

Financial Aids among *Asnaf* in Private Higher Education Institution in Malaysia

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Abstract:

The objective of this paper is to provide a conceptual study of financial aids among *asnaf* from the zakat distribution especially in private higher education institution in Malaysia. Focus will be on programs conducted by the Tabung Amanah Zakat UNITEN in order to ensure financial sustainability among students.

Keywords: Zakat, Hard-core poor, *Asnaf*, Private Education, Education.

I. INTRODUCTION

The main objective of zakat is to help the poor and needy. And this has been practiced by Muslim community in Mecca [1]. Later on, it was made compulsory after the *hijra* to Medina. The word 'al-zakah' is mentioned along with salat in thirty verses of the Quran. It was first revealed in surah 73:20; "... and establish regular prayers and give regular charity; and loan to God a beautiful loan. And whatever good ye send forth for your souls, ye shall find it in God's presence, Yea, better and greater in reward and seek ye the grace of God: for God is oft-forgiving, most Merciful."

Bukhari and Muslim relate on the authority of Ibn Abbas that the Messenger of God sent Mu'adh to the Yemen he told him, "You are going to a people who have a Scripture, so call

them to testify that there is no deity but God, and that I am the Messenger of God. If they respond to this, then teach them that God has imposed five *salats* upon them in every day. If they respond to this, then teach them that God has imposed upon them a charity to be taken from the wealthy amongst them and given to their poor. If they respond to this, then beware of taking any more of their wealth! Beware also of the prayer of the oppressed, for there is no veil between such a prayer and God." Then he recited the verse: "Let not those who are miserly with what God has given them of His bounty think that this is good for them. Rather, it is bad for them. That which they withhold shall be hung around their necks on the Day of Arising." (3:180) [2].

Conceptually, zakat is intended to be paid with the purpose of cleanse the wealth. Consequently, those Muslims who collect sufficient wealth be obliged to give several amount i.e. 2.5% of the wealth to the poor and needy. It is the responsibility of rich people to assist the underprivileged community by serving them in every possible means.

Therefore, the objective of this paper is to deliver a conceptual study on the roles of zakat in helping students especially in Universiti Tenaga Nasional (UNITEN). This concept paper is arranged as follows: After introduction, Section II shows the zakat practice under State Islamic Religious Council in Malaysia.

While Section III focuses at the role of zakat in the Higher education institutions in Malaysia. Section IV discusses with the existing practice of zakat distribution in UNITEN. Finally, Section V is focused to conclusion.

II. ZAKAT PRACTICE IN MALAYSIA

In Malaysia, collection and the distribution of zakat among beneficiaries (*asnaf*) is different within the states. According to the Federal Constitution of Malaysia, any concerns connected to zakat and any issues of Islamic laws are under the particular states, excluding in Federal territory whereby the management of Islamic law are administered by the Federal government [3]. For each respective state, the State Islamic Religious Council or the Majlis Agama Islam Negeri (MAIN) are in charge on all issues associated to Islamic teachings and each MAIN has established its own zakat management body. For example;

TABLE I
MAIN AND ZAKAT INSTITUTIONS

		MAIN and Zakat Institutions	
		MAIN	Zakat Institutions
1	Selangor		Majlis Agama Islam Selangor Lembaga Zakat Selangor Majlis Agama Islam Selangor Lembaga Zakat Selangor
2	Wilayah Persekutuan		Majlis Agama Islam W Persekutuan Pusat Pungutan Zakat
3	Penang		MAIN Pulau Pinang Zakat Pulau Pinang
4	Kedah		MAIN Kedah Lembaga Zakat Negeri Kedah
5	Perak		Majlis Agama Islam & Adat Melayu Perak
6	Sarawak		Jabatan Agama Islam Sarawak Tabung Baitulmal Sarawak

However, based on the current practices there is no one common standard operation of zakat management among the states in Malaysia. In fact, respective states have the right to practice and implement different zakat rules and regulation. For example, there are two states i.e. Kelantan and Perak which do not differentiate between beneficiaries (*asnaf*) hard-core poor (*fakir*) and poor (*miskin*). And in the same time Terengganu, Pahang, Negeri Sembilan and Selangor distributed zakat to *riqab* (servant or liberation of slaves), meanwhile, some states like Penang and Johor does not give zakat to this group of people based on their interpretation and current situation of the term '*riqab*'.

