

SYNERGY OF ZAKAT AND ENDOWMENTS PRODUCTIVE MANAGEMENT WITH THE DEVELOPMENT OF ISLAMIC MICROFINANCE INSTITUTIONS

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Abstract

The problem in this research is management of zakat, that need to preserve on the credibility and accountability of the management institution of zakat, in order not to appear incredulity due to errors and infringement in zakat management. Based on IDB (Islamic Development Bank) research, the potential of zakat in Indonesia attain Rp 100 trillion per year. Ironically, zakat gathered by Baznas (Badan Amil Zakat Nasional) is still very scant. From Zakat funds accumulated, the funds are still dispensed for consumption purpose (short-term funds). On the account of the inaugural conference of the International Working Group on Zakat Core Principles (IWGZCP) late last August, it was coincided that the identification of risks in zakat management is very notable because it will affect the quality of Zakat management in the future. There are at least four types of risks that have been recognized and the world of zakat must have an incisive concept in mitigating those risks. First, reputation risk and loss of muzaki; Second, the credit risk; Third, operational risk, and the fourth is a risk transfer of zakat cross countries (Beik, 2014). The method used to identify the risks is Enterprise Risk Management (ERM). By conducting ERM, identifying risk probability, risk impact, and risk mitigation are able to be performed.

Keywords: *Zakat, risk management, zakat management, risk management of zakat*

INTRODUCTION

Indonesia, as the largest Muslim country in the world has great enough for potential zakat. Zakat potential in Indonesia, according to PIRAC reached 7.3 trillion rupiah per year, while the realization is only 3.3 trillion rupiah per year, whereas pursuant to calculations FOZ (Forum of Zakat) zakat potential in Indonesia has reached 17.5 trillion rupiah per year and distributed through zakat agencies only 350 billion rupiah per year. In 2005 Syarif Hidayatullah State Islamic University Jakarta research mentioned that the potential zakat, infaq, and shadaqah in Indonesia attained 19.3 trillion rupiah per year. Those numbers will be growing from year to year as the increasing awareness of Muslims in Indonesia to pay zakat, infaq and shodaqoh, because currently pays zakat and berinfaq has become a life style for Muslims in Indonesia since the proliferation of studies about the wonders and the primacy of tithe and berinfaq. (Suprayogi, 2013).

The magnitude of the potential zakat conditions encourage the growth and development organization of zakat in Indonesia, both managed by the community and government. Since the issuance of Law No.38 on Zakat Management 1999 until now 180 Amil Zakat (LAZ) registered as members FOZ, in addition there are hundreds of Badan Amil Zakat (BAZ), which is managed by the government, and not to be added yet to the institution

other charity which has not been registered in FOZ members and BAZ. (Suprayogi, amil 2013).

On the account of the explanation above, the issues to be discussed is the synergy model of management of zakat and waqf in the development of Islamic microfinance institutions.

Zakat and waqf are managed professionally by providing excellent human resources coupled with the rule of government that renders support in the management of zakat and waqf by Amil Zakat Board and Indonesia Waqf Board. Management direction of zakat and waqf fund needs to be expanded through cooperation with financial institutions that use Islamic principles. It aims to optimize the zakat and waqf funds towards the productive in the matter of improving the economic of mustahik.

THEORETICAL SUMMARY

Sustainable economic development and justice is a common goal of Indonesian nation. The economic justice are followed by equal distribution of income and social concern on the economic aspect is, therefore, essential that is existing and being perceived by the public. Economic problems at the moment can not be separated from economic inequalities such as poverty, capital, and the development of economic infrastructure, which will support the activities and general economic improvement. Poverty is an economic problem that is gaining unfinished resolution. Each country has always faced with economic imbalances and the difficulty of achieving justice on the economic aspect. Review and analysis by experts to find solutions related to poverty and economic disparities between the surplus in some communities with the deficit has not discovered the ideal concept in economic equality. The nation as public protector necessarily obliged to seek the best way to solve the economic problems, especially those related to poverty. As presented by Karim Adiwarmanto of Almarhum in his history of Islamic economic thought that the state should provide the necessary infrastructure in the economic development and the general welfare (Karim, 2006: 303).

