
FINANCIAL MANAGEMENT OF UPZ INSTITUTIONS IN MAXIMIZE ZAKAT POTENTIAL

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Abstract: *This study aims to analyze the financial management of the Zakat Collection Unit (UPZ) of Pamulang University (UNPAM) in its efforts to maximize the potential of zakat from lecturers and students. Using a qualitative approach with descriptive quantitative elements, this study explores the financial management practices of UPZ, the perceptions of muzakki (lecturers and students) towards transparency and accountability, and the factors that influence their participation in paying zakat through campus institutions. Qualitative data were collected through in-depth interviews with UPZ managers as well as lecturers and students, and document analysis. Descriptive quantitative data were obtained through a questionnaire survey of a sample of lecturers and students to measure the level of awareness, participation, and perception of zakat management. The results of the study indicate a gap between awareness of zakat and the level of participation through UPZ, as well as the need to increase transparency and accountability in financial management to build muzakki trust. Strengthening the financial management system, intensifying socialization regarding the role and programs of UPZ, and evaluating the effectiveness of zakat fund distribution were identified as key factors in maximizing the potential of zakat in the UNPAM environment. This study concludes that effective and reliable financial management is an important foundation for UPZ UNPAM to optimize the collection and utilization of zakat from the campus academic community for the welfare of the community.*

Keywords: *Financial Management, Zakat Collection Unit (UPZ), Zakat Potential, Accountability*

Abstrak: Penelitian ini bertujuan untuk menganalisis pengelolaan keuangan Unit Penghimpun Zakat (UPZ) Universitas Pamulang (UNPAM) dalam upayanya memaksimalkan potensi zakat yang bersumber dari dosen dan mahasiswa. Dengan menggunakan pendekatan kualitatif dengan unsur deskriptif kuantitatif, penelitian ini mengkaji praktik pengelolaan keuangan UPZ, persepsi muzakki (dosen dan mahasiswa) terhadap transparansi dan akuntabilitas, serta faktor-faktor yang memengaruhi partisipasi mereka dalam membayar zakat melalui lembaga kampus. Data kualitatif dikumpulkan melalui wawancara mendalam dengan pengelola UPZ serta dosen dan mahasiswa, dan analisis dokumen. Data deskriptif kuantitatif diperoleh melalui survei kuesioner terhadap sampel dosen dan mahasiswa untuk mengukur tingkat kesadaran, partisipasi, dan persepsi terhadap pengelolaan zakat. Hasil penelitian menunjukkan adanya kesenjangan antara kesadaran berzakat dengan tingkat partisipasi melalui UPZ, serta perlunya peningkatan transparansi dan akuntabilitas dalam pengelolaan keuangan untuk membangun kepercayaan muzakki. Penguatan sistem pengelolaan keuangan, intensifikasi sosialisasi peran dan program UPZ, serta evaluasi efektivitas penyaluran dana zakat menjadi faktor kunci dalam memaksimalkan potensi zakat di lingkungan UNPAM. Penelitian ini menyimpulkan bahwa pengelolaan keuangan yang efektif dan andal menjadi landasan penting bagi UPZ UNPAM untuk mengoptimalkan penghimpunan dan pendayagunaan zakat dari sivitas akademika kampus demi kesejahteraan masyarakat.

Kata Kunci: Manajemen Keuangan, Unit Penghimpun Zakat (UPZ), Potensi Zakat, Akuntabilitas

INTRODUCTION

Zakat is one of the pillars of Islam that has significant social and economic dimensions. As an instrument of wealth redistribution, zakat has great potential in empowering people in need and reducing social inequality.(Kamal, 2018). In a university environment, such as Pamulang University (UNPAM), the potential for zakat from lecturers and students is relatively large considering the population and relatively high level of religious awareness(Rahmat, 2024a).

In an effort to optimize the potential of zakat, UNPAM formed the Zakat Collection Unit (UPZ). The existence of UPZ in the campus environment is expected to facilitate lecturers and students in fulfilling their zakat obligations in a structured and organized manner. However, the effectiveness of UPZ in maximizing the potential of zakat does not only depend on its ability to collect funds, but also on how the zakat funds are managed financially(Afandi & Zahroh, 2023).

