

## Strategic Management of Utilisation of *Zakāh* Funds in Improving *Mustahiq*'s Welfare in The Productive Bojonegoro Programme at BAZNAS of Bojonegoro Regency

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**Abstract:** This study aims to explore the strategic management of *zakāh* fund utilization within the Productive Bojonegoro Programme at BAZNAS of Bojonegoro Regency, Indonesia, and its effectiveness in improving the economic welfare of *mustahiq* (*zakāh* recipients). Employing a qualitative-descriptive method through direct observation, interviews, and document analysis, the research reveals that *zakāh* funds channeled into productive sectors—such as small business tools, livestock assistance, and microenterprise training—can transform *mustahiq* into self-sufficient economic agents. The findings demonstrate that effective *zakāh* strategies involve comprehensive planning, rigorous standard operating procedures (SOPs), targeted recruitment, and ongoing monitoring to ensure sustainable impact. This study advances the discourse on Islamic social finance by presenting a replicable strategic management framework that links *zakāh* disbursement to long-term poverty alleviation. It also provides empirical evidence supporting the shift from consumptive to productive *zakāh* models in localized Muslim-majority settings. Future studies may expand upon this model by applying comparative approaches across other regions or by assessing the long-term transition of *mustahiq* into *muzakki* (*zakāh* payers), thereby contributing to the theory and practice of Islamic economic empowerment.

**Keywords:** Strategy Management; Utilisation of *Zakāh* Funds; Productive *Zakāh*.

## Introduction

The problem of population income mostly causes poverty in Indonesia; one of the solutions to this problem is the distribution of *zakāh*, *ṣadaqah* and *infāq* (ZIS) funds to the poor and destitute. Based on the Regional Development Planning Agency (Bappeda) of Bojonegoro data in 2020; the poverty rate in Bojonegoro was 4.76% or 59,020 people, above the provincial poverty rate of 4.4% or the national 3.9%. However, Bojonegoro district was then able to dramatically reduce it in 2021 with the poverty rate falling to 36,140 people or 2.88%. In 2022, it decreased again to 22,430 people or 1.78%. It cannot be separated from the implementation of the Presidential Decree of the Republic of Indonesia Number 8 of 2001 and Law Number 23 of 2011 concerning the duties and functions of the utilization and collection of ZIS funds. In this case, the National *Āmil Zakāh* Agency (BAZNAS) of Bononegoro optimises the collected *zakāh* funds to be distributed to *Mustahiq* in need, especially in the Bojonegoro Regency area.

The distribution and utilisation of *zakāh* have been regulated by the government in general in BAZNAS Regulation Number 3 of 2018 concerning the distribution and utilisation of *zakāh*. It is conveyed in the regulation that Distribution is the distribution of *zakāh* funds to *Mustahiq* in the form of consumptive, short-term, and to meet the urgent needs of *Mustahiq*. Meanwhile, utilisation is a form of optimal utilisation of *zakāh* without reducing its value and usefulness in the form of productive businesses, so it is useful to achieve the benefit of *Mustahiq*. Previously, the government, through the *Zakāh* Administration Law Number 23 Year 2011, also conveyed how to plan, implement, and coordinate activities related to the collection, distribution, and utilisation of *zakāh* in Article 1. Article 2 conveys how the implementation of *zakāh* distribution must be based on Islamic law, reliable, useful, fair, have legal certainty, integrated and accountable. Meanwhile, Article 3 mentions the purpose of *zakāh* management, which is to increase the effectiveness and efficiency of services in the management of *zakāh* and to increase the benefits of *zakāh* to achieve mutual benefit and poverty alleviation. On that basis, there are three elements in the implementation of *zakāh* management, namely collection, distribution, and use.<sup>1</sup>

From the explanation above, it is understood that BAZNAS was formed by the government not only to facilitate *Muzakkī* who wish to pay their zakat but also as one of the government's ways to improve the welfare of the low-class community by utilising ZIS funds channelled to the right target. When *zakāh* funds

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<sup>1</sup> Taufiqur Rahman dan Alan Su'ud Ma'adi, "AN ANALYSIS OF THE UTILIZATION OF ZAKAH IN CONTROLLING THE COVID-19 PANDEMIC PERSPECTIVE OF MAQASHID SHARIA AT AMIL ZAKAT INSTITUTION IN PAMEKASAN REGENCY," *Istinbath* 22, no. 1 (14 Mei 2023): 3, <https://doi.org/10.20414/ijhi.v22i1.481>. Also read M. Misbachuddin, "MANAJEMEN ZAKAT PRODUKTIF SEBAGAI ALTERNATIF MENINGKATKAN PENDAPATAN MASYARAKAT MISKIN: Studi Kasus Pada Masjid Al-Akbar Surabaya". *El-Qist: Journal of Islamic Economics and Business (JIEB)* 6, no. 1 (April 25, 2016): 1156–1170. Accessed September 19, 2023. <https://jurnalfebi.uinsby.ac.id/index.php/elqist/article/view/87>.

are channelled to *Mustahiq* on target, it is able to improve *Mustahiq*'s economy so the poverty rate will decrease. Departing from this, BAZNAS Bojonegoro made the Productive Bojonegoro Programme. A programme of distributing *zakāh* funds is for poverty alleviation, where *Mustahiqs* are given by BAZNAS business tools or capital assistance to be used in their business.