Development of economy infrastructure and their equitable distribution of income has become routine work of government in achieving economic stability in Indonesia. The main goal framed a country is to acquire justice concurrently and it is a major responsibility of the state (Rahayu, 2010: 14). Equitable economy will have a positive impact on the welfare of the people and will erode the gap between the rich and the poor class. Equitable economic development is certainly a joint struggle by all components of the nation, where the state as a coordinator and protector of the people gives a concern in creating economic justice. As a nation that major population are Moslem, certainly the contribution of religion acts a main role in realizing economic justice in society. The recently actual condition portrays that Islamic financial market has grown significantly in objectifying the equal distribution of income among the community. The latest data from Bank Indonesia indicates that the commercial banks that utilize Islamic principles already amount to as much as 11 commercial banks applying Islamic principles. The other Islamic public financial also figures in achieving justice in societies such as zakat and waqf that has implemented on the real action in the social economy (Iqbal and KK, 2008: 77).

As the nation of Moslem majority is an obligation to help social and economic zeal in order to develop an equitable economy in the midst of society. Zakat and waqf as Islamic economic instruments that provide solutions to achieve economic justice in society. If the two components are connected to Islamic public finance and managed professionally will certainly provide a significant change to economic justice community. The law of zakat and waqf has not been a big impact when optimizing the management of zakat and waqf still have operated separately. In the Islamic economic system, waqf and zakat has not been explored maximally,

whereas waqf and zakat are much potential as the one most noteworthy of the instruments for the empowerment of Moslem economy. Therefore the institution of waqf and zakat is very important to be developed. All this time, waqf concentrate in the form of cash waqf or money waqf as regards the fatwa of the Indonesian Ulema Council (MUI), dated 26 April 2002 explicates that the Endowment Money (WaqfCash / Waqf al-nuqud) is waqf conducted by a person, group, institution or legal entity in the configuration of cash.

The main target in the utilization of zakat and waqf is for social activities with the poor as the object but that difference lies only whether the fund disbursement is depleted or not. Then both of these instruments are the two forms of potential if managed professionally. This discussion will examine the management of zakat and waqf synergy in the form of distribution program of zakat and waqf funds towards the development of Islamic microfinance institutions. Problems encountered in the development of Islamic microfinance institutions discerned in the short-term target achievement associated with raising funds from the public. Short-term target achievement in the funding activity will be targeted by most Islamic microfinance institutions. Optimizing the fund accomplishment on the aspect of funding will certainly provide a major influence by Islamic microfinance institutions to invest funds in order to intensify profits.

LITERATURE REVIEW

MSMEs (Micro, Small, and Medium Enterprises)

Micro Business

(According to the Minister of Finance Decree No. 40 / KMK.06 / 2003, regarding Credit Micro and Small Enterprises):

- a. Family-owned productive enterprises or individual Indonesian citizen;
- b. Having a sales revenue in the maximum of Rp. 100 million per year.

Small Business

(According to Law No. 9/1995, on Small Business):

Productive enterprises belonging to Indonesian citizens, the form of individuals business, business entities that are not incorporated, or a legal entity including cooperatives; Not subsidiaries or branches of companies owned, controlled or affiliated, either directly or indirectly, with a Medium or Large Enterprises; Having a net worth of at most Rp. 200 million, not including land and buildings, or have the sales proceeds of Rp. 100 million per year.

Based on Ministry of Finance Decree No. : 571 / KMK 03/2003, the small entrepreneurs are entrepreneurs who for one financial year perform taxable supply of goods or services by the amount of taxable gross income or gross receipts, not more than Rp. 600 million.

Medium Business

(According to Presidential Decree No. 10/1999, on the Empowerment of Medium Enterprises). Productive enterprises belonging to Indonesian citizens in the form of business entity natural person, business entity that is not a legal entity, or legal entity including cooperatives; Standing alone, and not subsidiaries or branches of companies owned, controlled or affiliated, either directly or indirectly, with the Large Business; Having a net worth greater than Rp. 200 million, up to Rp. 10 billion, not including land and buildings, or having the sales proceeds at the maximum of Rp. 100 million per year. Productive Business (According to the Minister of Finance Decree No. 40 / KMK.06 / 2003, regarding Credit

Micro and Small Business): businesses in all economic sectors that are intended to provide added value and increase returns. There are several references to the definitions used by various institutes in Indonesia, namely: Act 9 of 1995 on small businesses set up criteria for small businesses based on the value of fixed assets (excluding land and buildings) most USD 200 million with a turnover per tahmaksimal Rp 1 billion. Meanwhile, based on Presidential Decree 10 of 1999 on medium-sized enterprises, the limits fixed assets (excluding land and buildings) for medium-sized businesses is Rp 200 million to Rp 10 billion.

