

The Architecture of Zakat Institutions in Indonesia: A SWOT Analysis

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ABSTRACT

Indonesia, as the country with the largest Muslim population in the world, certainly has a zakat system managed by the Amil Zakat Agency (BAZNAS) and the Amil Zakat Institution (LAZ) which is regulated in Law Number 23 of 2011 concerning Zakat Management. In practice, the management of zakat has not been carried out properly because there are still many people who pay zakat, not through amil institutions but directly hand it over to the community. So, zakat funds collected in institutions are not optimal and have an impact on the gaps that arise between the potential and the realization of zakat. This study aims to determine the management of zakat institutions in Indonesia and educate the public to pay zakat through institutions. This research is qualitative with a literature review model based on SWOT analysis. In the results of the analysis, it was found that there is a need for an appropriate strategy to correct deficiencies and fend off threats that exist in zakat institutions. These strategies include: (1) increasing the professionalism of zakat management through increasing incentives both material and non-material, then providing training and amil certification in collaboration with BNSP; (2) adapting information technology for efficient and effective governance as a means of transparency of zakat institutions and; (3) encouraging the literacy level of zakat awareness to the public by outreach, creating interesting educational content about zakat fiqh and collaborating with Islamic boarding schools and schools to form a zakat curriculum.

Keywords: *Zakat Architecture, Zakat Management, Institutional Zakat*

INTRODUCTION

Indonesia is the largest Muslim country in the world, with a population that adheres to Islam almost of the total population. With a relatively large population, Indonesia has much potential that can be managed for the prosperity of the people. One of them is through socio-economic instruments, namely, zakat, where zakat is an obligation for every community who embraces Islam, both mal and fitrah, therefore the government established the National Amil Zakat Agency (BAZNAS) under the Decree of the President of the Republic of Indonesia Number 8 of 2001 to be responsibly responsible for handling zakat. The decree states that BAZNAS has the duties and functions of collecting zakat and utilizing zakat. One

decade after the issuance of the Presidential Decree, the position of BAZNAS has been further strengthened by the enactment of Law Number 23 of 2011 concerning Zakat Management. BAZNAS carries out its duties assisted by the Zakat Collection Unit (UPZ), Zakat Amil Institutions (LAZ), Provincial or Regency and City Baznas.

In the BAZNAS performance report for 2021, the zakat potential is listed. This shows that the zakat funds collected were 517.4 billion, a 34 percent increase from the previous year. However, the amount of zakat money that can be used is only 14.12%. This realization figure shows a difference between what could have been and what was done. This raises a question about how the zakat management mechanism works, which is the main point of attention. According to Kahf in

Iswandi (2021), managing zakat assets is important to implement as an instrument whose goal is to achieve justice and equity in the distribution of wealth for all residents in the country.

Several factors drive the gap between the potential and realization of zakat funds. First, many Muslims still have not paid zakat due to a lack of literacy (Satrio & Siswantoro, 2016). Second, many muzakki still choose to pay their zakat traditionally or directly to mustahiq (Ahmad, 2016). Muzakki's trust in the Amil Zakat Institution (LAZ) is also one of the things that need to be improved. Accountability and transparency from amil institutions are important points to increase muzakki's trust in the LAZ (Tiara et al., 2022). Third, the influence of zakat literacy is owned by muzakki. With knowledge and understanding of zakat, muzakki will choose to pay zakat at LAZ (Putriana, 2018).

Based on research conducted by Tiara et al. (2022), out of 252 respondents, 71% prefer to distribute their zakat traditionally or directly to mustahiq and only 29% choose to channel their funds through LAZ. One of the factors that can be analyzed from this research is income inequality. Only 5% have income above 10 million per month, while the rest are below 10 million. In addition, traditional factors also influence muzakki to pay zakat through relatives or close neighbors (Putriana, 2018).

There are still a few muzaki who channel their zakat funds through institutions and prefer to distribute them directly to mustahik. If muzakki distributes zakat funds through institutions, it will create a very large multiplier effect than directly channeling zakat funds (Putriani et al., 2020). BAZNAS, as a national zakat institution, has 136 zakat management units (UPZ) and 500 BAZNAS at the district/city level to create a bigger multiplier effect. Even though there are already many zakat management institutions in Indonesia, the management of zakat institutions is still not optimal, as evidenced by a large number of muzakis who traditionally channel their zakat funds (Alfian et al., 2021).

