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A Review on Cash Waqf for Education in Malaysia: Challenges and Impacts

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Abstract

Introduction: The cash waqf has been practiced widely since the beginning of the 15th Century during the reign of the Ottoman Empire and The Fatwa Committee of the 77th National Council for Islamic Religious Affairs Malaysia announced its permissibility in Malaysia on 12 April 2007. Since that, the cash waqf is developed rapidly and most of the collection is focused on educational purposes. This study identifies the challenges and impacts of cash waqf in Malaysia specific for education.

Purpose: This study identifies the challenges and impacts of cash waqf in Malaysia specific for education.

Methodology: This study used a descriptive method based on previous studies, secondary data from the published book, and regulatory bodies' official portals.

Findings: The findings showed four main challenges faced by the waqf authority; (1) lack of expertise by the waqf staff and manager in cash waqf management; (2) low level of public awareness and less understanding of the university's top management; (3) inconsistency of enactments because of the state's enactment; (4) Improper documentation and no publication on the latest annual report. Despite the challenges, the implementation of cash waqf contributed more good impacts on students and educational institutions such as (1) improve the facilities of schools and universities, (2) more university waqf centers had been established, (3) the welfare of disabled and poor students is guaranteed, and (4) enrich the quality of higher education through research grants.

Paper Type: Research Article

Keywords: Cash Waqf; Education in Malaysia; Challenges; Impacts; Suggestions.



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INTRODUCTION

The aims of this study are (1) to understand the main concept of cash waqf, its legality, and its development in Malaysia, (2) to observe the challenges and impacts of Cash Waqf for Education in Malaysia, (3) the implementation of cash waqf for education in Malaysia, (4) to find out the involvement of regulatory bodies including government, Islamic financial institutions, and higher education institutions in implementing cash waqf, and (5) to suggest solutions to overcome the challenges to ease cash waqf collection in the future. Cash waqf is waqf collected by cash and the collected cash will be kept in a trusted fund under a nazir (waqf superintendent) or waqf institution who is entrusted to manage the waqf fund for financing welfare and charitable activities (Perlis State Islamic Religious Council, 2019). Cash waqf funds will be distributed to the health care, education, and economic development sectors (Malaysia Waqf Foundation, 2021). However, the cash waqf practice in Malaysia faces some challenges and gives some impacts on their education system and on society. Therefore, this research investigates the challenges that arise during the implementation of Cash Waqf and its impacts on education in Malaysia.

The origin of the earliest cash waqf can be detected in the 8th century when Imam Zufar was asked about the possibility of establishing a waqf using cash and he emphasized in his answer that Mudharabah partnership is involved between the cash waqf and borrower, which the borrower being a principal at first stage then, being an agent at the end (Cizakca, 2020). Unfortunately, there is no application of this cash waqf until the emergence of the Ottoman Empire at the beginning of the 15th century after the Ottoman Empire Courts approved this method and it became very popular all over Anatolia as well as in some European provinces of the empire by the end of 16th century (Cizakca M. , 2010). In addition, gold and silver have been used as the instruments of cash waqf during the Ottoman Empire whereas fiat money is considered as cash waqf in current practice (Othman, 2018). Nowadays, the cash waqf (fiat money) has been used widely because it has the potential to re-develop the existing waqf assets and establish new assets.

The Meaning and Concept of Cash Waqf

According to Cizakca (2020), the definition of cash waqf is perpetuity or temporary holding of waqf by cash to produce repeated profits or usufructs of Waqf assets with an objective of general or private purposes according to the conditions stipulated by the Waqif. In addition, cash waqf is considered as a waqf of liquid assets that gives returns, and the returns can be utilized to meet the intended objectives under the waqf regulations (Omar, 2018). The cash waqf can be used in form of interest-free loans or by investment and its returns will be given to the beneficiaries (1).

However, the cash waqf can be in form of direct cash or indirect cash. Direct cash is a waqf that created by the founder in cash form to be channeled directly for developing the waqf assets whereas, the indirect cash is a waqf made by the founder in cash form, in which the cash collected will be invested and the profits gained will be channeled to beneficiaries (Mohammad Aly Fikry, 2018). Generally, cash waqf is a scheme that invites the public to perform waqf using cash money where the collected cash will be invested in investments that are permitted by Sharia and the returns (the profits from investment) will be used for charitable purposes in terms of economic development, education, and health care (Malaysia Waqf Foundation, 2021).