BPS and the Ministry of Cooperatives and SMEs classify a business as a small business if it has a turnover of less than US \$ 1 billion per year. For medium-sized businesses, the limit is a business that has a turnover of between Rp 1 to Rp 50 billion per year. Based on these definitions, the BPS and the Ministry of Cooperatives and SMEs in 2002 shows small business population reached approximately 41.3 million units or approximately 99.85 percent of the total number of businesses in Indonesia; whereas medium business amounted to about 61.1 thousand units, or 0.15 percent of all businesses in Indonesia. Meanwhile the spread of SMEs are located mainly in the agricultural sector (60 percent) and trade (22 percent) with total employment in both sectors about 53 million people (68 percent of total employment).

The Ministry of Industry and Trade established that small and medium industry is an industry that has an investment value of up to Rp5 billion. Meanwhile, small businesses in trade and industry is also categorized as a business that has fixed assets of less than Rp. 200 million and earnings per year is less than Rp. 1 billion (in accordance with Law No. 9 of 1995).

Bank Indonesia classifies UK by referring to Law No. 9/1995, while for medium-sized businesses, the central bank determines its own criteria for fixed assets in the amount of that distinguished between the manufacturing industry (Rp. 200 million s / d Rp. 5 billion) and non-manufacturing (Rp. 200-600 million).

Productive Wakaf Management

Generally waqf such as property such as land and buildings, however, these days have widely agreed upon by the scholars that one form can be cash waqf. In general, the definition of cash waqf are transferring assets in cash, non-transferable and frozen for other than public interest does not reduce or eliminate the amount of principal (essential substances waqf).

Certificates cash waqf is a sort of endowment given by Muslim individuals or institutions which benefit from the management of these funds will be used for the alleviation of poverty and improving the welfare of the poor. Technically, these cash waqf certificates can be managed by an entity of its own social investment as well as the Social Investment Bank Limited (SIBL) in Bangladesh or it can also be one of the products of the institutions / existing Islamic banking.

For clarity purposes cash waqf certificates are as follows:

1. Assisting in the empowerment of social savings.
2. Completing banking services as a facilitator who creates Wakaf Cash and
3. Assisting the management of waqf transform social savings into social capital.
4. Gaining control for the poor.
5. Creating awareness among the wealthy about their social responsibility towards the poor.
6. Helping develop a source of social capital.
7. Assisting developing countries in general and to create a unique integration between social security and social peace.

Waqf institution manager or organization directly related to understanding and separated from the productive efforts of waqf assets. Core teachings embodied in the practice of waqf itself waqf property requires that it should not be simply buried with no results to be enjoyed by mawquf 'alaih. The greater the results of waqf property that can be relished by

people, the greater the rewards will flow to the waqif. Based on this point, in terms of jurisprudence law, the development of waqf property productively is an obligation that must be executed by the managers (nadzir).

In the book *Mughnil Muhtaj*, by Shams al-Dien Muhammad bin Ahmad al-Syarbaini described tasks nadzir as follows: "the obligation and duty waqf nadzir consist of to build, lease, develop in order to attain the success and distribute the result that the parties are entitled to, as well as liability maintaining waqf capital and the results."

There are two kinds of practices that Mutlaq Waqf and Muqayyad Waqf. Mutlaq Waqf is the practice of waqf where wakif surrender completely to the wakif to manage indefinitely. Waqf Muqayyad constitutes a waqf requires in order that the endowed property should only be administered in a certain system and be contributed to a particular party. In the practice of waqf mutlaq, nadzir more liberally to construct the efforts so that the productive waqf property can be managed more leverage. Historically, the most procedure to pursue, in accordance with the information in the books of jurisprudence (fiqh books), is to lease a waqf property. This is in line with the fact that most waqf property is in the form of al-'iqar (immovable treasure, such as agricultural land and buildings).