The preference of muzakki in distributing zakat traditionally is strongly influenced by the low level of muzakki's trust in LAZ (Tiara et al., 2022). Muzakki's level of trust in LAZ was further exacerbated by cases of misappropriation of funds committed by the Aksi Cepat Tanggap agency. The deputy for BAZNAS said there had been a decrease in the number of Eid al-Adha donations through institutions because people were more careful in donating to institutions due to cases that occurred at institutions. ACT (CNN Indonesia, 2022)

The fraud committed by ACT raises questions regarding the transparency, accountability and professionalism of all amil zakat institutions in Indonesia. Research by Tiara et al. (2022) shows that institutions' accountability, transparency and professionalism affect muzakki's preferences in channeling zakat funds. The misappropriation of funds carried out by ACT greatly influenced the preferences of muzakki in providing zakat funds through institutions, which in the end, muzaki preferred to distribute their funds.

Amil zakat institutions need to improve to gain public trust in managing zakat funds and increase public awareness about the magnitude of the influence of paying zakat through zakat institutions. Amil zakat institutions must always improve professionalism, accountability and transparency in Indonesia. Optimization of UPZ and Baznas from the main level to the district/city level must also be carried out so that people are interested in paying their zakat through zakat institutions to create zakat funds with a better value multiplier effect.

Therefore, the research aims to educate the public regarding the institutional architecture of zakat institutions in Indonesia. This is in order to increase public trust in related zakat institutions. So people prefer to pay zakat at zakat institutions and no longer conventionally. After the public is educated, the expected output is the narrowing of the gap between the potential and the realization of zakat funds in

Indonesia.

LITERATURE REVIEW

General Concept of Zakat in Indonesia

Zakat is a way for Muslims to distribute their assets to those in need. Zakat in Indonesia is regulated by Law No. 23 of 2011 concerning Zakat Management. Zakat is one of the five pillars of Islam, which means cleansing, growth and purification. Zakat is given by muzakki (people who give zakat) to Amil (people who receive and distribute zakat), and the zakat is distributed to 8 asnaf (people who need zakat). In the teachings of Islam, zakat is required for Muslims to be carried out, which aims to purify wealth. Zakat is the transfer of wealth from the rich to the poor to redistribute it to the community so that social inequality does not occur. Zakat also plays a role as a social security system that has existed since the 14th century, whereas western nations only pursued this system in the 21st century (Abdullahi, 2019; Bin-Nashwan et al., 2020).

Zakat has a very strong legal basis because it comes from the Qur'an. Zakat and its synonyms are mentioned in the Qur'an 82 times. This proves the importance of carrying out the obligation to pay zakat because Allah mentions it many times in the Qur'an. Zakat, which means cleansing, is explained in Q.S. At-Taubah verse 103, which states that zakat cleans and purifies wealth and zakat also makes peace for the soul. In addition, Q.S. Luqman verse 4 emphasizes that those who establish prayers and pay zakat believe in Allah's reward in the hereafter. In the Qur'an, the word zakat is usually accompanied by prayer. This proves that zakat is no less important than prayer. Prayer is a bridge of communication between humans and God (Hablum MinAllah), while zakat is a bridge of communication between humans and humans (Hablum Minannas) (Anshori, 2018).

Zakat in Indonesia is legally regulated by Law Number 23 of 2011

concerning Zakat Management. The law explains that zakat is divided into two: zakat fitrah and zakat mal. Zakat fitrah is zakat that is paid in the month of Ramadan. Zakat Fitrah is obligatory for every Muslim, with 2.5 kg of rice per person. Apart from zakat fitrah, there is also zakat mal which is defined by the Law on Zakat Management, consisting of:

1. Gold, silver, and other precious metals;
2. Money and other securities;
3. Commerce;
4. Agriculture, plantation, and forestry;
5. Livestock and fisheries;
6. Mining;
7. Industry;
8. Revenue and services; and
9. Rikaz.