Legality of Cash Waqf

The primary sources (the Holy Quran & Hadith) are not directly referring to the cash waqf. But the Hanafi school of thought (Mazhab) has permitted the use of the movable assets as waqf as an exceptional and therefore, it has widely been used during the Ottoman Empire because they are followers of Imam Hanafi. This statement is supported by (Cizakca M. , 2010), that Hanafi allowed the exception in an endowment which is in moveable asset according to customary practice in a certain region.

Thus, the waqf experts observe its legality through the secondary source of Islam which is Istihsan because no direct legal rule in primary sources. Istihsan is referring to the principle that permits exceptions on certain matters which considered the public interest (maslahah) by making a consensus (Ijma) among all scholars (Oxford University Press, 2021). Imam Muhammad Al Syabani has ruled that even though there is no relevant hadith about cash waqf directly, the contribution of movable asset is permissible with and without customary practice (Urf) in a certain location (Cizakca M. , 2010).

Furthermore, Kahf & Mohomed (2017) stated that OIC Fiqh Academy in 2004 has discussed and resolved that cash waqf is permissible if the cash waqf fund is invested in assets. It means the Waqf manager/Nazir bought an asset using the cash fund or manufactured assets with that cash, but these assets are not entitled to be waqf assets, these assets need to be sold, then the cash money gained from the assets sold is valid for waqf and it can be used to reinvest. Besides, Malaysia also released a Fatwa regarding the permissibility of cash waqf implementation. Hence, the National Fatwa Council; the Fatwa Committee of 77th National Council for Islamic Religious Affairs Malaysia on 12 April 2007 has decided that the cash waqf is permitted and permissible to be implemented for the welfare of Muslims (Mufti of Federal Territory, 2019).

Development of Cash Waqf in Malaysia

In Malaysia, all matters related to Islamic religion are governed by the state independently. Every state has its own waqf institution under their

state enactments. The State of Islamic Religious Council (SIRC) is the sole trust right in all waqf property and all religious matters (Malaysia Waqf Foundation, 2021). Only five states out of thirteen states have enacted the specific waqf laws which are Johor, Selangor, Negeri Sembilan, Terengganu, and Malacca (Kader, 2015; The World Bank Group, INCEIF, and ISRA, 2019).

The Malaysian government under 9th Malaysia Planning has established the Department of Awqaf, Zakat, and Hajj or known as JAWHAR on 27 March 2004 to monitor the waqf institutions in all states and JAWHAR together with SIRC collaborated to enhance the capital resources and awqaf assets for the economic development of Muslims (Department of Awqaf, Zakat, and Hajj, 2021). The main objective of JAWHAR is to ensure all the management of waqf assets, zakat, and hajj management throughout the country can be implemented systematically and efficiently. After that, Malaysia Waqf Foundation is established too on 23 July 2008 as a national funding under JAWHAR through the Trustee Act 1952 (Act 258) to collect and raise funds for waqf development and to expand the waqf property in collaboration with SIRC (Malaysia Waqf Foundation, 2021).

The cash waqf in Malaysia has been widely developed after the announcement of Fatwa and still developing with the emergence of many NGOs (Non-Government Organizations) in collaboration with waqf institutions, Islamic banks, and SIRC. For instance, the MyWakaf foundation was established by the Association of Islamic Banking & Financial Institutions in Malaysia (AIBIM) combined six Islamic Banks with SIRC to implement waqf including cash waqf (AIBIM, 2021). Additionally, the government supports it through The Malaysia Education Blueprint 2015-2025 (Higher Education) intending to ensure long-term financial sustainability of the higher education and enrich university income generation by endowment and waqf (Ministry of Higher Education, 2016).

Implementation of Cash Waqf for Education in Malaysia

Cash is the easiest way to attract the public to perform Waqf and many methods of payment have been introduced by the founder to ease cash waqf collection such as online banking, counter service, and salary deduction. Cash waqf has the potential to grow because it does not require a minimum amount to donate and it is also can be donated by non-Muslims as it is for the public (Kedah State Islamic Religious Council, 2021).