Financial management of UPZ institutions is a crucial aspect that determines the level of trust of muzakki (zakat givers) and the efficiency of fund distribution to mustahik (zakat recipients). Transparency, accountability, efficiency, and compliance with sharia principles in financial management are important factors that influence the participation of lecturers and students in paying zakat through UPZ UNPAM(Wahyuni, 2015).

Several problems that have the potential to arise in the management of UPZ finances and can hinder the maximization of zakat potential include: 1) Suboptimal Accountability: Financial accountability mechanisms that are unclear and unmeasurable can raise doubts about the effectiveness of UPZ. 2) Management Efficiency that Needs to be Improved: The process of collecting, storing, and distributing zakat funds that is less efficient can reduce the positive impact that should be received by

mustahik(Fadilah et al., 2017; Fitrah & Suradi, 2023).

If these problems are not identified and resolved properly, the large zakat potential in UNPAM will not be utilized optimally. This will have implications for the limited funds available for mustahik empowerment programs and UPZ contributions to the welfare of the wider community.

Therefore, research on the financial management of the UPZ UNPAM institution in maximizing the potential of zakat for lecturers and students is important to do. This research is expected to provide a comprehensive picture of the financial management practices implemented by UPZ UNPAM, identify potential obstacles and challenges faced, and formulate strategic recommendations to improve the effectiveness and efficiency of financial management so that the potential for zakat in the UNPAM environment can be maximized for the welfare of the community.

METHOD

This study will use a qualitative approach with descriptive quantitative elements to gain a deep understanding of the financial management of UPZ UNPAM and its impact on maximizing the potential of zakat for lecturers and students. Qualitative to deeply understand the process of financial management of UPZ, the perceptions and experiences of UPZ managers, and the views of lecturers and students regarding transparency and accountability of zakat management. Qualitative methods will help in exploring the complexity of the issue and obtaining rich and in-depth data. Quantitative Descriptive: used to collect structured data on the amount of zakat funds collected, its allocation, and the level of participation of lecturers and students in paying zakat through UPZ. This quantitative data will be used to provide a descriptive picture of the scale of zakat

potential and the effectiveness of its collection to provide a holistic and in-depth understanding of the financial management of UPZ UNPAM and its impact on maximizing the potential of zakat for lecturers and students.

RESULTS AND DISCUSSION

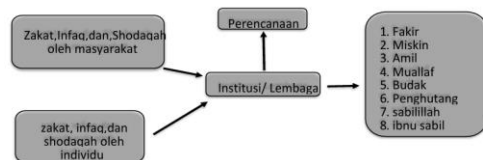
Empowerment of Zakat, Infak and Productive Shodaqoh

Initially, the distribution of zakat was only intended to meet consumption needs, but now it has (Ansori, 2018; Armas Pailis et al., 2016; Muhammad & Riyaldi, 2022)s begun to develop by distributing funds productively. The utilization of productive zakat is not only limited to providing funds to mustahik. However, zakat institutions have an obligation to foster mustahik to manage their funds and businesses. Such as providing additional insight into entrepreneurship, finance, and adding Islamic knowledge so that mustahik do business in an Islamic way that will foster a good work ethic. Zakat, infaq and Shodaqoh are interesting Islamic economic instruments to be used as poverty alleviation instruments. Zakat as an instrument for poverty alleviation. Has many advantages compared to conventional fiscal instruments that currently exist. Productive zakat empowerment by presenting funds as business capital, for economic empowerment of recipients, and so that the poor can run or finance their lives consistently. If productive zakat funds reach the lower middle class, then it can be used as an instrument to increase income so that it can reduce the poverty rate which is currently a problem in Indonesia. Because with the existence of productive zakat, it can be a solution to the community's problems in obtaining capital. The distribution of productive zakat mostly uses the qardhul hasan scheme or interest-free loans. So the mustahik is only charged on the principal of the loan, without any interest costs like in other financial institutions.

