funds are a solution in overcoming the problems of poverty and social inequality. The funds collected from ZIS (Zakat, *Infaq*, and Alms) have great potential to empower tens of millions of poor people in

Indonesia who are not protected by the government's social security system.

Currently, various zakat institutions have emerged in Indonesia. These institutions grow, develop, and increase public awareness of paying and giving these benevolent funds. The existence of this institution is expected to be able to solve the difficulties of life experienced by the poor (groups of people who live in poverty).

Moreover, Indonesia is currently expected with the Covid-19 pandemic. This pandemic negatively impacted human life. Some of the impacts, such as business bankruptcy, layoffs, and economic difficulties, have become a common concern. Therefore, the presence of the ZIS institution is highly expected to contribute to solving economic problems and basic human needs such as consumption.

In addition, internal problems arise in zakat institutions such as the manager of benevolence funds that do not have the orientation and strategy in distributing and collecting the collected funds. Undoubtedly, this will impact the community where the funds are not following their designation. Some people are not entitled to receive but are given by the zakat manager.

Several previous researchers have discussed the strategy for collecting and distributing ZIS funds, including research conducted by [4] which examined the system for collecting ZIS funds at the Palembang branch of zakat houses. The results of his study show that amil (people who manage zakat) have used information technology in print and electronic media to provide services to muzakki. In addition, the zakat house implements a fund pick-up service for donors.

Research conducted by [5] revealed that generally, the city of Medan had utilized technology to improve the performance of collecting and distributing ZIS. In addition, research conducted by [6] found that ZIS management at BAZNAS (Badan Amil Zakat Nasional) in Bali during the pandemic had followed Covid-19 protocol, such as the use of masks and physical distancing when meeting with muzakki (a Muslim or business entity that is obliged to pay zakat). Another study conducted by [7] obtained the results that Lazismu X has implemented three principles of management strategies such as ZIS digitization, utilization of social media, and amil resources.

Some of the studies above have presented different results, but this research focuses on door-to-door services which have not been carried out in previous studies. Therefore, based on the description above, it is necessary to research what strategies have been implemented and applied by zakat institutions such as Lazismu Kota Palopo in collecting and distributing and ZIS. In addition, this research is expected to provide a more comprehensive understanding and information to the

traditional managers (Lembaga Amil Zakat, *Infaq*, and Sedekah Muhammadiyah) to be more effective in the distribution and collection of ZIS funds.

2. METHOD

This study uses a descriptive method by analysing the speech and writing activities carried out by the people being observed. Informants were chosen using the purposive sampling technique to obtain the appropriate informants. The data needed are primary and secondary data sourced from interviews and documentation. Data analysis through:

- a. Data collection with the results of observations and interviews
- b. Data reduction by selecting, classifying, organizing, and directing data to facilitate researchers
- c. Presentation of data by collecting information that has been owned and managed as a basis for drawing conclusions
- d. Documentation/verification of data by looking for patterns, models, equations, and other things that often arise from data collection, reduction, and presentation.

3. RESULT AND DISCUSSION

The programs carried out to raise ZIS funds come from the door-to-door program of ZIS funds. The infaq box for the dawn recitation, the *infaq* box for the fostered mosque, and the use of social media for program promotion and the distribution of ZIS funds. comes from the necessities program, business assistance for MSMEs (Micro, Small, and Medium Enterprises), assistance for natural disaster preparedness, and study assistance for underprivileged students.

The framework used in this study uses a Business Model Canvas (BMC), which consists of nine components, including Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure [8].

3.1. Customer Segment

As a non-profit organization, Lazismu Kota Palopo has made every effort to use the collected ZIS funds. Your typical customer segment comes from individual muzakki and organizations or companies. The particular customer segment comes from muzakki with the zakat of property segmentation, and the organization or company customer segment comes from the production zakat segmentation.

In terms of distribution, you usually don't discriminate between customer segments so that the distribution channel of ZIS funds is given according to the needs and problems experienced.

3.2. Value Propositions

Your usual way of increasing Value Propositions is to ensure that the ZIS fund distribution program is right on target and under the needs and problems of mustahiq (people entitled to receive zakat). In addition, your tradition always synergizes with Muhammadiyah (one of the Islamic organizations in Indonesia) and other community organizations. It can increase public confidence in the management of ZIS funds carried out by Lazismu.

3.3. Channels

Lazismu has a serviced office to make it easy for muzakki to pay ZIS funds. Lazismu also makes it easy for muzakki who don't have time to deposit their funds directly through e-banking transfers via mobile banking and internet banking in the digital era. It could also be through a door-to-door program that collects ZIS funds directly from muzakki. In addition, Lazismu provides *infaq* for the dawn recitation and *infaq* for the mosques built by Muhammadiyah to facilitate the receipt of ZIS funds.