Regarding the data we obtained, business equipment or working capital assistance obtained by *Mustahiq* was mainly in the form of sewing machines, trade carts, flour grinding machines, air compressors, cup sealers for selling drinks and others. BAZNAS adjusts the provision of this business tool by looking at the business or potential of *Mustahiq*. BAZNAS also usually provides assistance in the form of livestock; goats if during observation BAZNAS management finds the potential for livestock breeding in the *Mustahiq* place. However, BAZNAS does not rule out the possibility of providing assistance in other forms, and the important thing is that assisting with the Productive Bojonegoro Programme can sustainably empower *Mustahiq*'s economy, and *Mustahiq* feels the benefits.<sup>2</sup> From here the author is interested in examining this Productive Bojonegoro Programme.

When looking at previous research that discusses the theme of utilising zakat assets for *Mustahiq* productivity, the author has found several writers who have done this. Among them is Wida Rabiatul Adawiyah, who conducted research with the title; "*Strategi Pendayagunaan Zakat Produktif dalam Mengentaskan Keimiskinan.*" In her research, she found that one of the ways to alleviate poverty is through business capital assistance. The role of productive *zakāh* utilization has quite an impact on *Mustahiq* when receiving capital assistance. However, Adawiyah's research has not discussed the management of *zakāh* funds systematically. Then there is Ina Paojiah, who conducted research with the title; "*Manajemen Pendayagunaan Zakat Produktif (Studi Kasus di Badan Amil Zakat Nasioal Pusat).*" In her research, she found that the utilization of *zakāh* funds is based on standard operating procedures, but in terms of management supervision in programme development, it has not been carried out correctly and systematically. Lack of supervision can make the *Mustahiq* potentially use the assistance of productive zakat funds to become consumptive.<sup>3</sup>

In 2016, M. Ashim Fadlily conducted research with the title; "*Pendayagunaan Dana Zakat untuk Pengembangan Usaha Mikro (Studi pada BAZNAS Kota Semarang).*" This study explains that the implementation of the BAZNAS programme in Semarang City is to develop *Usaha Bina Mitra Mandiri*, a programme that educates zakat recipients (*Mustahiqs*) to have micro-enterprises independently. However, the development of micro-enterprises is less successful

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<sup>2</sup> Fina Minhatul Maula, "Efektivitas Pendistribusian Zakat Produktif dalam Meningkatkan Kesejahteraan Mustahik (Studi pada BAZNAS Kabupaten Boyolali)" (Skripsi, 2020).

<sup>3</sup> Ina Paojiah, "Manajemen Pendayagunaan Zakat Produktif (Studi Kasus di Badan Amil Zakat Nasional Pusat)" (Diss.Fakultas Agama Islam Universitas Muhammadiyah Jakarta, 2020), 82.

due to the lack of training and coaching for the beneficiaries of *zakāh* funds, especially not optimal supervision carried out by BAZNAS management.<sup>4</sup>

Based on the results of previous studies, there are some results that we consider not optimal, so we examined BAZNAS Bojonegoro Regency on the management of the utilization of *zakāh* funds in the welfare of *Mustahiq*. Where in the object of our study there is a Productive Bojonegoro Programme to improve the economy of *Mustahiq*, a work programme that we have not found in several other BAZNAS branches. Therefore, this study aims to determine how the strategic management of the utilization of *zakāh* funds in the Productive Bojonegoro Programme at BAZNAS Bojonegoro Regency is able to improve the welfare of *Mustahiq*.

### **Research Methods**

The research method we use in this study is a descriptive qualitative method with data collection techniques through observation, interviews and secondary data on the financial statements of the distribution of utilization capital assistance. With a descriptive approach, our research aims to provide systematic and accurate facts about specific events. Furthermore, this research examines the perspectives of various strategies that are direct in nature with the aim of knowing the validity of describing and explaining a study.

We used observation to observe the object of research to ensure and synchronise the interview data that we had obtained previously. In addition, we also use observation to observe and record systematically the management of *zakāh* fund utilization strategies for *Mustahiq*. Our direct observation is useful to see the management system of an aid. We conducted this observation by accompanying the management of BAZNAS Bojonegoro Regency when going to the field to distribute and supervise the distributed *zakāh* funds.

### **Results and Discussion**

#### **Strategic Management Analysis of the Utilisation of *Zakāh* Funds in the Productive Bojonegoro Programme to Improve *Mustahiq* Welfare**

Strategic management is a process to help an organisation identify what it wants to achieve. It is a series of actions and decisions that determine the company's performance in the long term. This achievement is reached by company management through cooperation between individuals and groups to carry out activities according to the strategy set by company management. To be reached perfectly, it is necessary to have a policy that motivates and supports activities.

The utilisation of *zakāh* in the Productive Bojonegoro Programme is an effort to overcome poverty or at least minimise poverty in the Bojonegoro area.

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<sup>4</sup> M. Ashim Fadilily, "Pendayagunaan Dana Zakat untuk Pengembangan Usaha Mikro" (Undergraduate (S1)thesis ,Universitas Islam Negeri Walisongo Semarang, 2016), 72.