The differences between zakat institutions in their operations create a positive environment in order to collect more zakat. It is reported that since 1990s, as the amount of collections increase from various sources (company, NGOs and individuals), to the extent that some of the MAIN consider that it is vital to privatize and decentralize the zakat management.

Table 2 below shows an example of zakat collection in few states in Malaysia for year 2017.

TABLE 2
ZAKAT INSTITUTIONS AND COLLECTION FOR 2017

	Zakat Institution	Collections (mil.)
1	Lembaga Zakat Selangor	RM 757.1
2	Pusat Pungutan Zakat	RM 615.1
3	Lembaga Zakat Negeri Kedah	RM 166.9
4	Zakat Pulau Pinang	RM 96.6

III. ZAKAT IN MALAYSIA HIGHER EDUCATION INSTITUTIONS

It is acknowledged that higher education serves as a means to produce knowledgeable and competent workers adept at functioning in a globalized economy[6].

Malaysia is similar to other countries in perceiving higher education as “an opportunity for social mobility, an instrument for human capital development and economic growth. The result of which is its massive expansion due to the increasing demand partially brought by the democratization of secondary education[7].”

The general observation concerning enrolment in public higher education institutions is that it has been steadily increasing (from 369,802 students in 2002 to 568,622 students in 2012). Until 31st December 2011, a total of 603,867 students were enrolled in various institutions of higher education in Malaysia. This figure includes public universities as well as polytechnics and community colleges.

Meanwhile, the various background of family income creates a new phenomenon in campus life. Due to financial problems, some of the students decide to work as part timers to cover their cost of living [4]. Therefore, several universities started to engage with the MAIN to

establish its own zakat institution in order to provide financial aids to the students.

Table 3 below shares a list of zakat institutions established by the universities in Malaysia especially in Selangor.

TABLE 3
ZAKAT INSTITUTIONS IN MALAYSIA HIGHER EDUCATION INSTITUTIONS

	HEI	Zakat Institution
1	Universiti Tenaga Nasional	Tabung Amanah Zakat UNITEN
2	Universiti Teknologi MARA	Pusat Zakat, Sedekah dan Wakaf
3	Universiti Islam Antarabangsa	Unit Zakat dan Latihan UIAM
4	Multimedia University	Tabung Amanah Zakat MMU
5	Universiti Selangor	Unit Zakat Pusat Islam UNISEL
6	Universiti Putra Malaysia	Pusat Pengurusan Wakaf, Zakat dan Endowmen
7	Universiti Kebangsaan Malaysia	Pusat Zakat UKM
8	Infrastructure University Kuala Lumpur	Tabung Amanah Zakat IUKL
9	Kolej Universiti Islam Selangor	Bahagian Zakat dan Wakaf KUIS
10	Universiti Islam Malaysia	Dana Aset & Wakaf
11	Cyberjaya University College of Medical Sciences	Tabung Zakat dan Kebajikan
12	Management And Science University	Yayasan MSU
13	Unitar International University	Zakat UNITAR
14	Universiti Kuala Lumpur	Zakat UniKL

In 1996, the Private Higher Education Institutions Act (PHEIA) 1996 was introduced and amendments were made to the Universities and University Colleges Act (UUCA) 1971 and Education Act 1961. These changes led to private higher education institutions in Malaysia

being officially recognised. Some of the private higher education institutions were already in operation before the enactment of PHEIA as the Education Act 1961 allowed private schools and colleges to be set up.

The local private universities are mainly financed by large Malaysian corporations or Government Linked Company (GLC) which are the dominant players responsible for setting up private universities. For instance, Universiti Tenaga Nasional (UNITEN) is, due to their investment, wholly-owned by Tenaga Nasional, the national power company which is also the largest electricity utility company in Malaysia. However, unlike public universities, private institutions of higher learning are motivated by profit and fees are charged for according to cost upturns. This create another issues among students who came from the lower class family to obtain a good education from private university.

IV. ZAKAT IN UNIVERSITI TENAGA NASIONAL

In July 14, 2010 UNITEN received an offer from Majlis Agama Islam Selangor (MAIS) to be appointed as the Assistant Amil in collaboration with LZS in order to empower zakat collection and distribution in UNITEN. With the support from university management and parent company, Tabung Amanah Zakat UNITEN (TAZU) was established in September 2010.