Zakat mal must be issued by the muzakki when it reaches its haul (a certain period) and its nisab (minimum amount). Zakat fitrah and zakat mal must be given to mustahiq zakat, which has been defined in the letter At-Taubah verse 60, namely (Uyun, 2015):

1. Fakir (people who do not have wealth)
2. Poor (people who have assets but cannot meet their needs)
3. Amil (person who takes care of zakat)
4. Converts (people who recently converted to Islam)
5. Riqab (freed slaves)
6. Gharim (people who are in debt)
7. Fi sabilillah (people who fight in the way of Allah)
8. Traveler (one who is traveling)

Amil Concept in Indonesia

Specifically, amil is defined as someone who takes zakat from the owner of his property and takes care of the property (Mustafa et al., 1985). Meanwhile, according to Ibnu Qudamah (2004), amil is a person or group of people sent by an imam to collect zakat funds from their owners and then collect, maintain, and distribute these zakat funds. In this case, amil zakat must have certain criteria that

many jurists have mentioned. As Allah SWT has said in Q.S. Al-Imran 3: 118, "O you who believe, do not take other than you become insiders (confidants)", which means an amil must be trustworthy or trustworthy.

However, in a more structured manner, what has been discussed in the article by HM Som and Ab Rahman (2011) is as follows:

1. Mukallaf, which can be interpreted as someone mature in age, not crazy or sane in mind. It is required because the amil manages the people's assets.
2. Must have extensive knowledge regarding zakat and its laws. It is because the knowledge possessed by amil will be very useful in the field and the decision-making framework.
3. Have the ability in terms of physical, a general condition in an amil. With qualified physical abilities, amil will be enthusiastic about collecting and distributing zakat funds.

Meanwhile, based on Government Regulation Number 14 of 2014, it is explained that amil members in BAZNAS must meet the following requirements:

1. Indonesian citizen
2. Religion of Islam
3. Fear of Allah SWT as the foundation of the amil belief
4. Have a noble character that can make the amil trusted
5. At least 40 years old because if you are more than that, you are physically unable
6. Physically and mentally healthy
7. Not a member of a political party
8. Have competence in the field of zakat management where this competence will be needed in its implementation
9. Never involved in a legal case

Zakat Management System in Indonesia

Zakat has great potential to continue to be developed and utilized in the framework of economic growth towards a just and prosperous economy. Based on National Amil Zakat data in 2021, ZIS funds and

other social and religious funds (DSKL) nationally collected 11.5 trillion with detailed data on zakat acquisition in each region (province/regency/city) which continues to increase, Baznas achievement in a collection the ZIS and DSKL funds turned out to be able to exceed the planned increase target in 2020 by 33 percent. In this case, it cannot be separated from the role that involves resources and the media, who continue to strive to increase ZIS DSKL assets (BAZNAS, 2022).

The large number of zakat funds collected cannot be separated from the urgency of the role of management, which is a measure of the success of the National Baznas Institution. Thus, a Law became the legal umbrella for the management of Zakat assets in Indonesia, namely Law Number 23 of 2011 concerning Zakat Management which revised the previous law, Law Number 38 of 1999. This law was due to the statement that zakat management is centralized in the hands of BAZNAS, so the community's role is said to be weak or minimal because it is BAZNAS who has the right to manage the Zakat funds. However, that does not mean that the community cannot contribute. The community can play its role in helping the BAZNAS institution, but with a note that the BAZNAS institution directly supervises the process. (Faham, 2020). In addition, the zakat management system implemented by Indonesia until now is categorized as a voluntary system, indicating that there are no witnesses for people who do not fulfill their zakat obligations. So that it becomes an awareness of each individual having a shared responsibility to help each other ease the government's burden and encourage economic growth.

METHODOLOGY

Research on this occasion uses a qualitative method with a literature study approach, which aims to understand the phenomena of perceptions, opinions, and

beliefs that cannot be measured using numbers (Creswell, 2017). In contrast, the literature study is a data collection technique that comes from articles, books, journals, and notes relevant to research in answering the formulated problems. In finding literature, researchers modified the concept of Pimada's research method (2021). The concept is modified due to time constraints in conducting research and accessing journals.