Based on the planning and implementation of poverty alleviation with working capital assistance taken from *zakāh* funds, BAZNAS Bojonegoro seeks to improve the economy of people experiencing poverty, namely the *Mustahiq al-Zakāh*. In our observation, we found that the assistance can empower the economy of the recipients (*Mustahiq*) from among people experiencing poverty by generating an increase in income by developing the business they run.

The Productive Bojonegoro Programme is a Productive *Zakāh* distribution programme provided by BAZNAS to *Mustahiq* as business capital or to strengthen their economy. The Productive *Zakāh* model developed by several 'Amil al- *Zakāh* institutions is to give *zakāh* money to *Mustahiq* as business capital with the hope that their business will grow and change their lives. This programme intends to transform a *Mustahiq* into a *Muzakkī*. Some models and policies implemented by policymakers have been less effective and efficient in tackling poverty. The paradigm of development through empowerment is a reasonably appropriate approach to overcoming poverty, including in the *zakāh* distribution model.<sup>5</sup>

The beginning of the Bojonegoro Regency BAZNAS management strategy in improving the welfare of *Mustahiq* is to establish a vision and mission as the initial foundation of organisational life. Without a vision and mission, the life of the organisation will not run. As an organisation, the vision and mission must be formulated first before other things are formulated. Assessment of the external environment includes identification and evaluation of social, cultural, political, economic and technological aspects, as well as trends that may affect the organisation. Strategic management will determine an organisation's long-term results, including the number of opportunities the organisation should take advantage of and threats that the organisation should prevent or avoid. The assessment of the internal environment consists of a realistic perception of the organisation's overall strengths and weaknesses.<sup>6</sup>

After the vision and mission were formed, BAZNAS Bojonegoro Regency created several programmes, including the Productive Bojonegoro Programme for the welfare of *Mustahiq*. This programme can be developed and empowered by BAZNAS in the people's economy for the welfare of the Bojonegoro area community. This programme includes business assistance for people experiencing poverty, livestock hut assistance, as well as coaching and monitoring of BAZNAS-assisted *Mustahiq*.<sup>7</sup> With these programmes, the *Mustahiq* in Bojonegoro Regency who experience poverty can be overcome by BAZNAS with this assistance.

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<sup>5</sup> Prita Yuliana dan Nasrulloh Nasrulloh, "Peran dan kontribusi dana zakat sebagai akselerasi penanggulangan kemiskinan masyarakat dhuafa kabupaten Bojonegoro," *SERAMBI: Jurnal Ekonomi Manajemen dan Bisnis Islam* 5, no. 1 (27 April 2023): 37–52, <https://doi.org/10.36407/serambi.v5i1.876>.

<sup>6</sup> Jim Hoy. "Manajemen Strategi": konsep & implementasi, Nas Media Pustaka, 2020 Hal 04

<sup>7</sup> Wiwit Khusnul Khotimah, "Optimalisasi Pendayagunaan Zakat Terhadap Pencapaian Sustainable Development Goals (SDGS) (Studi Kasus Program Bojonegoro Produktif BAZNAS Bojonegoro)," *OPINIA DE JOURNAL* 2 no 1 (2022): 26.

In Bojonegoro Regency, the utilisation of *zakāh* funds by *Muzakkī* is also facilitated by BAZNAS in its payment; in this case, the Executive of the *Zakāh* Collection Division, Dela Winda Setiara said; “We have SIMBA application, it makes it easier to serve *Muzakkī*, SIMBA provides SMS notifications to *Muzakkī* about their obligations, it also explains about the journey of *zakāh* funds that *Muzakkī* spent. It automatically makes *Muzakkī* more confident to pay *zakāh* and channel their *zakāh* through BAZNAS. SIMBA records all the data of *Muzakkī*, who give alms and *zakāh* in detail, as well as the total amount of funds collected. SIMBA can also display *Muzakkī* data by category, namely *Muzakkī* institutions and *Muzakkī* individuals. All *Zakāh* Collection Units under the sub-coordination of BAZNAS in the District and Village Areas have also been recorded in BAZNAS Bojonegoro's SIMBA data, thus facilitating the recording of *zakāh* collection in Bojonegoro Regency.”<sup>8</sup>

The Bojonegoro Regency BAZNAS management conducts monitoring and implementation by implementing strategies formulated previously by the Bojonegoro Regency BAZNAS. Bojonegoro Regency BAZNAS leaders utilise existing human resources by collaborating through institutions and using another system, namely carrying out control through coordination with the survey team so that the implementation of activities that have been formulated can remain on target, namely people experiencing poverty. To implement the BAZNAS strategy for the welfare of *Mustahiq*, a work programme is made in the field of collection and distribution of *zakāh* funds. In this aspect of distribution it covers the utilisation of *zakāh* funds for *da'wah*, education, health and social humanity, which includes planning, financial administration and reporting of human resources.<sup>9</sup>

In managing the assistance of all programmes, BAZNAS of Bojonegoro provides mechanisms and all Standard Operating Procedures (SOP) that need to be appropriately followed. Among the contents of the SOP on the distribution of *zakāh* funds, BAZNAS provides general requirements for *Mustahiq* candidates, which must come from Bojonegoro Regency. Specific requirements that need to be completed are a Family Card (KK), Identity Card (KTP), and a letter of recommendation from the *Zakāh* Collection Unit (UPZ) appointed by BAZNAS Bojonegoro Regency. The UPZ is UPZ of *Dinas*, schools, BUMN, mosques, and sub-districts. Furthermore, *Mustahiq* submits a certificate of incapacity from the village, photos of the place of business, and photos of the house. After that, BAZNAS of Bojonegoro validates the file accordingly or not. Then, BAZNAS of

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<sup>8</sup> Dela Winda Setiara, “Staf Pengumpulan BAZNAS Kabupaten Bojonegoro,” Wawancara pada tanggal Mei 2023.