The purpose of waqf is *rai* / results of the benefit of Awqaf cultivated. Al-Malibary said: "The delivery of the waqf by waqf endowments that is the goal." So the first waqf is produced results in terms of fiqh is called *rai* '. Understanding *rai* 'is:' all the benefits (outcomes) of the endowed ones for instance hire of renting milk, new baby animals conceived by their mother after being endowed, emerging fruit after being endowed and branches that cut regularly. "If the purpose of waqf was the result of a set of waqf assets, the essential substance of waqf is an accumulation systematizing Efforts of society endowment (the results of management provide to the public).

Zakat

Zakat literally means to grow, evolve, clean, and bless, while the terminology zakat means activity provides certain property required by Allah SWT in the number and specific calculations to be submitted to the entitled community. Based on surah At-Tauba verse 60, zakat allocated to eight groups (*ashnaf*), namely: indigent, poor, *amil* zakat, *muallaf*, freeing slaves of people who owe, *fi sabilillah*, and *Ibn sabil*. Additionally, the tithe is a pillar of Islam. Zakat has several benefits among which:

- a) as a cleaning of the soul, the essence is the evidence of his attempts to purify themselves from nature miserly, greedy, and love very the world.
- b) the realization of social life, one of the essential things in Islam that is emphasized to be enforced is his sense *sepenanggungan* atmosphere.
- c) the means to achieve the help of Allah, Allah SWT akan gives his help to His servant when his *hambah* obey all His commands.
- d) an expression of gratitude to God, give charity is an expression of gratitude for favors that bestowed by Allah SWT.

In terms of zakat is divided into two, namely zakat maal and zakat fitrah.

Zakat Maal

- a. Contained in the texts of the Qur'an
 1. Gold and silver
 2. Treasure of commerce
 3. Cattle
 4. The yield of plants
 5. The production of mining and treasure

Which analogized by

1. Shares
2. Revenue of profession
3. Productive goods
4. The output of the company and so forth

In addition, the assets that must be tithed has several requirements, namely:

- a) Halal (both substance and how to obtain it)
- b) Fully owned (no rights other orang)
- c) Developing (or potentially evolve)
- d) Adequate nishab, the minimum amount of zakat due to affecting on zakat obligation
- e) The haul is enough

Zakat Fitrah

Zakat issued by any Muslim on themselves and under their amenability (wife, children, and others) before the Eid prayer, when on him and people under his charge there is a surplus of staple foods at night and Eid day. The number of issued zakat is the staple food of the amount of some sho' for every soul.

The cornerstone of Zakat obligation

Zakat obligation is based on several sources of Islamic thoughts, namely:

- a) Proposition of Quran, in Quran there are 32 words of zakat. These include the following:
"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." (QS. At Tawbah: 103)
- b) Sunnah postulate, Imam Bukhari and Muslim has brought together around 800 hadith connected to zakat, including a few of atsar. The available hadiths provide general orders of zakat, and there is also a hadith which form the details and implementation of zakat, such as obligatory of property zakat, nishab, haul, and zakat target. Prophet Muhammad said: "Zakat is taken from the rich and distributed to poor people" (HR. Bukhari and Muslim).
- c) Proposition ijma', after the prophet Muhammad died, the government leaders held by Abu Bakr Siddiq, hereinafter dinobatan as the first Caliphate. Abu Bakr took the companions plotted together to strengthen the implementation and application of zakat, and take decisive action to crack down on those who refused to pay zakat with categorizing them as apostates. Tabi'in and so on during the mujtahid imams and their disciples performed ijthad to formulate the operational pattern of zakat in accordance with the circumstances at that time.
- d) The enactment the presence of law number 38 of 1999 governing the management of zakat. However, Law is considered no longer in line with the development of human needs of law in society so that it needs replacing. Subsequently, in 2011 the House of Representatives accede a bill on zakat management number 23 in 2011. The management of zakat stipulated in this Act including planning, distribution, and utilization.