According to Malaysia Waqf Foundation (2021) the reasons for cash waqf establishments are to finance the purchase of educational equipment for the welfare of the community, to finance the equipment and clothing for underprivileged students, to finance the cost of renovation of educational facilities, and help to finance the cost of

education need by giving allowance or waiving the tuition fees. For instance, (Maybank Islamic , 2016) stated RM10 million has been collected from the collaboration between Maybank Islamic Berhad and Perak SRIC for waqf contribution, which is RM 5 million for the students' hostel of Universiti Islam Sultan Azlan Shah and the rest RM5 million for general cash waqf for educational projects. Another example, the Islamic Development Management Research Center (ISDEV) in Universiti Sains Malaysia (USM) has received approval of waqf fund from Penang SRIC on 24 November 2009 where the total cash waqf collection is RM 50 000 and has been used for education and research development (Mufti of Federal Territory, 2019).

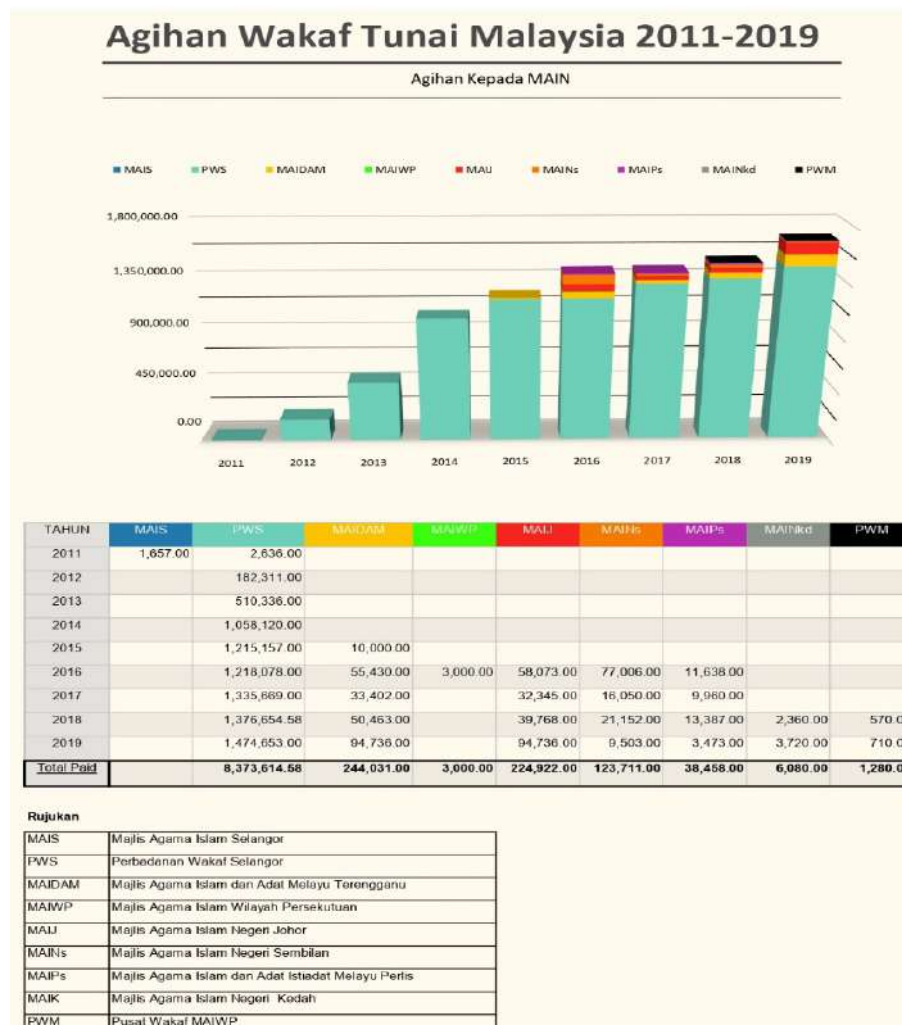


Figure 1 Source: Distribution of Cash Waqf for States, Malaysia Waqf Foundation, April 15, 2021

The table showed the amount of distributed cash waqf by different states (SRIC) from 2011 until 2019. This data has shown that there is a high potential of cash waqf in Malaysia.