With the objective to provide an alternative financial aids for the students, several programs were conducted to promote zakat awareness and collection among UNITEN and TNB staff in Selangor. After few years, zakat collection in UNITEN shows an increasing amount from 2015 to 2018 with average of 9 % a year as shown in Table 4 below.

TABLE 4

ZAKAT COLLECTION IN UNITEN

YEAR	SALARY DEDUCTION	COUNTER	TOTAL
2015	6,422,484.12	505,476.68	6,927,960.80
2016	7,234,376.33	717,523.89	7,951,900.22
2017	7,592,400.14	913,350.27	8,505,750.41
2018	8,157,603.65	796,669.28	8,954,272.93
TOTAL	29,406,864.24	2,933,020.12	32,339,884.36

The total of zakat collection will be send to LZS and TAZU will received 43.75% to be distributed among the beneficiaries and another 6.25% for the assistant Amil. As shows in the Table 5 below, the distribution of zakat increase every year beginning with RM2,948,173.83 in 2015, the distribution gradually increase until RM3,889,273.14 in 2018 with the average of 97.18%.

TABLE 5

RECEIVED FROM LZS FOR DISTRIBUTION

YEAR	RECEIVED	DISTRIBUTION	PERCENTAGE
2015	3,030,982.85	2,948,173.83	97.0%
2016	3,478,956.35	3,253,579.68	93.5%
2017	3,721,265.80	3,687,611.40	99.0%
2018	3,917,494.41	3,889,273.14	99.2%
TOTAL	14,148,699.41	13,778,638.05	97.4%

The example of zakat distribution among students for the academic year of semester 1 2019/2020 is shown in the Table 6 below. Overall, the beneficiaries among student consist of three categories i.e. hard-core poor, poor and *fi sabilillah*.

TABLE 6

ZAKAT DISTRIBUTION IN UNITEN

PUTRAJAYA CAMPUS			
HARDCORE POOR	POOR	FI SABILILLAH	TOTAL
95,551.52	303,988.27	301,428.26	700.968.05

19 Students	67 Students	157 Students	243 Students
SULTAN HAJI AHMAD SHAH CAMPUS			
HARDCORE POOR	POOR	FI SABILILLAH	TOTAL
20,477.25	36,800.95	73,842.95	131,121.15
7 Students	14 Students	38 Students	59 Students
BOTH CAMPUSES			
HARDCORE POOR	POOR	FI SABILILLAH	TOTAL
116,028.77	340,789.22	375,271.21	832,089.20
26 Students	81 Students	195 Students	302 Students

Total of 302 students received an amount of RM832,089.20 which includes of financial aids for tuition fees and subsistence allowance for one semester. 26 students which fall under hard-core poor category received amount of RM116,028.77 or 13.94% with the average of RM4,462 per student. Meanwhile, 81 students from poor category received RM340,789.22 or 40.95% with the average of RM4,207 per student. The biggest group which is *fi sabilillah* received RM375,271.21 or 45.1% with the average of RM1,924 per student.

On top of the financial aids for tuition fees and subsistence allowance, the category of hard-core poor and poor students also received meal coupons under a special program namely as ‘Go-Kitchen’. This program provides a daily coupon with a value of RM15.00 per day.

According to data from the Department of Statistics Malaysia (DOSM) in 2016, households which earn below RM4,360 per month are in the bottom 40% of all households which is also known as B40. During the May intake 2019, UNITEN received a group of 67 students who fall under this category. To support this group, TAZU has allocated some amount of money to provide subsistence allowance, meal coupon and housing allowance.

In order to provide more financial aids for the students, TAZU always welcome any new ideas to develop more programs and activities that can help students to sustain in their daily campus life.

V. CONCLUSIONS

There is no doubt that higher education institutes are the best place to instil religion and values as it is the ‘last stop’ for the students before they enter the real working world. In addition, the most important effect of higher education on students is the growth of cognitive rationality which will help them to establish the values in their life.

Therefore, students should not be burden to make a choice between getting a proper education and searching for money to survive in their campus life. In conclusion, financial aids among *asnaf* is vital in order for the *asnaf* to be focused in their studies.

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