RESEARCH METHODS

This research is a descriptive qualitative approach. Sugiono (2008: 64) explicated that a descriptive study investigated problem solution procedures by describing, depicted the state of the object or subject of study at the present time based on factors that looked or how it is. This research is a research library with reference books in the library and to compare the existing

realities in the field. Furthermore Bogdan and Taylor proposed that qualitative research that produces descriptive data in the form of words written or spoken of the people and observed behavior.

The object of this study is the management of productive zakat and waqf by developing Islamic microfinance institutions with the assumption that this study will really obtain an idea of the synergy of productive zakat and waqf management by engineering Islamic microfinance institutions

In the data collection, there is the most useful technique, so that it will be obtained a valid data. The data collection techniques used in this study by the process :

They observe the institution of zakat and waqf afterwards analyze several books and readings related to this discussion and to compare with expert opinion and the materials of the seminar that discusses the issues studied.

Data analysis is the process of simplification of data into a form that younger read and interpreted. In this study the data to be obtained in the form of quantitative and qualitative data, but analysis of both types of data is done in a descriptive way. Quantitative data to support qualitative data. The data analysis is lacking qualitative manner interprets data, facts and information that has been collected through intellectual understanding with empirical thereafter examined by means of in-depth procedure, so as to generate a picture of the actual data.

DISCUSSION

Zakat Management Model by Amil Zakat

Zakat management in some areas superintended by government agencies and private institutions has the common goal of improving and realize the equal distribution of income between the rich and the poor through the distribution of zakat funds. Form of management by these institutions are basically similar concept, especially in the distribution of zakat funds to mustahik. When viewing the distribution of zakat by zakat institutions arranged the government or private parties will be relying on several activities including: 1. The founding of human resources; a program that includes most easily done is providing scholarships to children of poor families . 2. Social services; a service provided to the mustahik in meeting their needs . 3. Development of economic society through productive zakat distribution.

One of the programs of the institution of zakat is the economic development i.e. :

1. Distribution of funds; can be given to individuals and groups in working capital or investment
2. The establishment of financial institutions; zakat institution can develop Islamic microfinance financial institutions
3. The construction of industry; distribution of funds for venture capital and investment, not only in the range of funds among the hundreds of thousands to a few rupiah, but could be up to hundreds of millions of rupiah
4. Job creation; capital offered the expected business sector that can help to create jobs
5. The Improvement of the business; capital that can save businesses have been running
6. Training; that business development can allow people an opportunity to practice
7. The establishment of the organization; the important thing is zakat institutions are able to create the organization among mustahik that receive capital assistance.

Mufraini (2008: 153) elucidates that the utilization of Zakat funds required innovative distribution divided into four parts:

1. Distribution of traditional consumptive
2. Distribution of consumptive creative
3. Distribution of traditional productive

4. Distribution in the form of productive creative

Model of Management of Zakat and Waqf

One of the programs that need developing in the future is how to synergize zakat instrument with waqf, considering both instruments have the potential and power of each. It must be recognized that both instruments currently operating on their own, moreover the basic regulation underlying practice both are also different. Zakat is regulated by Law No. 23/2011 while waqf are governed by Law No. 41/2004.

Hence, it needs initiating to synergize the efforts both instruments, with the result that between zakat and waqf can be mutually reinforcing. BAZNAS and BWI (Badan Wakaf Indonesia) need to develop a strategic partnership that zakat and waqf can be stronger and present a major role in national development. The procedure i.e. by creating a pilot project BAZNAS and BWI. As a first step, the authors suggest to form a 'joint committee' or BAZNAS between the Special Committee and BWI, as a common umbrella that will perform the pilot program countenanced by both parties.

The Special Committee in the sequel is implementing pilot projects BAZNAS and BWI. For example, the Special Committee agree to establish a micro-enterprise center jointly funded by zakat and waqf. With a data is land waqf that reaches 4 billion square meters, indeed it should not be difficult for BWI to establish a strategic location that will serve as a center for micro-enterprises. Forms of business centers are society market for selling goods and services for mustahik production.

Money waqf collected during this time, although not optimal, it can be employed as a source of funds to build a people's market by using sharia aqad, whether it is commercial or tijari, such as murabaha (sale and purchase with a margin of profit) or mudaraba (contract revenue share with certain ratio), as well as contract-social contract as qardhul hasan (loan without interest). These some contracts are conducted between BWI and the Special Committee.