LITERATURE REVIEW

The literature review focuses on two interrelated aspects:

Cash Waqf in General and for Education in Malaysia

Nasiri et al., (2019) surveyed among 160 university students at IIUM to observe the level of acceptance of cash waqf in terms of awareness, perception of management, and practice of cash waqf. The authors found out that most of the respondents are moderately aware of cash waqf and only 8.8% of them have highly unaware of cash waqf. However, 42.5% of them have a positive perception of it. In addition, the authors also found out 80% of the respondents agreed that the practice of donating cash to Waqf institutions is a noble act. Hence, this is shown that most of the IIUM students accepted the use of cash for Waqf purposes and they were willing to contribute their money for Waqf.

Mujani et al., (2018) examine the practice of waqf funds in empowering higher education in Malaysia by observing the authority on religious affairs and the Malaysian government's effort as well as the responsibility of the Ministry of Higher Education (MOHE). To empower higher education, the SRIC manages the waqf fund to be distributed to the selected students, and the Malaysian Government established National Higher Education Fund Corporation (NHEFC) or known as PTPTN to provide a loan scheme for Malaysian undergraduates in public or private universities in Malaysia. The government also has been subsidized the cost of education by 85-95% approximately while the living costs are underlying the PTPTN loan. Moreover, MOHE approved the Long-term Research Grant Scheme (LRGS) with a total amount of MYR 3.9 million for higher education to conduct a detailed study about the waqf funds in higher education in Malaysia. In addition, cash waqf is essential to provide, and finance educational or research efforts such as in terms of facility, infrastructure, equipment, research learning, training, and scholarship or financial assistance for the students. Thus, it can improve the quality of higher education.

Besides, Othman et al., (2017) suggested the cash waqf scheme model be used to finance Insaniah University College (IUN) for its expenditure in the future. The authors mentioned the joint venture in implementing a cash waqf scheme between Kedah SRIC, IUN, and Bank Muamalat is necessary to ensure the integrity of this scheme and transparency in cash waqf fund management. Cash waqf for this scheme can be collected through Bank Muamalat account, periodical payment instruction (PPI), debit from their saving or current account or by cheques and it will be used to provide, and finance in educational or research efforts or in terms of facility, infrastructure, equipment, research learning, training, and scholarship and other activities that related to education. So, the result indicated that cash waqf fund is important for financing the development of IUN as well as providing financial aid for students and activities in IUN.

Furthermore, (6) conducted a surveyed 398 respondents to observe the factors influencing their willingness to contribute to waqf education in terms of social culture, understanding of waqf, religiosity, marketing method, and their awareness of waqf. This study found that the respondents are moderately understand the waqf concept, moderately aware of social culture, religiosity, and moderately aware of marketing methods are the factors influencing their willingness to contribute to waqf education, but the respondents have low awareness of waqf. Furthermore, the willingness to donate cash to waqf education is important to alleviate poverty in societies, enriching the quality of education and encouraging the students to further their studies to a higher level. Concerning it, lack of public awareness is the main factor hindering the collection of cash waqf in society which causes limitation on the development of education in Malaysia.

Challenges and Impacts of Cash Waqf Implementation

A study by (7) highlighted the prospects and challenges in implementing cash waqf for education in Malaysia. The author discussed that cash waqf can be generated by using crowdfunding, salary deduction, and alumni participation. The government must allow the tax relief for waqf contribution including cash waqf, finance the expensive technical laboratories, adopt the latest fintech tools and digital technology for cash waqfs such as Blockchain or Waqf App. However, there are some challenges in its implementation which are lack of public awareness, poor management by SIRC that cause limitation for higher education to explore waqf fund, less expertise of human capital of waqf manager and unregulated fintech innovation such as unmonitored digital payment cash waqf has led to fraud cases. The author also emphasized the inconsistency of governance and unstandardized accounting practices among SIRC. The above elaboration shows that corporate governance, government support, fintech innovation to ease the cash waqf payment and the standardized accounting practices among SIRC are important factors to implement the cash waqf properly.