In order to reduce the income and wealth gap in Islam, the activation of the Islamic economic system through the instruments of zakat, infaq and shadaqah with professional management is the best and most effective alternative because this instrument is a direct product of Allah SWT as written in His revelation in Surah At-Taubah verse 103 which reads: Take zakat which is interpreted to collect and manage zakat and distribute it to 8 asnaf that have been determined by Allah SWT (Adawiyah, 2022; Arifqi et al., 2024; Freeman & Freeman, 2010; Irfan Nurmaki, 2022). Those who are entitled to receive zakat are: first, the poor: people who are very miserable in their lives, do not have the wealth and energy to meet their needs. Second, the poor: people who do not have enough to live and are in need. Third, zakat administrators: people who are given the task of collecting and distributing zakat. Fourth, converts: infidels who have the hope of converting to Islam and people who have just converted to Islam whose faith is still weak. Fifth, freeing slaves: also includes releasing Muslims who are held captive by infidels. Sixth, people in debt: people who are in debt for interests other than sin and are unable to pay it. As for people who are in debt to maintain the unity of the Muslim community, their debt is paid with zakat, even though they are able to pay it. Seventh, in the way of Allah (sabilillah): namely for the defense of Islam and the Muslims. Among the mufasirin, there are those who are of the opinion that fisabilillah also includes public interests such as establishing schools, hospitals and others. Eighth, people who are on a journey that is not sinful experience hardship on their journey. Collecting zakat through an institution will provide benefits, including: 1) To guarantee the certainty and discipline of zakat payers. 2) To maintain the feeling of inferiority of mustahiq when facing directly to receive zakat from muzakki. 3) To achieve effectiveness and efficiency and right on target in using zakat assets according to

the priority scale that exists in a place. 4) To show the message of Islam in the spirit of organizing an Islamic government (Fadilah et al., 2017; Fitrah & Suradi, 2023; Rohmaniyah, 2022).

Thus, the management of zakat will be effective if managed by an institution and supplemented with infaq and shadqah, then the transfer (distribution) of wealth will be able to eradicate poverty. If zakat, infaq, and shadaqah are able to be collected, managed, and distributed in accordance with the letter At-Taubah verse 60 by the institution, then the institution will be able to answer the challenges of the times (Bahri Pane, 2023).



Picture 1 Model for Collection, Planning (Management) and Distribution of Zakat, Infaq, and Shadaqah

Financial management of UPZ UNPAM

Table 1 ZIS Income

No	Rincian Penerimaan Dana	Vol	Penerima	Total
1	Zakat Fitrah	428	UPZ UNPAM	Rp 22,350,000
2	Zakat Maal	5	UPZ UNPAM	Rp 41,341,250
3	Infaq Paket Sembako & THR	60	UPZ UNPAM	Rp 27,678,750
Total				Rp 91,370,000

Data Source: UPZ UNPAM, 2025

Table 2 Expenditure

No	Rincian Anggaran	Vol	Realisasi Biaya Rincian	Satuan	Total
1	Zakat Fitrah	116 136	116 Jiwa	Rp 175,000	Rp 20,300,000
			29 Amil	Rp 15,000	Rp 2,040,000
					Rp 22,340,000
2	Paket Sembako dan THR	276	Rp 250,000		Rp 69,000,000
			240 amplop	Rp 100,000	Rp 24,000,000
			240 paket sembako	Rp 150,000	Rp 36,000,000
			36 amplop	Rp 250,000	Rp 9,000,000

Data Source: UPZ UNPAM 2025

Evaluation of Zakat Collection Improvement Strategy

Every fundraising activity must experience several obstacles that must be evaluated, so UPZ at Pamulang University carries out reporting activities, daily, monthly, and annually, so that the

performance of UPZ ambassadors can be monitored routinely. In the evaluation of the strategy for increasing the collection of zakat, infaq, and shodaqah, it needs to be developed to maintain the sustainability of the institution to face increasingly competitive competition. The evaluation used by UPZ at Pamulang University in collecting zakat, infaq, and sedekah funds is assessed from the amount of funds collected and the percentage of achievement obtained from the target set. Evaluation of organizational performance cannot be sufficient from financial information. This information describes the success that has been achieved by the institution in the short term. So that financial information can be misleading because the financial aspect is not sufficient to provide comprehensive information to guide the institution in the context of creating long-term institutional value. So non-financial information is needed to support the increase in zakat collection.