By using those contracts, hence money waqf collected is able be developed and productive. From the perspective of sharia, using commercial contracts in applying money waqf is allowed to implement as long as there is no violation to Sharia. This is due to the output obtained is in the form of market development that is oriented on business activities expected to provide a 'return' positive.

In general, the waqf instrument is responsible for the provision of facilities and infrastructure. The task of zakat is to prepare mustahik so that they can have a productive business as regards has good prospects. Mustahik must be nurtured in order to have expertise in production and produce quality goods and services, and assisted in spirituality related to have a good level of spirituality and work ethic. BAZNAS can utilize qardhul hasan contract (interest free loans) to this Special Committee, afterwards this committee are channeling qardhul hasan financing to mustahik.

The use of qardhul hasan contract for zakat distribution is allowed for two purposes. First, train mustahik mentality and responsibility in utilizing the funds they receive, so that funds are actually used to develop the business, and not for anything else. Second, the refund can be rotated to finance micro enterprises of other mustahik, or be used as participation of mustahik deposit on sharia cooperatives or BMT that will be established in the public market. Thus, the refund from mustahik basically is going back again to mustahik. The objectuve of BMT or sharia cooperative establishment is to maintain the continuity of the liquidity needed to develop mustahik business.

With the integration model example above, the authors hope that the role of zakat and waqf will be increasingly significant. The author believes that such models can provide a positive multiplier effect on the economy of the nation as a whole, and could be one solution to boost national economic growth with justice

Roles and Responsibilities of Government

The government can take a role in initiating the synergy to be the node institutional coordination and communication of zakat management organization in Indonesia that is neutral without eliminating or smothering the role of LAZ. The mission of government in the management of ZISWAF funds in Indonesia should be limited as a mediator and coordinator for the organization zakat management in Indonesia as well as a supervisor on the management of ZISWAF funds in Indonesia. Hence the government's responsibility is only to coordinate, communicate, and perform the mapping of zakat potential and empowerment program in order that there will be a synergy between government's programs for poverty alleviation, and surveillance function.

The Synergy of Zakat Fund Management through KJKS

Viewing data from the Ministry of Cooperative that 2,363 cooperative of 96 064 credit unions already implement sharia system. 2,363 cooperatives that use Islamic principles certainly no the existence of collaboration between Badan Amil Zakat and sharia financial services cooperative. The issue owned by sharia financial services cooperative at this moment associated with higher levels of business competition among financial institutions, the struggle for market share becomes a matter that must be taken in the business today. Another thing visible on Islamic microfinance institutions where the activities of tamwil are more dominant than social activities. So any of Islamic Micro Finance Institutions is attempting and racing to increase the amount of savings with the aim to maximize profits through funding channeled. Optimizing social activities or baitulmall that oversees the affairs of the non-profit will evolve if cooperation between Islamic microfinance institutions and Badan Amil Zakat center are manifested through the utilization of Zakat funds to Islamic microfinance institutions in the aspect of profit and non-profit (tabbaru) at this time will be the dominant role of profit as compared with the non-profit. Whereas the activity of non-profit is a special feature that is inherent in sharia microfinance institutions.

There are two activities occur here: 1. Activities LKMS before cooperation with Badan Amil Zakat (BAZ). 2. Activities in which there is a balance between the demands of commercial business and social responsibility. In the first activity in which LKMS not cooperate with BAZ, that the funding activity will be the one support for the foundation of the fund by LKMS of the community in the form of demand deposits, savings, and deposits. On the funding element will be a major challenge in a competitive business by LKMS in seizing the market, because the manager will maximize LKMS aspects of savings, current accounts, and deposits to increase profits through channeled funding. The possible negative aspect is LKMS manager will prioritize commercial aspects rather than social aspects. It is obvious that in this case the balance of Islamic businesses that entrust social principles and concern for others in the form of income distribution will not be achieved.