<sup>9</sup> Tryana Ramadhany Batubara dan Muhammad Syahbudi, “Konsep Strategi Badan Amil Zakat Nasional (BAZNAS) dalam Pengelolaan Dana Filantropi,” *JIKEM: Jurnal Ilmu Komputer, Ekonomi dan Manajemen* 2.1 (2022): 287-97.

Bojonegoro conducted a field survey to see whether the *Mustahiq* candidate was eligible or not to get assistance from BAZNAS Bojonegoro Regency.

BAZNAS of Bojonegoro Regency has also utilised *zakāh* through the utilisation of traditional *zakāh* in the Productive Bojonegoro Program by providing work tools for Micro Enterprises, Zakat Community Development (ZCD) and Livestock huts. Management of BAZNAS hopes that with this assistance, *Mustahiq* can further develop its business and improve its economy gradually and more developed. This assistance can also provide new jobs for *Mustahiq* who previously did not have jobs or working capital. For this reason, BAZNAS of Bojonegoro Regency provides training for beneficiaries so that it runs as desired by BAZNAS management, and the assistance channelled is more valuable.

In implementing the Bojonegoro productive programme, BAZNAS of Bojonegoro applies several management functions so that it can run smoothly:

**Figure 1**  
**Management Strategy of The Utilization of *Zakāh* Funds in The Productive Programme of BAZNAS of Bojonegoro**



Source: BAZNAS of Bojonegoro Regency Documentation 2023

### 1. Planning

Planning according to Hasan is formulating everything that is required by the conditions and situations of a business entity or organisation related to planning efforts that will be carried out to anticipate future trends and determine the right strategy to realise the goals and objectives of the organisation. The management function in the context of *zakāh*, *infāq* and *ṣadaqah* management at BAZNAS is related to the problems and formulations of what will be done by BAZNAS. The types of planning that are predicted to exist in BAZNAS are collection planning, distribution planning, and *zakāh* utilization planning so that they can realise the objectives of *zakāh* management. The BAZNAS of Bojonegoro Regency in planning the utilization of *zakāh* funds in the Productive Bojonegoro Programme is to sort out the best plan by looking at the object, namely *Mustahiq*. Is the distribution of business assistance for people experiencing poverty in the form of working capital that adjusts their potential skills? Or livestock hut assistance that adjusts their geographical conditions? The distribution planning also includes coaching and monitoring *Mustahiq* who are fostered by BAZNAS. The programme planning is conditioned by BAZNAS according to the situation of

*Mustahiq* and the existing SOP. Then, it is preceded by a survey of the *Mustahiq*'s residence.<sup>10</sup>

BAZNAS of Bojonegoro Regency runs its programme by selecting proposals submitted by *Mustahiq*. Furthermore, data collection is carried out by BAZNAS in accordance with data provided by the Social Service of the Bojonegoro Regency Government and Village Governments. For this reason, BAZNAS of Bojonegoro Regency selects and knows the data that is in accordance with the criteria of *faqir* and poor from the data, but BAZNAS of Bojonegoro Regency has its own targets for *Mustahiq*. After data selection, then a survey is conducted to *Mustahiq* by BAZNAS and socialisation. Based on observation, it shows that socialisation is carried out by gathering UPZ with the aim of providing information to the community. This survey follows up on the proposal submitted by *Mustahiq* to BAZNAS of Bojonegoro Regency. Furthermore, BAZNAS conducts planning for the distribution of *zakāh* funds to *Mustahiq* in accordance with the needs proposal submitted by *Mustahiq*. The next step is the Coordination Meeting to determine and determine the *Mustahiq* who are entitled to receive assistance. After that, making a schedule for providing assistance to *Mustahiq* that adapts to their needs and also the survey team's study, the distribution of *zakāh* fund assistance can be in the form of business capital assistance, livestock hut assistance, and others.

## 2. Organising

Organisation is a management activity that groups people with their respective tasks to achieve goals and has a strategic position in optimising the collection and distribution of zakat funds. Organisational restructuring is needed by BAZNAS to increase the potential of *zakāh*, *infāq* and *ṣadaqah* as an instrument of people's economic empowerment. The organisational aspect includes division of tasks, management of human resources, management of facilities, management of time, and so on. The duties of BAZNAS Bojonegoro employees are outlined in the SOP of BAZNAS so that the rules are clear and employees carry out their respective functions according to existing rules. Staff in the collection section conduct fundraising for fundraising purposes, staff in the distribution section are in charge of surveying *Mustahiq* and providing assistance, while staff in the administration and human resources section are responsible for letters. The strategy of BAZNAS Bojonegoro Regency is as follows:

### 1.a Human Resources and Institutionalisation

- a. Formulation of organisational structure and management board in the management of *zakāh* funds.

