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Optimization of Fundraising and Distribution of Zakat, Infaq, and Sadaqah (ZIS) Funds by NU-Care LAZISNU Ponorogo

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Abstract

The purpose of this research is to find out the strategy of NU-Care LAZISNU Ponorogo in optimizing fundraising of Zakat, Infaq, and Sadaqah (ZIS), the strategy of optimizing the distribution of ZIS funds in improving the economy of *mustahik* through NU-Care LAZISNU Ponorogo, and the impacts by optimizing the utilization of ZIS by NU-Care LAZISNU Ponorogo to increase economic development in Ponorogo Regency. This research uses a qualitative approach and a field study research type. The results of this research indicate that NU-Care LAZISNU Ponorogo tries to optimize the fundraising strategy to increase ZIS fundraising through two methods, direct and indirect fundraising. In addition, the ZIS management program by NU-Care LAZISNU Ponorogo has made a substantial contribution to improving community welfare in the field of fund distribution, especially in three main aspects, namely economic empowerment, education, and health.

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INTRODUCTION

The big challenge that almost all countries, including Indonesia, face is poverty. To overcome the problem of poverty, effective instruments are needed, one of which is Zakat, Infaq, and Sadaqah (ZIS) (Habsyari, 2021). Most of the Indonesia's population is dominated by Muslims, so the existence of ZIS is also very supportive as an effort to reduce poverty levels. ZIS is a pillar of Islam that has many benefits, including worship and socioeconomics (Khairina, 2019). In today's modern era, zakat management must be well-designed and organized so that it can be managed optimally. Zakat managers have formulated management-based, which is carried out with the assumption that all activities related to Zakat are carried out professionally.

Optimizing the utilization of ZIS can be an economic strength of the community and is expected to be able to reduce poverty rates. The Zakat Amil Institution (*Lembaga Amil Zakat* or LAZ) as an institution formed to manage ZIS is expected to be able to maximize the utilization of ZIS effectively and efficiently in each region (Holil, 2019). ZIS funds are a form of social action to help oneself which is supported by religious teachings, the aim is to help alleviate the needs of poor and disadvantaged households (Dwi Arifah et al., 2024). If managed properly, ZIS funds can improve welfare. This management aims to make the conditions of poor people to be more prosperous.

The Nahdlatul Ulama Ponorogo Branch Management has a zakat institution program that is engaged in ZIS management, one of which is NU-Care LAZISNU Ponorogo. NU-Care LAZISNU Ponorogo is tasked with managing ZIS, which will later be distributed or given to the community, who are entitled to receive it. This LAZ is one of the institutions that play a role in collecting and distributing ZIS funds in the Ponorogo Regency. NU-Care LAZISNU Ponorogo was formed as a zakat management institution using modern management which is expected to be able to distribute zakat as part of a way to solve problems regarding the conditions of society that continue to develop (Jaya & Janah, 2023).

In the process and strategy of collecting Zakat at NU-Care LAZISNU Ponorogo, this institution uses the fundraising method, which is a process of activities that aims to collect or gather ZIS funds from the community that will be given or distributed and utilized for people who are entitled to receive zakat (*mustahik*). Fundraising is the process of influencing the community, both individuals as individuals and representatives of the community to channel their funds to a zakat institution (Purwanto, 2009). Fundraising strategy is the starting point for determining the needs of the institution, all of which can be done to increase activities in meeting the ever-growing needs.

Meanwhile, the distribution of ZIS funds by NU-Care LAZISNU Ponorogo aims to empower the community. The main objective of community empowerment in the context of ZIS is to improve the quality of life in the sense of not only providing temporary assistance but also helping the community achieve more sustainable welfare (Al-Labiyah et al., 2023). In addition, this also aims to build independence by providing people with skills and knowledge, so that they can generate their income and not continue to depend on social fund assistance.

Previous research on the management of ZIS funds at NU-Care LAZISNU Ponorogo was conducted by Ansori (2018) which focused on the management of productive zakat funds for empowering *mustahik* at LAZISNU Ponorogo. In addition, Jaya & Janah (2023) have conducted research on the strategy for collecting and distributing ZIS funds at NU-Care LAZISNU Ponorogo during the COVID-19 pandemic. Based on the background and support of previous research, the objectives of this study were formulated regarding how to find out the strategy of NU-Care LAZISNU Ponorogo in optimizing ZIS fundraising, finding out the strategy for optimizing the distribution of ZIS funds in improving the economy of *mustahik* through NU-Care LAZISNU Ponorogo, and finding out the impacts caused by optimizing the use of ZIS by NU-Care LAZISNU Ponorogo in efforts to increase economic development in the Ponorogo Regency.