3.4. Customer Relationships

To maintain the good relations that have been established, generally, the city of Palopo is committed to being a transparent philanthropic institution. All forms of programs that have been implemented will be published in print and online media such as newspapers, muzakki WhatsApp groups, Instagram, Facebook, and YouTube. In addition, the regular financial reports can be accessed for accountability to the public.

3.5. Revenue Streams

Lazismu understands that his role as God's representative is to overcome the social impacts of society. Therefore, the collected ZIS funds are a trust that does not belong to him, so that it must be distributed to eight predetermined parties [9]. All forms of collecting and distributing ZIS funds must be under the provisions of the Al-Quran, Hadith, Ijma', Qiyas, and others.

3.6. Key Resources

Every organization needs a source of funds to support its operational standards. Lazismu strives to provide maximum benefits to the community; of course, it requires competitive funding sources. Currently, about 95% of your usual funding sources come from Muhammadiyah residents, and the rest comes from outside. The performance of amil is still unsatisfactory because it does not yet have a distribution of collections from all circles of society.

3.7. Key Activities

The main activity usually carried out in Palopo City is outreach to various lines of society, both individuals and organizations. In addition, socialization is also carried out through social media. In addition, payment of ZIS funds can be made door to door, visiting the service office and transfer via e-banking.

3.8. Key Partnerships

Partners from Lazismu come from autonomous Muhammadiyah organizations such as Aisyiyah, Muhammadiyah youth, Nasyiyatul Aisyiyah, Muhammadiyah student associations, Muhammadiyah educational institutions, and Muhammadiyah-assisted mosques. In addition, partners also come from banking, trading businesses, companies, and the government.

3.9. Cost Structure

Lazismu has two costs, namely fixed and variable costs [10]. Specified prices include electricity, water, telephone, internet, fuel, operational vehicle maintenance, and amil salaries. While the variable costs such as socialization costs, distribution costs of ZIS funds, and administrative costs.

From the analysis results using the Business Model Canvas (BMC), it can be seen that the collection of ZIS funds is still less effective because 95% of the funding sources come from the Muhammadiyah community. However, the promotion and socialization methods have been carried out as well as possible.

Some of the inputs for determining the strategic plan for collecting ZIS funds by Lazismu Palopo City include:

- a. Increase the ease of access to fundraising through QR code scanning tools, GO-Pay electronic money, and other digital services. Many people likely want to channel ZIS funds, but they cancel their funds due to social restrictions caused by the covid-19 pandemic and the absence of alternative distributions through electronic money.
- b. Increase the use of social media. So far, Lazismu has focused on social media such as Facebook, Instagram, and YouTube but has not made updates by using the Lazismu website.
- c. Lack of human resources to manage your laziness. So, there is a double job that makes the work less than optimal. Therefore, your Lazis needs to recruit your Lazis Manager to support distribution, collection, and administration work.

4. CONCLUSION

The process of raising ZIS funds is carried out door to door from muzakki, who is registered in the database of your lazismu manager. This method is considered

capable of providing excellent service to muzakki, who will fulfill their obligations. In addition, to disseminate information about the collection of zakat, Lazismu Palopo City conducts promotions on social media such as Instagram, Facebook, and YouTube. However, the results turned out to be less effective because almost 95% of the muzakki data came from Muhammadiyah residents and the rest came from outside parties, so the two methods used were still not satisfactory for your usual acceptance plan for the current year.

The distribution of ZIS funds carried out by Lazismu Palopo City is under the procedure. Almost 85% of the distribution of funds is given to people in need and is not focused on Muhammadiyah residents only. It can positively impact and increase public confidence in the transparency of ZIS management carried out by Lazismu Palopo city.

The programs usually carried out by lazismu in collecting ZIS funds consist of the door-to-door programs for ZIS funds, Fajr recitation boxes, donation boxes for fostered mosques, and social media for program promotion. Meanwhile, programs are carried out to channel ZIS funds through primary needs such as the basic necessities program for duafa, business assistance for MSMEs, assistance for natural disaster preparedness, and study assistance for underprivileged students.

The advantages of the collection and distribution strategy that Palopo has carried out are in the form of a muzakki and mustahik database, vehicle, and office facilities. The weakness of the collection and distribution strategy lies in the number of human resources that do not maximize the potential of prospective muzakki and only focus on the Muhammadiyah. The results of this study are expected to provide a more comprehensive understanding and information regarding the collection and distribution of ZIS funds in the pandemic era.

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