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<sup>10</sup> Nafiah, Lailiyatun. "PENGARUH PENDAYAGUNAAN ZAKAT PRODUKTIF TERHADAP KESEJAHTERAAN MUSTAHIQ PADA PROGRAM TERNAK BERGULIR BAZNAS KABUPATEN GRESIK". *El-Qist: Journal of Islamic Economics and Business (JIEB)* 5, no. 1 (April 25, 2015): 929–942. Accessed August 28, 2023.

- b. Building the BAZNAS of Bojonegoro Regency profile to socialise with the Bojonegoro community and create trust in the distribution of funds.
  - c. Developing work plans for the utilisation of *zakāh* funds and additional facilities for the operationalisation of the utilisation of *zakāh* funds in improving the economy of *Mustahiq*.
  - d. Conducting coordination meetings so that the strategy determined by the management team runs smoothly.
  - e. Empowering human resources and UPZ to be optimal and more productive by providing relevant training.
- 2.a Collection
- a. Develop a good strategy for collecting *zakāh* funds to run optimally and develop and manage *Muzakkī* data.
  - b. Carry out socialisation of *zakāh* to prospective *Muzakkī* and control the collection of *zakāh* funds for certain programs.
  - c. Implement a complaint service and proactive system for incoming complaints.
  - d. Carry out evaluation and prepare a collection accountability report
  - e. Coordinating UPZ in the implementation of the collection
- 3.a Distribution
- a. Implementing *zakāh* distribution strategies as well as managing and developing *Mustahiq* data.
  - b. Control and initiate management activities and prepare accountability reports.
  - c. Carry out coordination
- 4.a Financial planning and reporting
- a. Develop a financial plan for the annual programme.
  - b. Prepare the Budget and Annual Work Plan (RKAT).
  - c. Developing the SOP.
  - d. Analysing strengths, weaknesses, opportunities, and threats (SWOT).
  - e. Compiling BAZNAS annual report.

### 3. Implementing

Implementation is an activity effort to realise the program directly. The implementation of the utilization of *zakāh* funds in the Productive Bojonegoro Programme, Bojonegoro Regency BAZNAS carries out distribution to the *Mustahiq* who have passed data verification and field surveys. The *Mustahiq* who are entitled to receive assistance are given information by BAZNAS to come to the BAZNAS of Bojonegoro Regency office to receive assistance. For the *Mustahiq*, who are recorded as receiving cash capital, BAZNAS immediately delivers it. For those who are recorded as receiving business support tools or livestock huts, the distribution of assistance will be carried out by BAZNAS directly to the *Mustahiq*'s residence.

Mustahiq wholly owns this capital assistance. Each *Mustahiq* only has the opportunity to receive this assistance once, with the provision that *Mustahiq* who have received it must use it for their business needs. BAZNAS of Bojonegoro Regency also conducts training for *Mustahiq* and supervises *Mustahiq*, who have maximally utilised this assistance in developing their business.<sup>11</sup>

#### 4. Monitoring

Monitoring and supervision are the real and most effective actions in realising employee discipline. This action is needed by management actively and directly to monitor subordinates' behaviour, morale, attitude, and work performance. It means that the boss must always be present or present at the workplace in order to do this. It is so that the leader can supervise and provide guidance if any of his subordinates have difficulty in completing the work. Monitoring is the only management function that is a process of leader activities in ensuring the achievement of organisational goals and tasks. The effect of supervision will directly have an optimal impact on whether or not policies, instructions, plans, and provisions that apply in the field have been implemented.<sup>12</sup>

Supervision as a management function is the responsibility of every leader at any level. At BAZNAS of Bojonegoro, the implementation of supervision exists with the implementation of monitoring and training so that the managers of BAZNAS know very well about the progress made by the beneficiaries and those they received. Supervision is carried out directly, as in the case we observed, namely Z-chicken beneficiaries. BAZNAS of Bojonegoro Regency as a social intermediary has facilitated *Mustahiq* by motivating and conducting training on sales and marketing management activities. *Mustahiq* provides reports related to his business that has been run by him so that BAZNAS knows its progress and can evaluate if it does not meet the achievement target. BAZNAS also organises live training forums to make it easier for *Mustahiq* beneficiaries to develop their businesses.

In optimising the utilization of *zakāh* in the Productive Bojonegoro Programme several processes must be carried out, namely:

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<sup>11</sup> This kind of programme is also carried out by several BAZNAS in other districts, read Shafwan Tsauri and Moh. Idil Ghufroon. "Utilization of Zakah Application As Zakah Management Innovation to Increase Zakah Potential: Penerapan Aplikasi Zakat Sebagai Inovasi Pengelolaan Zakat Dalam Meningkatkan Potensi Zakat". *El-Qist: Journal of Islamic Economics and Business (JIEB)* 11, no. 1 (April 30, 2021): 33–48. Accessed September 29, 2023. <https://jurnalfebi.uinsby.ac.id/index.php/elqist/article/view/422>. Harfiah Ningrum, G. ., Dwi Firnanda, R. ., Purnamasari, W. ., & Huda, B. . (2021). Optimalisasi Peluang Media Digital: Strategi Meningkatkan Fundraising Zakat di Lembaga Taman Zakat Indonesia. *Management of Zakat and Waqf Journal (MAZAWA)*, 3(1), 45–62. <https://doi.org/10.15642/mzw.2021.3.1.45-62>

<sup>12</sup> Purwadi Purwadi, "Pengaruh Pengawasan Langsung dan Tidak Langsung terhadap Efektivitas Kerja Pegawai pada Dinas Pekerjaan Umum dan Pemukiman Prasarana Wilayah Kota Samarinda," *AKUNTABEL* 14, no. 2 (9 Januari 2018): 187, <https://doi.org/10.29264/jakt.v14i2.1911>.