Literature reviews obtained by the authors are then selected based on the criteria set by the authors. This is done so that the authors get a quality literature review and the research is maximized. Regarding the several stages carried out by the author in selecting and determining articles or journals, namely:

- a. Search for journals relevant to the topic using the Publish or Perish software. Then search with New Crossref Search and New Scopus Search to find the journal.
- b. Then, in the Title words box, type according to the title raised by the author. As for the keywords used in searching for literature, type zakat architecture, zakat management, institutional zakat or zakat architecture, zakat management, Institutional Zakat
- c. For the year, type 2012-2022 because the author wants to get journals or research that are still relevant to current conditions.
- d. Garuda, Sinta, and Moraref have indexed the selected articles or journals for national journals.
- e. To identify reputable journals, researchers eliminate them by using (<https://predatoryjournals.com>) and (<https://beallslist.net/>)

In addition, the architectural research of this ziswaf institution uses SWOT analysis. This analysis is used to determine the strengths, weaknesses, opportunities, and threats of ziswaf institutions in

Indonesia. Using SWOT analysis, planning for the future of ziswaf institutions can more easily identify strengths in taking advantage of future opportunities in the ziswaf field and also find out what deficiencies can later become threats to the ziswaf sector in Indonesia (Helms & Nixon, 2010). Therefore, this study uses qualitative methods with a literature review approach which is analyzed using SWOT analysis as a future strategy for ziswaf institutions in Indonesia.

RESULT

Based on the filtration process results using the help of publish and perish applications and predetermined keywords, namely Zakat Architecture, Zakat Management, and institutional Zakat or zakat architecture, zakat management, and Institutional Zakat found 11,757 journal articles. However, 14 eligible journals can be used in this study, along with three official reports with the specifications described in the following table.

Table 1. Journal Article Specification

Publication Type	Publisher/ Index	Total
National Article	Sinta, Garuda, Google Scholar, Crossref	14
Official Reports	National Amil Zakat Agency, Ministry of Religion	3

Of the 17 publications found, 82 percent came from journal articles, while the remaining 18 percent came from Official Reports. It can also be seen in the table that Sinta, and Garuda, with several publishers such as Google Scholar and Crossref, have accredited the journal

articles used. The general search for referral sources meets the 2012-2022 criteria. Besides that, in looking for references, researchers use sources from zakat websites such as BAZNAS, the Ministry of Religion, and other institutions related to this research.

SWOT	Information	Source
Strength	There are laws that govern zakat	(Istikhomah & Asrori, 2019)
	The existence of a structured zakat institution	(Syafiq, 2016; Hamzah & Hasri, 2021)
	There is a web-based information system	(Susilawati & Sunarto, 2020)
	There is a Supervisory Board	(Andani et al., 2019)
	The history of Islamic life with the management of zakat collectively	(BAZNAS, 2020)
Weakness	Weak human resources (HR) amil in zakat institutions	(Alam, 2018)
	Institutions that have not been able to adapt quickly to technological changes	(Syatir et al., 2013)
	The accreditation system for LAZ has not yet been implemented	(Istikhomah & Asrori, 2019)
	The activities of zakat institutions have not been completely	(Friantoro & Zaki, 2019)

	digitized	
	Lack of transparency and socialization of zakat	(Geni & Pratiwi, 2022)
	Weak regulation and lack of oversight from the government	(Asas, Khasanah & Najiyah, 2022)
Opportunity	There are opportunities through fintech in managing zakat funds	(Friantoro & Zaki, 2019)
	There is a large potential for zakat in Indonesia	(Hidayat & Mukhlisin, 2020)
	Technological opportunities that can increase the transparency of zakat	(Andreani & Syafina, 2022)
	It has the largest Muslim population in the world.	(Kemenag, 2020)
	Utilization of information technology to innovate zakat services	(Hidayat & Mukhlisin, 2020; Ninglasari & Muhammad, 2021)
Threat	There is still a lack of public awareness of the importance of depositing zakat to amil institutions	(Zamrotun, 2016)
	Many people choose to pay their own zakat without intermediary	(Tiara et al., 2022)

	zakat institutions	
	Adaptation of information technology for reporting transparency and the urgency of the legality of zakat institutions	(Kemenag, 2020)

The table above is an overview of the SWOT analysis of the Amil Zakat Agency in Indonesia. The table above includes four points: strengths, weaknesses, opportunities, and threats.