Meanwhile in the second activity will be visible balance between the demands of commercial business and social responsibility. LKMS administrator will have the utilization power of liquidity in the form of zakat funds although not owned by LKMS, but will foster LKMS existence in the public contention. The positive effects of the synergy of management and utilization of zakat productive by LKMS be growing the agreement that characterize Qardhul Hasan as well as distinguishing between Islamic microfinance institutions and conventional micro-finance institutions. With the synergy between these two public agencies, Islam will certainly strengthen the positive image of LKMS as well as narrow the space moneylenders.

Management of Waqf by Endowments Nazir

As information obtained that in general the management of waqf funds by waqf nazir is not optimal. This is because not all waqf nazir know the functions and use of waqf funds. Another thing that should be noted for the unity of waqf Indonesia that the appointment of waqf Nazir in the community tends to be more traditional and does not have a good administrative system. Therefore it is infrequent disputes relating to property endowed because there is no clear evidence to the waqf property. Furthermore the other things that are found in the community is the use of new waqf property in the form of the construction of mosques, prayer, and Quran educational activities. To realize the optimization of waqf funds management that will be focused more precisely how to establish an institution of waqf has the ability to manage waqf property.

Waqf property managed by Nazir waqf is only limited to assets that do not move and the majority of waqf property is managed by a board of mosques and mosque, due to the knowledge society will manage waqf property officials of mosque and musholla. In regard to the administration of waqf property is more in the form of trust, that do not have evidence of a waqf pledge by the waqf grantor, indeed things like this in the management of waqf funds should not happen again for the future. The other things to note is the organizational structure of waqf only directly inherent in the structure of the mosque and musholla officials. If viewing work program and mosque committee do not lead to a productive management of waqf property but more directed to the construction of mosques and musholla. Whereas other matter associated with most of public awareness for waqf is still low and people understand that the treasure is merely endowed as donations of land, even though it was very spacious waqf property until money waqf and securities waqf. This is a major work to socialize waqf Nazir to the community, especially people who are in the county. Facilities and infrastructure are important things and they should be in waqf institution for administrative activities and waqf services will be known by the public and every waqf document will be stored properly. It is obvious with the means of planning that will afford the formulation and management strategies. It is highly expected is the entrepreneurial spirit that should be present in an waqf Nazir to develop waqf funds in productive activities. For the next waqf institutions should function and presence in the community that can be felt through social activities with the use of waqf funds. Certainly the overall management of waqf property need the improvement in infrastructure, human resources, and rule of law as well as legal entities of the waqf institution. Waqf institutions in the community is growing without any clear plan and organization that are caused of waqf does not be the important thing to the social life.

The Synergy of Management Wakaf through KJKS

Potency of waqf in Indonesia has great potential due to waqf can be performed by every Muslim as property can be waqf that can be used not only in the form of stationary goods, but waqf property includes movable items. With the wide treasure can be endowed, it will provide a great opportunity against utilization of Zakat funds for social purposes. In accordance with the fatwa Indonesian Ulema Council (MUI), dated 26 April 2002 explained that money waqf (Cash Wakaf / Waqf al-nuqud) is waqf that a person, group, institution, or legal entity in the form of cash. The fatwa while providing great opportunities to the development of waqf institutions would drive economic growth for the unaffordable people. Model of productive waqf development can be conducted by forms of cooperation with Islamic microfinance institutions. The question is why the utilization of waqf funds is through LKMS? If perceiving in terms of the philosophy of the establishment of Islamic microfinance institutions, venture capital aims to help people who are economically weak. Naturally activity LKMS collide directly with the people who really need capital in the development of business, they could not precisely have the access to banking. Waqf property basically should not be exhausted and be utilized for the benefit of society, forth the utilization of waqf funds will be more effective if being channeled through Islamic microfinance institutions. In this

case, Islamic microfinance institutions as the manager of provide certificates for cash money waqf to regive to wakif thereuponmoney waqf collected in Nazir accounts managed in accordance with Islamic principles. Wakif can invest endowment funds such as money, precious golds, securities, vehicles, and intellectual property rights to the LKMS. While stationary object in the form of land rights, property rights on buildings and apartment units become objects that can be endowed in the form of productive waqf in LKMS.