Table 1  
Process of Optimising the Utilisation of *Zakāh* Productive Bojonegoro Programme

<b>Process of Optimising the Utilisation of <i>Zakāh</i> Productive Bojonegoro Programme</b>	
1	By changing the percentage of <i>zakāh</i> utilisation to 40% for consumptive and 60% for productive, productive programmes now have an excellent opportunity to build businesses and have great potential for future life.
2	BAZNAS of Bojonegoro conducts a direct survey of the recipients of the Bojonegoro productive programme and determines the assistance that suits their circumstances and the type of productive business that can make a difference in improving their economy.
3	Furthermore, <i>Mustahiq</i> beneficiaries are given BAZNAS training to develop their business and improve <i>Mustahiq</i> 's economy.
4	Carrying out monitoring, evaluation and monitoring reporting, here BAZNAS Bojonegoro Regency knows the extent of the business development of <i>Mustahiq</i> business assistance recipients.
5	Provide knowledge to <i>Mustahiq</i> to always give alms to train them to become <i>Muzakkī</i> gradually.

Source: BAZNAS of Bojonegoro Regency Documentation 2023

From the optimisation of the Productive Bojonegoro Program, it seems that it is pretty excellent and optimal in its supervision, evaluation, monitoring, supervision, and control. The following is data on the *zakāh* funds distribution for the 2021 and 2022 periods:<sup>13</sup>

Table 2  
Distribution of *Zakāh* Funds based on *Aṣnāf* BAZNAS of Bojonegoro Regency  
2021-2022

<b>Distribution based on <i>Aṣnāf</i></b>	<b>2021</b>	<b>2022</b>	<b>Percentage</b>
Distribution of <i>Zakāh</i> Funds for the Poor	1.092.711.000	875.597.550	80030.75 %
Distribution of <i>Zakāh</i> Funds for <i>Faqīr</i>	176.900.000	324.200.000	83,27 %
Distribution of <i>Zakāh</i> Funds for 'Amīl	130.747.726	130.448.365	-0.23 %
Distribution of <i>Zakāh</i> Funds for the Poor-	85.471.500	44.987.000	-47.37 %

<sup>13</sup> Laporan Auditor Independen, "Laporan Keuangan dan Laporan Auditor Independen BAZNAS Kabupaten Bojonegoro," 2022, 25.

<i>Faqīr</i>			
Distribution of <i>Zakāh</i> Funds for <i>Sabīl Allāh</i>	18.320.000	4.900.000	-73.25 %
Distribution of <i>Zakāh</i> Funds for <i>Ibn al-Sabīl</i>		450.000	-
Total distribution of <i>Zakāh</i> Funds	1.503.850.865	1.380.882.276	-8.18 %

Source: Annual financial report data of the BAZNAS of Bojonegoro Regency 2022

Based on data on the distribution of zakat funds in 2021, the amount of distribution of *zakāh* funds is 1,503,850,865 billion. Meanwhile, in 2022, the distribution of *zakāh* funds was 1,380,882,276 billion. It can be seen that the distribution of funds based on the *Aṣṅāf* table above has decreased by -8.18%. Due to the strategic management of the utilization of *zakāh* funds for productive programmes that really help *Mustahiqs* in improving their economy and alleviating poverty and even their welfare, the distribution of *zakāh* funds has decreased because there are fewer people who are entitled to get *zakāh* or classified as *aṣṅāf* who are entitled to receive *zakāh* funds.

The Productive Bojonegoro Programme which distributes some assistance to *Mustahiqs* has been beneficial to the businesses they run and helps their businesses. Business assistance capital is proven to be right on target to increase their business income. It will be able to improve their economy and, over time, will turn the *Mustahiq* into *Muzakkī*. Business capital assistance not only helps the business undertaken by the poor *Mustahiq* but has also created jobs for poor *Mustahiqs* who do not have jobs and the surrounding community.

The following is detailed data on the distribution of ZIS funds for *Mustahiq* in the Bojonegoro Productive Programme in 2022:

Table 3

Recapitulation of Distribution for Productive Bojonegoro Programme 2022

No	Description	Number of Recipients	Funds
1	Poor Family Business Assistance	1	2.000.000.
2	Livestock Hut Assistance	1	2.000.000.
3	Business Capital	3	1.500.000
Sub Total		5	5.500.000

Source: Bojonegoro Regency BAZNAS Annual Report Data 2022

Based on the data from the financial manager of BAZNAS Bojonegoro Regency above, it can be seen that the Productive Bojonegoro Programme, which is one of the programmes oriented by BAZNAS Bojonegoro for the development and empowerment of the people's economy towards the welfare of the Bojonegoro

community, is still relatively small in distribution, this is if we look at the total funds that have been channelled in the previous table. The small portion of funds channelled to the Productive Bojonegoro Programme is likely because this programme requires assistance and supervision. Unlike other consumptive assistance where BAZNAS hands over the funds, specifically in this Productive Bojonegoro Programme, BAZNAS of Bojonegoro needs to accompany and supervise so that the assistance provided by BAZNAS is productive. It is a separate job that BAZNAS of Bojonegoro must do.