RESEARCH METHOD

Research methods are a scientific approach that is useful for obtaining data for specific purposes and uses (Sugiyono, 2019). In this context, the type of research applied is field research. In field research, the selection of a place or location for research is very important. This research uses the object of NU-Care LAZISNU Ponorogo by prioritizing direct data collection from the field to evaluate the effectiveness of the overall program by NU-Care LAZISNU Ponorogo. This research uses a qualitative approach, to reveal facts, conditions, and phenomena that exist today (Sugiyono, 2019). This approach makes it easy for researchers to obtain accurate data on the optimization of the fundraising program and distribution of ZIS funds in Ponorogo by NU-Care LAZISNU Ponorogo.

Data is a collection of information or facts obtained from observation activities on certain objects (Sugiyono, 2019). The collected and selected data is then qualified based on the problems to be discussed. The data used in this research include primary and secondary data. Primary data is data obtained through first or direct sources. Primary data in this research was obtained using several methods, including:

1. Interview
   Interviews are conversations and questions and answers that are directed to achieve certain goals. This interview aims to gain knowledge about the subjective meanings that individuals understand regarding the topic being studied. Interviews were conducted with ZIS managers at NU-Care LAZISNU Ponorogo and the surrounding community affected by ZIS funding assistance from NU-Care LAZISNU Ponorogo.
2. Observation
   Qualitative observation here is seeing, paying attention, and observing at the research location in which the researcher goes directly to the field. The observation conducted by the researcher is through the researcher's participation in fundraising activities and distribution of ZIS funds by NU-Care LAZISNU Ponorogo.
3. Documentation
   Another data collection technique is documentation. This data collection uses a camera to capture the behavior of the subject and the activities of collecting and distributing funds by NU-Care LAZISNU Ponorogo.

While secondary data is data obtained through other parties, such as research requiring the help of others or document searches. The data was obtained by using a literature study method conducted on books and journals, as well as report books from NU-Care LAZISNU Ponorogo.

RESULT AND DISCUSSION

This chapter discusses three main focuses, 1) Optimizing ZIS fundraising at NU-Care LAZISNU Ponorogo, 2) Optimizing the distribution of ZIS funds from NU-Care LAZISNU Ponorogo, and 3) The impact of optimizing the use of ZIS by NU-Care LAZISNU Ponorogo.

1) Optimization of ZIS Fundraising at NU-Care LAZISNU Ponorogo

The ZIS collection planning strategy at NU-Care LAZISNU Ponorogo is designed to maximize community participation and program effectiveness through several components. First, donor segmentation is carried out by grouping potential donors into several segments, namely individuals, institutions, communities, and companies. Each donor segment receives a special approach according to its characteristics and preferences. Second, NU-Care LAZISNU Ponorogo focuses on education and awareness campaigns as important components to increase public understanding of the obligation of zakat and the importance of infaq and shadaqah. Third, fundraising innovation is implemented by integrating traditional methods and modern technology. Fourth, NU-Care LAZISNU Ponorogo establishes strategic partnerships with the government, private sector, and community organizations to increase the effectiveness of fundraising. This partnership includes regulatory support, provision of facilities, CSR programs, and collaboration with various organizations to expand the reach of the ZIS collection. To maintain public trust, institutions must have 4 (four) principles, namely the principles of the pillars of Islam, ethical principles, institutional principles, and management principles. By implementing these principles, the public can be confident that funds are spent, allocated, used, and managed by Sharia law.

The importance of the fundraising strategy in LAZ is to obtain fundraising or collect funds from the available zakat potential. The main point in ZIS fundraising activities is to determine clear targets. The strategy for increasing fundraising in NU-Care LAZISNU Ponorogo can be seen from how the institution collects or collects funds, namely by using two methods in the form of direct fundraising and indirect fundraising. The direct method is a way of collecting funds that involve direct donor participation. While the indirect method is a way of collecting funds where donors are not directly involved like the direct method.

In implementing the direct fundraising strategy, NU-Care LAZISNU Ponorogo implemented several strategies (shown in Figure 1), including:

a. Direct collection at the NU-Care LAZISNU Ponorogo office in the form of payments made directly by the *muzakki* to the NU-Care LAZISNU Ponorogo office.
b. Outreach activities carried out by NU-Care LAZISNU Ponorogo to seek funds by distributing donation boxes to places in Ponorogo, such as shops, food stalls, and photocopiers by the fundraising team. The process of collecting and maintaining

the donation boxes is carried out once every 2 weeks during the visit period.

c. Collection of *sadaqah Shubuh* by the fundraising team from NU-Care LAZISNU Ponorogo. *Sadaqah Shubuh* is collected during the Yasinan mothers' activities which take place at the mosque or at the home of one of the congregation. The period for collecting *sadaqah Shubuh* is around once every 1-2 weeks.