Individuals or institutions of waqf functioning LKMS as a manager for managing productive cash waqf where LKMS must provide products such as waqf of deposits, savings waqf, and Ijara waqf. Deposit waqf can be interpreted by LKMS that is money waqf using Mudharabah mutlaqah contract stored in a particular period for the repayment in accordance with the agreements in the contract. As for savings LKMS contract managers can apply cash waqf wadi'ah yad dhamanah contract that may be withdrawn at any time and LKMS provide the fee for the utilization of waqf funds. For activities and services beyond those funding and landing can be executed by LKMS as waqf funds not only in monetary terms but also in the form of precious metals and securities. Securities and high-valued metals will be stored by LKMS in the form of save deposit box. The model should be developed by zakat and waqf institutions in managing productive zakat and waqf empowerment in the form of a dual management system. Dual management of zakat and waqf in grouping of productive property zakat and waqf in one investment in Islamic financial institutions. The nature of zakat and waqf is different where zakat fund may be exhausted when it is distributed, while waqf should not be reduced. The author means here is not waqf and zakat funds combined in one system but the allocation of funds placement productive waqf and zakat is clear for the minimum of ceiling to be allocated to Islamic microfinance institutions. Why is that so? All zakat funds collected should not be 100% channeled to productive activities because there should be zakat distribution for consumptive activities and operational costs, indeed zakat fund management is very noteworthy. Meanwhile waqf must be managed in terms of productive and consumptive, on this dominant development model to something productive.

So there are three forms of productive management of zakat and waqf through Islamic microfinance institutions, including:

1. Amil zakat and waqf Nazir enact a draft of allocation of productive zakat and waqf utilization per month or per year based on the size of the funds collected from zakat and waqf
2. Amil zakat and waqf Nazir able to determine the utilization of Zakat funds by the agency of Islamic micro business to the sector mustahik contained in the MoU between zakat and waqf institutions, and LKMS
3. Waqf fund is not only limited to be used in the form of distribution of productive endowments by Islamic microfinance institutions but developed in the form of direct investment to the establishment of Islamic microfinance institutions derived from waqf fund.

Three models of management of zakat and waqf above that need the existence of internal commitment of the institution of zakat and waqf. This is due to the number of institutions of zakat and waqf from the center to the regions that are supervised by the government and the private sector would need synergy internally from each institution to ensure empowerment of productive zakat and waqf through Islamic microfinance institutions. Internal synergy in zakat and waqf institutions in some areas, coordinated by the national agency of zakat and waqf Indonesia will conduce professionalism in the development of zakat and waqf.

It should also be noted that by LKMS in regarding with the treasure that will be endowed through Nazir waqf account in LKMS by wakif is proof of ownership of the treasure. Task of Islamic microfinance institution as a recipient of cash waqf has to adhere to Article 25 of Regulation No. 42 Year 2013, that delineates the task of LKMS as money waqf recipients as follows :

1. Informing the public of its existence as a LKS recipient of money zakat

2. Providing a certificate blank of money waqf
3. Accepting cashlymoney waqf from wakif on behalf of nazir
4. Emplacing money waqft in the accounts of funds deposited (wadi'ah) on behalf of nazir's name designated by nazir wakif
5. Acceptingthe declaration ofwakif will written on statement form of wakif will
6. Issuing certificates of endowment money and hand over the certificate to wakif and submit a copy of the certificate appointed by nazir nazir
7. Registering money waqf to the Minister on behalf of the nazir

CONCLUSION

Model Management productive zakat and waqf to Islamic microfinance institutions can be portrayed with the suitability of zakat and waqf management program by the zakat agencies and waqf institutions. The adjustment form with the placement of mostfund of productive zakat and waqfis the method of optimizing productive zakat and waqf by agency of amil zakat and nazir waqf to LKMS as recipients of money zakat and waqf. Furthermore LKMS receiving money zakat and waqf has prepared certificate money waqf in the form of existing products on LKMS as deposits waqf, savings waqf and Qardhul hasan.

The adjustment of zakat and waqf management program in the model of management of zakat and waqf fund will bring its own studies regarding the relationship of zakat and waqf fund management in one unified management of productive zakat and waqf in Islamic microfinance institutions. The synergy of zakat and waqf visible on the management concept of zakat and waqf fund management on the internal part of zakat and waqf will be applied to the relationship of management of zakat and waqf in Islamic microfinance institutions.

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