Basically, financial improvement comes from non-financial (financial) aspects. If you want to increase the collection of ZIS funds from the community, then the focus of attention must be directed to improving performance in the non-financial sector because that is where finance comes from. Performance measurement can be seen from three perspectives from non-financial, namely the perspective of the muzakki, internal business processes and development (learning and development processes). These three perspectives can be described as follows: 1) The muzakki perspective is needed by institutions to measure satisfaction, retention and growth. This is used to improve work programs, improve services by zakat institutions. 2) The process perspective is used to identify several processes carried out by institutions to meet the needs of muzakki. Zakat institutions carry out many processes, starting from monthly financial reporting, maintaining facilities, equipment and innovating in creating programs that are in accordance with the

needs of muzakki. 3) The learning and development perspective. This perspective is an explanation of the implementation of the strategy used by the institution. Institutions must increase the value of the institution by identifying work (human), systems (information) and climate (organization)(Muflikhati et al., 2010; Nismawati & Nugroho, 2020; Rahmat, 2024b). In addition, in maximizing the zakat potential of lecturers and students:

1. Although the level of awareness of the obligation to pay zakat is relatively high, active participation in distributing zakat through UPZ UNPAM is still low. This indicates that there are obstacles or lack of incentives for lecturers and students to pay zakat through campus institutions. Trust and information factors are key to overcoming this gap.
2. The perception of lecturers and students towards transparency and accountability of UPZ financial management still needs to be improved. The lack of detailed and easily accessible information regarding the allocation and impact of zakat fund distribution raises doubts and reduces trust(Ridwan et al., 2016). The implementation of a more open, periodic, and comprehensive financial reporting system is crucial(Afandi & Zahroh, 2023).
3. The increasing trend of zakat fundraising shows that there is potential that has not been fully explored. With a more effective socialization strategy, the provision of diverse and easily accessible donation channels, and increased trust in management, it is hoped that the participation of lecturers and students can increase significantly.
4. Although UPZ already has a financial management structure, strengthening in several aspects is needed. The implementation of a more integrated and automated

financial recording system, the implementation of regular and formal internal audits, and the preparation of a more detailed budget will increase efficiency and accountability.

5. The allocation of zakat funds, most of which is for educational assistance, is a positive step in empowering underprivileged students. However, there needs to be a more in-depth evaluation of the impact of the distribution programs that have been implemented as well as wider socialization of the benefits of the program to the campus community.

Lack of information about UPZ and its programs is one of the factors in low participation. More intensive and sustainable socialization through various campus media (website, social media, seminars, bulletins) is needed to increase the understanding and interest of lecturers and students to pay zakat through UPZ. The basis for the success of every institution is the success in achieving the mission broadly rather than just the target of collecting zakat funds. To support the success of the institution, a capacity assessment is needed as a tool for UPZ Pamulang University to improve the performance of collecting and distributing zakat funds in the future. The use of assessments is intended to manage resources in achieving the vision, mission and goals effectively and efficiently so that UPZ at Pamulang University can face future challenges. Islam views that evaluation must start from oneself then public evaluation. The basic philosophy of the evaluation function arises from an understanding of individual responsibility, trust and justice. Delivering the trust is the obligation of every individual, so he must be careful and pious in all his work. So evaluate yourself before being evaluated by others, humans have the potential to make mistakes and negligence. Therefore, Islam requires every Muslim to carry out amar ma'ruf nahi mungkar and advise each

other. This is then known as public supervision of the government.

CONCLUSION

Financial management of the UNPAM UPZ Institution in maximizing the potential of lecturers' and students' zakat, Overall, the financial management of UNPAM UPZ has a central role in efforts to maximize the potential of zakat from the campus academic community. Increasing transparency, accountability, strengthening the financial management system, intensifying socialization, and evaluating the distribution program are strategic steps that need to be implemented. With good and trusted financial management, UNPAM UPZ has the potential to become an effective institution in collecting and distributing zakat, making real contributions to the welfare of the community, and at the same time instilling values of social concern in the campus environment. And UPZ at UNPAM builds communication with prospective muzakki, namely by registering prospective muzakki whose zakat, infaq and shodaqoh funds will be worked on, conducting audiences with prospective muzakki both individuals and institutions, writing to muzakki to pay ZIS through UNPAM UPZ.

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