Source: Field Observation (2024)

Figure 1. Direct Fundraising Strategy of NU-Care LAZISNU Ponorogo

Meanwhile, the implementation of the indirect funndraising strategy is carried out by NU-Care LAZISNU Ponorogo through the following activities:

a. Sosial media campaign, is a method used by NU-Care LAZISNU Ponorogo to raise awareness among the surrounding community through various forms of publication on social media. The forms of publication are quite diverse, such as uploading pamphlets about programs or open donations, education about ZIS, infographics about fundraising, and uploading photos of office programs on Instagram. In addition to Instagram, services from NU-Care LAZISNU Ponorogo can be accessed on the website (https://lazisnupcnuponorogo.id/sekilas-lazisnu-pcnu-ponorogo/). Through this media, *muzakki* can pay zakat, infaq, and sadaqah with QRIS which has been provided on the website page. The website also contains news about ZIS distribution. One of the purposes of making news about distribution is a form of professionalism and transparency of *Amil* in managing zakat so that by reading the news, the community will sympathize and decide to pay ZIS through NU-Care LAZISNU Ponorogo

b. NU-Care LAZISNU Ponorogo utilizes online payments, such as E-wallet, QRIS, and bank transfers. The public can channel their ZIS funds through these methods. QRIS barcodes can be found on the NU-Care LAZISNU Ponorogo website, Instagram, and QRIS codes that have been provided in various shops, photocopies, or food stalls in Ponorogo Regency.

The implementation of fundraising at NU-Care LAZISNU Ponorogo has several supporting and inhibiting factors that have been successfully analyzed based on conditions in the field. These supporting factors include:

a. The use of social media and websites properly so that *muzakki* do not miss out on information from NU-Care LAZISNU Ponorogo;
b. The strategic location of NU-Care LAZISNU Ponorogo makes it easier for the fundraising team to carry out fundraising activities optimally;
c. Transparency of NU-Care LAZISNU Ponorogo in carrying out religious, social, and humanitarian activities that are beneficial to the community;
d. Public trust in NU-Care LAZISNU Ponorogo for the management and distribution of funds, that are right on target and efficient.

Meanwhile, several inhibiting factors that have been analyzed include:

a. The level of public knowledge and awareness is still low regarding the importance of zakat, infaq, and sadaqah and the lack of understanding of its objectives and benefits;
b. Economic limitations, perhaps some of the community have difficulty in meeting their own basic needs, making it difficult for them to collect funds for ZIS payments;
c. Uncertain conditions in the field, when the rainy season arrives there will be a little difficulty in the process of collecting infaq boxes or *sadaqah Shubuh*.

2) Optimization of ZIS Fund Distribution from NU-Care LAZISNU Ponorogo

In distributing ZIS funds, NU-Care LAZISNU Ponorogo first conducts a comprehensive mapping of the area and community needs. This mapping aims to identify *mustahik* or zakat recipients according to the eight groups regulated in Sharia law. However, the main priority is given to the poor, orphans, and disaster victims, because they are considered the groups most in need. The results of this mapping are the basis for determining distribution programs so that the assistance provided can be right on target and have a real impact.

To maintain public trust, NU-Care LAZISNU Ponorogo routinely publishes financial and activity reports through print and digital media. This report is not only a form of responsibility to donors but also an effort to build public trust in the management of ZIS funds. With this transparency strategy, NU-Care LAZISNU Ponorogo strives to maintain integrity and increase community participation in supporting the programs being run.

The ZIS management program by NU-Care LAZISNU Ponorogo has made a substantial contribution to improving community welfare in fund distribution, especially in three main aspects, namely economic empowerment, education, and health (Figure 2).

a. Economic Empowerment

NU-Care LAZISNU Ponorogo has implemented various initiatives aimed at increasing the economic capacity of the community. Skills training is one important initiative that has equipped beneficiaries with practical skills that they can use to create new sources of income. For example, training in modern agriculture, handicrafts, or basic workshop techniques has enabled individuals who previously had no special skills to develop their businesses. NU-Care LAZISNU Ponorogo's business capital assistance also plays a role in encouraging microeconomic growth. This business capital is often the starting point for beneficiaries to start or grow their businesses. In addition, some beneficiaries have even succeeded in creating new jobs in their communities and

strengthening local economic resilience by providing jobs for others in need.