SWOT Analysis of Zakat Institutions in Indonesia

Zakat institutions which include BAZNAS, OPZ, and LAZ, have strengths or advantages, among others:

- a. A strong institutional position is regulated by Law no. 23 of 2011 as the juridical basis for zakat management in Indonesia. This law is also present to replace the previous law, which was issued in 1999, where the management of zakat has not been centralized in BAZNAS. This law is a form of the government's seriousness in supporting the zakat movement in Indonesia. The law also regulates the management of zakat, which must follow Islamic law, be trustworthy, beneficial, fair in distribution, legally knowledgeable, integrated and accountable. So, some of these principles can increase public trust. In addition, with this law, the government has facilitated the creation of zakat institutions that are appropriate in the economic, shari'a, and accountable aspects. With the formation of this law, it is hoped that it can increase the potential absorption of zakat in Indonesia.
- b. There is an Amil Zakat Agency that

operates from the national, provincial, to district/city levels, assisted by LAZ, which has the same level as BAZNAS. So this is proof that the government wants to maximize the performance of zakat institutions. In addition, the many zakat institutions can make it easier for muzakki when they want to pay zakat. BAZNAS and LAZ in each region also facilitate coordination between districts/cities, provinces, and the national level. So that potential reporting, absorption, distribution, and others will be more structured.

- c. BAZNAS, the Indonesian zakat authority, operates a web-based information system known as SIMBAZNAS. SIMBAZNAS is made up of ERP, SiMBA, the Public, and the Supporting, all of which play the following roles:
 - i. ERP (Enterprise Resource Planning)
Central BAZNAS uses ERP for coordinating and monitoring systems as well as providing operational assistance. Financial apps, internet portal applications, etc. are all examples of enterprise resource planning (ERP) software.
 - ii. SiMBA (Sistem Informasi Manajemen BAZNAS)
SiMBA is used by the regional BAZNAS and the Amil Zakat Institution (LAZ), which functions to print zakat reports with national standardization.
 - iii. Public
The public is intended to be used by the community as a medium for socializing and educating zakat. Public applications include websites, muzaki corners (web platforms, Android, iPhone), public dashboards, etc.
 - iv. Supporting
Supporting is used by

BAZNAS partners, who function as a partner's operational support media. Examples of applications are the Zakat Community Development (ZCD) application, the healthy home application, and the Baznas Disaster Response (BTB) application.

Therefore, zakat institutions in Indonesia have strengths and advantages in the zakat information system.

- d. Amil zakat institutions in Indonesia, there is a form of supervision from the government to control the quality of zakat institutions, namely the Sharia Supervisory Board. The Sharia Supervisory Board has the authority to oversee Islamic financial institutions, one of which is the amil zakat institution. Following DSN-MUI No. 2 of 2000, the Sharia Supervisory Board at zakat institutions functions as a sharia supervisor and adviser. The Sharia Supervisory Board has the authority to oversee amil zakat institutions, especially BAZNAS, which acts as a zakat collection body at the national level. This supervision makes the performance of BAZNAS always controlled so that it can improve the quality of zakat institutions, which will positively impact zakat receipts in the future. Apart from sharia control, the Sharia Supervisory Board can provide education and guidance to BAZNAS. The Sharia Supervisory Board can also encourage BAZNAS to create an institutional environment with good corporate governance. So that it can increase public trust in zakat institutions.
- e. Revitalization of the Muslim movement through collecting zakat centrally in existing institutions such as BAZNAS, LAZ, UPZ, and others where in the early days of Islam, the

collective management of zakat was carried out by a government agency named Baitul Maal.

The aspects of weakness that are the source of problems from BAZNAS, OPZ, and LAZ are as follows:

- a. There are still many amil human resources who are not yet professional in their fields at zakat institutions. Most amil only consider their work a side job, so they do not maximize their productivity. In addition, the wages of the small amil also cause little public interest in becoming an amil zakat. Even though amil zakat is a noble job because it acts as an intermediary between muzakki and mustahik. So we need an amil who has high work performance and is professional.
- b. Changing times encourage every aspect to adapt, especially in technological advances where zakat institutions cannot adapt quickly to technological changes that make an online collection of funds or data poorly structured, making it difficult for the institution to reach all muzakki in their area.
- c. The accreditation system for LAZ has not yet been implemented, so there is an asymmetry in running the system between one LAZ.
- d. The zakat management system in Indonesia has not been optimally digitized, so implementing activities takes many sacrifices that should be minimized by properly utilizing digital.
- e. Lack of transparency of collected and distributed zakat data (financial performance reports) and socialization of zakat to the public
- f. The regulations are not strict in controlling and supervising human resources in the zakat institution itself, so there are still deviations (moral hazard).