Next, the issues and challenges of waqf practices including cash waqf in Malaysia have been reviewed by Abd Jalil, (2020). In this study, there is no specific provision for waqf land in the enactment in every state; the lack of understanding and low level of public awareness; and the cancellation of waqf projects due to lack of funds. Other issues are there is no strategic building and undeveloped waqf lands; inefficiency in waqf management due to unskilled staff; incomplete information and the unregistered issue of waqf land with no reports; and invasion of waqf land by irresponsible parties. These issues can cause limitation and scarcity of cash waqf assets for educational purposes and the public interest.

Meanwhile, Hj Fauzi et al., (2019) investigated the impact of trust as a challenge in cash waqf contribution which is managed by

the Joint Management Committee (JMC) using the Wakaf Selangor Muamalat (WSM) service of Bank Muamalat Malaysia Berhad (BMMB). The authors highlighted this collaboration ensures WSM's operation is managed properly by the JMC because they have good background and experience. Therefore, it will increase the public confidence in cash waqf service. Next, reporting regularly and disclosing all relevant information about the WSM waqf fund are the main factors to build trust among the public. The involvement of BMMB enhances the collection, distribution of cash waqf funds from the public. This study also included some issues faced by BMMB in managing cash waqfs such as issues of administrative and manpower, issuance of receipt, identification of the customer, and filing of documentation. Moreover, the strong integrity of BMMB, promotion, and awareness among the public about cash waqf will enrich the public trust. Hence, the authors emphasized integrity of management by skilled committee, disclosure of information, the image of the bank, and good governance of WSM will increase public trust towards cash waqf. In conclusion, the collection of cash waqf for education is vitally relying on public awareness and public trust towards its implementation as well as relying on the skilled manager, the transparency of information, the high reputation of the bank, and good governance of WSM service.

Ali & Markom, (2020) figured out a few issues and challenges of cash waqf in its implementation. The authors believed inadequacy of comprehensive legislation, lack of management skills, and lack of regulatory, or mechanisms are the main issues and challenges in implementing cash waqf in Malaysia. Separate state enactments for every state to govern the waqf fund have created inconsistencies in laws about cash waqf and caused many interpretations, different views, and different procedures applied. Next, a lack of professional human resources in waqf management such as unskilled waqf managers can cause poor management of cash waqf. Furthermore, there is no regulatory framework and mechanism to ensure the transparency of the collection and distribution of cash waqf. Then, the distribution of cash waqf is limited due to the long documentation process and approval process as well as costly administration fees. Therefore, the authors suggested creating a blockchain for waqf management to avoid this issue and maintain the transparency of cash waqf. In addition to it, the purpose of cash waqf and its flow in investment using any fintech methods should be exposed to internal and external users in detail to create public trust.

METHODOLOGY

This research uses a qualitative research method to observe the challenges and impacts of cash Waqf for education in Malaysia and this method contributes clear results to develop more new knowledge. The

descriptive method is also will be used for this research by using previous studies without including any data and statistical findings. Moreover, the University Transformation Programme (UniTP) Purple Book; Enhancing University Income Generation for Endowment and Waqf published by the Ministry of Higher Education Malaysia is used too as well as secondary data collected from regulatory bodies' official portals related to waqf including cash waqf.

RESULTS

Challenges of Cash Waqf for Education

Based on previous studies, there are some challenges in implementing Cash Waqf for educational purposes in Malaysia such as lack of expertise of SRIC officers, lack of awareness among Muslims, conflicts of regulations, lack of cash waqf funds, and inconsistency in reporting and documentation of Cash Waqf.

Human Resource (Lack of expertise)

In Malaysia, most of the officers at SRIC either in the Waqf Department or Zakah Department are graduated in Shariah, Usuluddin, and other Islamic studies (7). So, they have no knowledge and no experience in management, accounting, and marketing of cash waqf. Therefore, the funds of cash waqf collected for educational purposes are not managed properly and this may greatly impact the projects of cash waqf. Unlike in Turkey, the waqf assets are managed by officers who are coming from various backgrounds including business, engineering, laws, accounting, and so on. Furthermore, according to Khamis & Che Mohd Salleh, (2018), the recruited officers at SRIC faced many problems in managing the cash waqf fund because they have no background in financial management and therefore, the documentation of cash waqf is recorded in the wrong financial format. The lack of expertise of officers including the lack of professionalism of the waqf manager in managing the waqf assets (cash waqf) without immediate replacement position with the expert one will cause wrong decision making and give burden to the other officers (Mohd Puad, Rafdi & Shahar 2014). As a result, the cash waqf fund for projects is managed improperly and the management of SRIC is inefficient.