b. Education Empowerment

The ZIS NU-Care LAZISNU Ponorogo program has also opened great opportunities for children from underprivileged families to access better education. Through educational scholarships, NU-Care LAZISNU Ponorogo ensures that children with potential but limited financial means can continue their education to a higher level. This scholarship covers school fees, pocket money, and study equipment such as books and uniforms. A student who comes from a family that previously could not afford to pay for their children's education, can now study without having to worry about costs, so they can focus on achieving academic achievement. In addition to scholarships, school equipment assistance is also provided to students from underprivileged families, who may not even be able to afford basic equipment such as bags, shoes, or stationery. With this assistance, students can not only go to school with adequate equipment but also get more motivation to study diligently. NU-Care LAZISNU Ponorogo also provides a tutoring program, which helps students improve their academic achievement. This program is very important for students who may not get adequate academic support at home, so they can compete with their friends at school.

c. Empowerment in the Health Sector

The distribution of ZIS funds by NU-Care LAZISNU Ponorogo in the health sector is by aiding in the form of cash to help with treatment and check-ups at the nearest clinic or hospital. The recipients of the health program stated that they were greatly helped because they saw their weak economic conditions, so they were not afraid to seek treatment at the nearest clinic or hospital because someone had covered the costs.

Source: NU-Care LAZISNU Ponorogo, 2024

Figure 2. ZIS Fund Distribution Program by NU-Care LAZISNU Ponorogo

3) Impact of Optimizing ZIS Utilization by NU-Care LAZISNU Ponorogo

The results of this study indicate that the implementation of ZIS utilization in NU-Care LAZISNU Ponorogo still faces several challenges in improving the economic standard of living of the community in Ponorogo Regency. In general, the economy in

this region is still at a basic level. Limited capital and business tools limit the capacity of NU-Care LAZISNU Ponorogo to aid that is more than just consumptive needs. Researchers have conducted in-depth observations on the impact of ZIS fund distribution on the economy of *mustahik*. Assessing the effectiveness of this program can be done by referring to the theory of effectiveness which states that the success of an activity is measured by how much influence it has in achieving goals. Effectiveness can be measured based on the benefits felt by *mustahik* after receiving assistance from NU-Care LAZISNU Ponorogo.

The results of the analysis show that the ZIS funds collected and distributed by NU-Care LAZISNU Ponorogo are divided into various forms of assistance. This assistance includes providing consumer goods such as rice and money to widows, orphans, and poor people who suffer from heart disease; medical expenses for accidents; school tuition fees for school children; and egg subsidies which are a form of social assistance from the community for the community. In addition, there is also the distribution of *sadaqah Shubuh* allocated for Yasinan worshipers. These various forms of assistance aim to meet consumptive needs and support social welfare. Although the assistance provided has helped meet consumptive needs and provided a positive impact in the education, health, and social infrastructure development sectors, assistance from the local government is still needed to continue to increase economic growth in Ponorogo.

The existing programs focus more on providing direct assistance that is consumptive, which has not been fully able to trigger long-term changes in the economic conditions of the *mustahik*. Although several empowerment programs in the economic sector have been implemented, there still needs to be innovation in a more productive empowerment approach so that ZIS funds not only meet daily needs but also help *mustahik* to develop their businesses, skills, and potential. With a more planned strategy and a focus on economic empowerment, it is hoped that NU-Care LAZISNU Ponorogo can increase the effectiveness of its programs and provide a deeper impact on the economic growth of the community. Overall, although NU-Care LAZISNU Ponorogo has succeeded in providing useful assistance in many aspects, there are still shortcomings in achieving optimal results in terms of economic growth. To achieve better optimization, efforts are needed to improve and expand the ZIS utilization approach that can contribute more significantly to the welfare and economic independence of Ponorogo Regency.

CONCLUSION

NU-Care LAZISNU Ponorogo is one of the LAZ institutions in the Ponorogo Regency that plays a role in managing Zakat, Infaq, and Sadaqah (ZIS) funds. The results of this study indicate that NU-Care LAZISNU Ponorogo is trying to optimize fundraising strategies to increase ZIS fundraising through two methods, namely direct and indirect methods. Direct fundraising can be done by visiting the office, outreach activities, and *sadaqah Shubuh*. Meanwhile, indirect fundraising can be done online by campaigning through social media and collecting funds through digital payments. The results of other studies show that the ZIS management program by NU-Care LAZISNU Ponorogo has made a substantial contribution to

improving community welfare in the field of fund distribution, especially in three main aspects, namely economic empowerment, education, and health. The assistance includes the provision of consumer goods such as rice and money to widows, orphans, and poor people who suffer from heart disease; medical expenses for accidents; school fees for school children; and egg subsidies which are a form of social assistance. Although several empowerment programs in the economic sector have been implemented, there is still a need for innovation in a more productive empowerment approach that needs to be implemented so that ZIS funds not only meet daily needs but also help *mustahik* to develop their businesses, skills, and potential.

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