Apart from that, some opportunities can be optimized by BAZNAS, OPZ, and

LAZ to maximize the potential for zakat in Indonesia. These opportunities include:

- a. The growing development of digitalization in Indonesia through financial technology can be a great opportunity for zakat management to produce the right output. Zakat managers are required to quickly adapt in this digitalization era in order to optimize the existing potential.
- b. Judging from the large zakat potential owned by Indonesia, which is 233.8 trillion and the total population of Indonesia is Muslim, which reaches around 229.62 million people or 87.2 percent of the total population. This data is an opportunity for zakat managers to continue improving their performance so that these numbers are not mere utopia but can be realized.
- c. The utilization of information technology can increase the accountability and transparency of zakat institutions. Zakat institutions need to increase the use of this technology through websites and social media to reach the public and provide information that leads to institutional transparency of zakat.
- d. The flow of information technology, which is growing rapidly, encourages people to adapt to create innovations such as collecting and distributing zakat online. So that it will be easier for people to pay zakat with this convenience, it is hoped that the absorption of zakat funds will continue to increase.

From the analysis above, the last threat is an obstacle to BAZNAS, OPZ, and LAZ from the outside and can hinder their performance. These threats include:

- a. People aren't very aware of how important it is to pay zakat through amil institutions. Even though how much zakat money is used depends on how much people know about it. If people are aware of what is going on,

the main goal of Islamic charity, which is to end poverty, will be reached. On the one hand, zakat is the fourth pillar of Islam, and all Muslims who reach nisab and haul are required to give it.

- b. A lot of people choose to pay their own zakat (conventional zakat) without going through zakat institutions. This means that the funds collected at BAZNAS are not as high as they could be, which can cause zakat recipients to get paid twice. On the other hand, one effect of this problem is that zakat funds are not very useful because they are not planned in a structured way. It's different if the zakat money goes through an institution with a clear goal.
- c. The process of adapting to new technology takes a long time and is complicated. This is important for reporting transparency and the urgency of zakat institutions' legality in order to build public trust. Using this technology is a simple way to make people trust you more. For example, a well-run website, educational content on social media, and a database system that works well together.

Therefore, from the SWOT analysis that has been carried out, an appropriate strategy is needed to address the problems that are weaknesses and threats to zakat institutions. There are two formulations of strategies that can be done.

Recommendations

1. Improving Zakat Management Professionalism

Based on the results of the SWOT analysis done for this study, it seems that the weakest part of the zakat institutions in Indonesia is that the zakat managers (amil) still treat their job as a side job. This means that the institution and the way zakat is handled are not as professional as they could be. Kalbert and Fogarty say in Devi (2018)

that professionalism is a trait of every person, no matter what they do for a living. If this is true, then every profession needs professional standards to follow. In Islam, professionalism means acting like a prophet or apostle. This means being smart (fathanah), clear (tabligh), honest (siddiq), and responsible (Trustworthy).

So, it's important to have good management of human resources because HR is at the center of an organization's vision and mission. This means that a person's performance at work can be affected by both internal and external factors, such as his or her personality and the organization's culture, facilities, and coworkers (Mangkunegara, 2005). On the other hand, Herzberg says that the most important things to do to make people more professional at work are to give them high incentives and motivation in the form of recognition of their achievements or appreciation. So, the amil zakat institution needs to offer more material and non-material incentives in the hopes that the amil will make his job his main job.

Also, both central and regional institutions are required to train and certify amil in cooperation with the National Professional Certification Agency (BNSP) or the Indonesian Ulema Council (MUI). With the hope that natural resources will do what they are meant to do. In addition to amil, zakat management institutions need to get better because rules aren't being followed well enough by all the people who have a stake in the institution. This means that there are still cases of fraud (moral hazard) like corruption or theft of zakat funds. To stop this from happening again, zakat management institutions should try to get strict rules and close oversight from the government.

The government needs to do more to

help with the management of zakat. Right now, the government doesn't pay much attention to collecting zakat money, even though it could help a lot of people. So, it is important to have strict rules for BAZNAS and LAZ so that they don't manage zakat in the same way. This can be done by optimizing the Enterprise Resource Planning (ERP) system for the center and the BAZNAS Management Information System (SiMBA) system for the LAZs to make sure data is compatible and to avoid duplication. To optimize this, you must also enter data that the zakat manager must always keep up to date.