Low Level of Public Awareness and Less Understanding of Universities' Top Management

Most Malaysians know about Zakah but they have less knowledge about Waqf. They thought any Waqf asset including cash waqf is only for the Muslims. This created misconceptions about Waqf in public due to the low level of knowledge and lack of awareness of Waqf (Ministry of Higher Education Malaysia, 2016). Any waqf assets including cash waqf can be contributed by non-Muslims and the waqf assets can also

be donated to them, where the donor might get benefits such as tax exemption if listed in SRIC's enactment (MyWakaf, 2019). Other than that, the Muslims are still have not realized the importance of Waqf including cash waqf for the development of Islamic economics because they considered Zakah as the best way in reducing inequality between poor and rich people (12). A survey conducted by Muhammad et al., (2019) showed that the majority of Muslims in Perak state are less aware of the existence of waqf because 204 respondents (65%) do not know that Perak SRIC accepted cash waqf contributions and 258 respondents (82.7%) do not know about the cash method in donating waqf to Perak SRIC. Therefore, this showed that Muslims in Malaysia are lacking knowledge and awareness about the existence of cash waqf provided by the SRIC or any waqf institutions.

In addition, the Ministry of Higher Education has highlighted that in the future, Malaysia needs to provide enhancement of quality in higher education (Ministry of Higher Education, 2016). Therefore, the Ministry of Education has urged higher education, especially the public universities to form its waqf fund by the end of 2016 (Idris Jusoh, 2016; Hussin and Rashid, 2017). It was announced in 2016 and urged to implement in the same year which causes pressure on the universities' top management because they need to learn everything about waqf and set up their waqf fund with SRIC collaboration within a very short time. The top management required readiness and a good understanding to set up the university waqf fund to avoid misinterpretation about waqf and to avoid misconception by the public in the future (14). Thus, the university's top management should be well prepared and have a good understanding of cash waqf practice to avoid misconceptions.

Inconsistency of Enactments

Malaysia has thirteen states excluding Kuala Lumpur and all matters related to Islamic religion including waqf assets are governed by the state independently due to its own waqf institution under the state enactments. The State of Islamic Religious Council (SIRC) who is the sole trust right in all waqf property as stated in their enactment (Malaysia Waqf Foundation, 2021). Only five states out of these thirteen states have enacted the specific waqf laws which are Johor, Selangor, Negeri Sembilan, Terengganu, and Malacca (Kader, 2015; The World Bank Group, et. al., 2019).

For instance, the majority of SRICs such as Negeri Sembilan, Johor, Selangor required RM 10 for a minimum donation of cash waqf while Perak required only RM1, and Penang required RM 5 as the minimum amount for cash waqf donation. Another example is in the case of managing the General and Special Waqf assets including cash waqf without SRIC or the Foundation's permission. According to Selangor SRIC Enactment 15 No. 45, pp.28, (2015), stated that it is an offense and punishable by a fine not exceeding RM1000 or imprisonment for less

than six months or both. However, Terengganu SRIC Enactment 1/2016, No.45, pp.32, (2017) stated that it is an offense and punishable by a fine not exceeding RM 5000, or imprisonment for less than three years or both. This showed that no standardization for Waqf rules because they are underlying in different enactments owned by the state respectively which caused inconsistency in legislation. Therefore, the university waqf center must follow the enactment of the state where the university is established. For example, the Northern University of Malaysia is in Kedah and thus it must follow the enactment of the Kedah SRIC.