With the assistance and monitoring from BAZNAS, the beneficiaries can optimise their business. They will always work hard for their business that is assisted by BAZNAS. Because there are consequences for beneficiaries when they do not run their business well, therefore BAZNAS organises training for *Mustahiq* so that they are able and always enthusiastic about running their business.

## **B. Management Strategies for the Utilisation of *Zakāh* Funds in Empowering *Mustahiq* Welfare in the Productive Bojonegoro Programme**

In the welfare of *Mustahiq* in the Bojonegoro productive programme, several strategies have been carried out by BAZNAS of Bojonegoro Regency, namely:<sup>14</sup>

### **1. Establish a *Zakāh* Collection Unit**

The establishment of the *Zakāh* Collection Unit is intended as a BAZNAS programme in conducting socialisation and education on zakat based on the needs of each *Muzakkī*'s area of origin. This unit exists to provide information and consultation services for *Muzakkī*. In addition to collecting *zakāh* funds from *Muzakkī*, the Unit is also tasked with collecting and updating data on *Muzakkī* in the local area.

Socialisation and education are always conducted by the *Zakāh* Collection Unit on a scheduled basis throughout the year and are well-planned in order to obtain measurable results. Intense and comprehensive socialisation and education activities will realise the same level of competition between consumers and management institutions. Cessation of socialisation and education activities will affect the journey of the *Zakāh* Collection Unit.<sup>15</sup> It is because of the changes in the structure of society that continue to occur, such as the increase in *Muzakkī* and *Mustahiq* influenced by the increase in population. The increase and improvement of *Muzakkī*'s income it can affect the collection of *zakāh* funds.

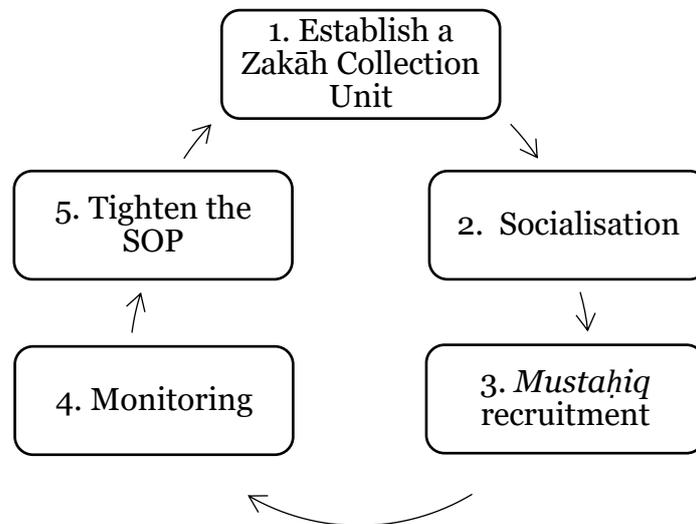
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<sup>14</sup> BAZNAS Kabupaten Bojonegoro, "Observasi Strategi Pengelolaan Pendayagunaan Dana Zakat," (6 Februari 2022).

<sup>15</sup> Vina Cynthiasari dan Zuhri M. Nawawi, "Peran UPZ dalam meningkatkan pengumpulan ZIS BAZNAS kota tebing tinggi," *Jurnal Riset Pendidikan Ekonomi* 7, no. 2 (31 Oktober 2022): 163, <https://doi.org/10.21067/jrpe.v7i2.6811>.

In addition to the *Zakāh* Collection Unit, BAZNAS also formed BAZNAS volunteers in Bojonegoro Regency, where BAZNAS volunteers are students who receive scholarships from BAZNAS. The benefit of providing scholarships for students themselves is that students studying in Bojonegoro district can motivate themselves to increase their enthusiasm in improving the quality of education in Bojonegoro. The formation of BAZNAS volunteers and *Zakāh* Collection Units has significantly helped the collection and distribution of the Productive Bojonegoro Programme.

**Figure 2**  
**Management Strategy for Utilising *Zakāh* Funds**



Source: BAZNAS of Bojonegoro Regency Documentation 2023

## 2. Socialisation

BAZNAS's socialisation programme aims to improve people's knowledge about *zakāh*, and it can increase knowledge and raise individual awareness about whether they are obliged to pay *zakāh* or not. Especially for individuals who have high income but do not know their zakat obligations then with this socialisation, such individuals can get complete information. The socialisation program is included in the *zakāh* utilization program, where BAZNAS of Bojonegoro also introduces the Productive Bojonegoro Program through social media platforms such as Instagram, Facebook, YouTube and print media such as newspapers, brochures, banners and on-site socialisation by setting up stands in presentative public areas and at relevant exhibitions. This programme is also informed by the *Zakāh* Collection Unit in their respective places so that the public can be informed

clearly of the need to properly understand *zakāh* information and where the *zakāh* funds are distributed.<sup>16</sup>