2. Encouraging and adapting the use of information technology to create efficient and effective governance

The use of technology within the scope of institutional zakat is slowly improving with the many zakat programs that have begun to be digitized, such as collecting zakat, which can already be done through e-commerce. Even though it has started to be digitized, zakat institutions in Indonesia are still underutilized and have not been digitized perfectly. There are still many shortcomings, one of which is the data on zakat recipients, which is not updated and the transparency of financial reports is still not good, especially at the district/city BAZNAS.

Therefore, development is needed to maximize the use of technology. BAZNAS can start by maximizing the use of its database, namely SiMBA. The input of mustahik data and incoming zakat funds from muzaki must be transparent, so the public can later utilize the data to obtain deeper information about the world of zakat. Transparency through this zakat institution can take advantage of the digital sector by tracking funds provided by muzaki until they are distributed to mustahik and funds used

by amil to manage zakat funds. This can make people trust zakat institutions that provide real-time information about the funds provided.

To increase the use of technology, BAZNAS and LAZ can set aside funds to focus on this field of technology because the use of technology can facilitate the transparency of zakat. This is important because when transparency is better, it will make zakat institutions more trusted by the public. Therefore, zakat institutions need technology experts to operate websites to make them more user-friendly, which can provide much information related to zakat products and financial records.

In addition, experts in the field of social media are also needed to increase public awareness regarding zakat institutions and a means of institutional zakat transparency. To manage websites and social media, zakat institutions can use third-party services. This management fee can be taken from zakat funds and other socio-religious funds (DSKL), which can later be budgeted to increase the use of technology by institutions. It is hoped that utilizing this technology, can increase public awareness regarding zakat institutions, and zakat receipts will continue to increase every year.

3. Encouraging the literacy level of knowledge about zakat to the public to increase Zakat Awareness in Indonesia

The results of the SWOT analysis also show that people in Indonesia still don't know much about institutional zakat, which is better for society as a whole. Because they don't know enough, many people would rather give zakat directly than through institutions. BAZNAS and LAZ need to keep spreading the word about zakat through institutions to help people learn more about how it works in institutions. This can be done by

working with mosques to give them organized information about institutional zakat for systematic studies or sermons.

BAZNAS can also work with the Ministry of Education, Culture, and Religion and Islamic boarding schools to study zakat fiqh and introduce zakat institutions to raise awareness. Zakat is one of the five pillars of Islam. Institutions teach about community and how important tithing is. The goal is to teach young people about zakat institutions. It's also important to teach more about zakat in places other than just big cities. Regency/City BAZNAS must also teach the public about zakat, especially in rural areas where people still don't know what it is. Institutions need to be brave enough to take the lead in helping people learn to read and write. Zakat institutions can also use technology to help people learn how to read and write. Zakat institutions can use social media in an interesting way to attract millennials and teach young people about zakat institutions, which is expected to increase acceptance of zakat in the long run.

For the community to get to know each other and learn more about institutional zakat, there needs to be a plan for educating the public about institutional zakat. Zakat institutions can give materials and information about zakat institutions as part of the educational message. Find the closest zakat institution, get in touch with zakat institutions, learn about zakat programs, and get zakat reports, for example. This is important because it can make more people trust the institutions that handle zakat. Also, these methods of education can help the public understand how open zakat institutions are. This is meant to make people trust zakat institutions and give their zakat through them. We hope that this educational content will help

people learn more about zakat institutions.

CONCLUSION

So far, Indonesia's system for managing zakat has not been able to solve problems with people's welfare. So far, the difference between what zakat could be and what it is seems to be a big one. It's because zakat institutions haven't done their jobs as well as they could have. Also, there are still a lot of people who pay zakat in the old way. So, there needs to be good management of zakat and education of the public about how important it is to pay zakat through amil institutions in the area.

People don't trust the zakat institution itself, which is another problem that needs to be fixed. People are hesitant to pay zakat at institutions because of accountability, transparency, and bad governance. Many people would rather pay zakat in an old-fashioned way than through an institution. Even though the money from zakat will do better if it goes through institutions. This is because most zakat organizations, like BAZNAS and LAZ, have their own programs for giving out zakat. With this program, it's hoped that more mustahik can be reached.

Effective governance means more professional management of resources and data that is easily accessible to the public through the amil zakat institution platform. Education in collaboration with community stakeholders and the introduction of the zakat curriculum to students will directly raise awareness of how important it is to pay zakat through institutions that affect the management of zakat itself, from collection to distribution. In other words, the zakat income that comes from this has a big impact on the Indonesian economy.

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