### 3. *Mustahiq* Recruitment

*Mustahiq* recruitment activities need to be carried out by BAZNAS of Bojonegoro so that the funds to be distributed by the management team are right on target. *Mustahiq* recruitment exists to find out which *Mustahiq* candidates are entitled to appropriate assistance, especially for the Productive Bojonegoro Programme, which intends to distribute assistance for working capital and productive assistance, so recruitment and sorting of *Mustahiq* candidates becomes a necessity. This recruitment activity is carried out by BAZNAS with the help of BAZNAS volunteers and the *Zakāh* Collection Unit. To make the data collection process more manageable, prospective *Mustahiq* whose houses are difficult to reach by the BAZNAS team will be surveyed by the nearest BAZNAS volunteer or local team from the *Zakāh* Collection Unit. For this reason, the *Zakāh* Collection Unit and BAZNAS volunteers can deposit the requirements of *Mustahiq* who want to register themselves as prospective recipients of Productive Bojonegoro Programme assistance. Then, the team will select the existing files and determine who is nominated worthy of being surveyed by the BAZNAS team, which is then decided by BAZNAS management on whether the surveyed person deserves assistance.

### 4. Monitoring

Monitoring in distribution has been guided by the Standard Operating Procedures (SOP) established by BAZNAS management through coordination meetings that accommodate all input and views from various management elements. In BAZNAS of Bojonegoro Regency itself, starting from the chairman and vice chairman I, II, III, and IV to the chief executive and staff, The distribution of *zakāh* funds is distributed to *Mustahiq* after fulfilling one year (*ḥawl*). Determination of the period of transport must go through a management meeting. In addition, the distribution of *zakāh* is based on a priority scale set by the management based on the sub-district area by considering the capacity of the collected *zakāh* funds. The distribution of *zakāh*, *ṣadaqah* and *infāq* funds is carried out by management at any time based on a priority scale and also depends on the acquisition of *zakāh*, *ṣadaqah* and *infāq* funds. With the monitoring of *Mustahiq* receiving assistance from the Productive Bojonegoro Programme, BAZNAS of Bojonegoro district can evaluate the distribution as well so that *Mustahiq* optimises the business that he has undertaken to the maximum. With the

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<sup>16</sup> Hasrul Tri Yulia Arma, Isnarmi, Maria Montessori, “Sosialisasi Program BAZNAS untuk Meningkatkan Kesadaran Berzakat di Kabupaten Pesisir Selatan” (Journal of Education, Cultural and Politics Volume 2 No 2, 2022), 167.

monitoring of *Mustahiq*, it is also intended that the assistance received by *Mustahiq* is utilised properly and optimally and not just become capital to fulfil consumption.

#### 5. Tightening the SOP

The Productive Bojonegoro Programme is intended for *Mustahiq*, who are classified as Micro Business actors, so the SOP for productive Bojonegoro beneficiaries is tightened so that *Mustahiq* does not misuse business capital assistance for consumption. For this reason, BAZNAS will impose sanctions on *Mustahiq*, who is inconsistent in utilising the assistance provided by BAZNAS. It is because the Productive Bojonegoro Programme is intended by BAZNAS management to prosper the *Mustahiq* economy on an ongoing basis. Determination of *Mustahiq* who are entitled to assistance is also adjusted to the needs or what is needed in their life support. The existence of SOP is a control tool so that it can run optimally and achieve the intended purpose of the programme.

The five strategies above are how BAZNAS utilises zakat funds in the Productive Bojonegoro Programme. Where if you examine that the most fundamental thing is about the importance of targeted distribution. The existence of the *Zakāh* Collection Unit and BAZNAS volunteers in data collection is also considered to have an important role, and this is not only so that the distribution programme is right on target but also to facilitate BAZNAS management work. What needs to be underlined is that the assistance of working tools, working capital and livestock assistance must really pay attention to the SOP so that it runs properly without any misappropriation.

In the recipients of the Productive Bojonegoro Programme assistance, the distribution of assistance is prioritised by BAZNAS management to be channelled to the *Aṣnaf* groups who are very poor (*faqīr*) and poor (*miskīn*) in order to be able to improve their economy. Establishing the *Zakāh* Collection Unit, Socialisation, *Mustahiq* Recruitment, monitoring, and tightening SOPs are BAZNAS management strategies to prevent Productive Bojonegoro Program assistance from running according to its purpose and on target. To optimise this goal, BAZNAS conducts training for beneficiaries and provides assistance so that they are motivated to develop their business so that they not only improve their economy but are able to become *Muzakkī* in the future.

#### **Conclusion**

From the above research, it can be concluded that the management of *the zakāh* fund utilization strategy plays a vital role in overcoming *Mustahiq*, who need business capital. The BAZNAS of Bojonegoro Regency management has carried out its vision and mission optimally. BAZNAS of Bojonegoro Regency conducts several management strategies in optimising its vision and mission,

namely by programming training, supervision, monitoring, and evaluation in monitoring the *Mustahiq* who receive assistance from the Productive Bojonegoro Program to be serious in running their business. The existence of a management strategy in the utilization of *zakāh* funds through the Productive Bojonegoro Programme is reported that the programme has been able to alleviate the poverty of the *Mustahiq*, not only that there is a signal about the ability of beneficiaries who are ready to become *Muzakkī* in the future. The strategy for the utilization of *zakāh* funds carried out by BAZNAS of Bojonegoro Regency to strengthen the program is to form UPZ, socialisation, recruitment of *Mustahiq*, monitoring and tightening the SOP for receiving assistance that is tightened to prevent assistance from the Productive Bojonegoro Program from being misused by *Mustahiq*.[]

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