Documentation and Reporting

Among the challenges faced by the officers were manual documentation for collecting cash waqf by some SRICs, and late filing of cash waqf collection forms from each district (Khamis, et. al., 2018). This happened due to the time management of the officer himself that he might not be able to finish his task in the specific time given. It means that the officer is unable to control the specific tasks which caused inefficiency in the management of SRIC (Binghaia, et. al., 2017; Abd Jalil, 2020). In addition, cash waqf documentation is recorded improperly in financial format because the officer has no background in financial management (Khamis, et. al., 2018).

However, good reporting by the SRIC or other institutions about the inflow and outflow of cash waqf collection will boost public confidence and enrich the collection. Hence, all the waqf institutions in Malaysia should disclose all information in the annual report about the cash waqf figures to the public to enhance the interest of the public to participate in cash waqf contribution (Khamis, et. al., 2018). Unfortunately, the annual report and or reporting documents are not updated on their websites. Supposedly, it should be disclosed the latest report according to the current year. For instance, the Department of Waqf, Zakat, and Hajj (JAWHAR) did not update the latest annual report, but is only available up to 2017, and the annual report for Malaysia Waqf Foundation was only available until 2019. The latest annual reports and any publications by SRIC or waqf institutions are very important for students or researchers or investors to monitor the flow of cash waqf donation.

Impacts of Cash Waqf for Education

Despite facing challenges, the implementation of cash waqf gives many good impacts on student, and academicians. The impacts of cash waqf for education as below.

Establishment of University Waqf Center

All public universities established their waqf center but, the establishment of the university waqf center should get approval from State Religious Islamic Council (SRIC) because the SRIC is the sole trust right in all waqf property as stated in their enactment (Malaysia Waqf Foundation,

2021). For instance, Universiti Putra Malaysia (UPM) has established a Center for Management of Waqf, Zakat, and Endowment which is known as WAZAN, but it should get approval from Selangor SRIC as stipulated in Section 89 of Administration of Selangor State Islamic Religious Enactment 20013 (Centre for Management of Waqf, Zakat and Endowment (WAZAN), n.d.).

Cash waqf as a part of waqf property is to generate more waqf funds for educational purposes in Malaysia through University Waqf Center where cash waqf can be collected through an online transaction, sale of coupons, or cash by hand (Centre for Management of Waqf, Zakat and Endowment (WAZAN), n.d.). So, the university can collect cash waqf donations from their alumni, staff, strategic partners, and public donors (Ministry of Higher Education Malaysia, 2016). Moreover, UPM also encourages people to donate through cash waqf for educational purposes such as research student development, providing educational facilities, and many more education purposes (15). Therefore, many university waqf centers had been established such as Zakat, Waqaf, and Infaq (ZAWAIN) by Universiti Sains Malaysia, Dana Wakaf Ilmu by Universiti Kebangsaan Malaysia, IIUM Endowment Fund, etc. This is because the Ministry of Higher Education urged the public university to collect their waqf and endowment by referring to the University Transformation Program (UniTP Purple Book) as a guideline which is published in 2016. Hence, most of the university waqf centers were established in 2016 (Moktar, Johari & Mohd Nazri, 2019). According to Bank Muamalat Malaysia's chief executive officer, Datuk Mohd Redza Shah Abdul Wahid mentioned that 14 out of 20 public universities in Malaysia have a waqf unit which collected the total funds of almost RM30 million on cash waqf contributions and RM 1.8 million in other endowments (Bernama, 2018).

Improving the Facilities of Schools and University

The cash waqf collection from the public will improve the facilities of schools and universities. So, the students feel more comfortable studying with sufficient equipment and wider classroom space. For instance, a joint venture project between Kedah SRIC and Bank Muamalat Malaysia's had collected RM2.4 million cash waqf from the public for Inap Wakaf Project to build a hostel for Maktab Mahmud Alor Setar (Islamic high school) (Rosli, 2021). Besides, Perak SRIC established Maahad Tahfiz Development Fund through cash waqf collection from the public to help any Maahad Tahfiz in Perak which has very limited financial resources or is in poor condition by providing infrastructure to them so that the students can stay in the safer learning environment, comfortable and conducive (Islamic Council and Malay Customs Perak, 2021). Universiti Kebangsaan Malaysia (UKM) collected RM 300 000 cash waqf for educational purposes including ICT facilities for UKM students (Haji Othman, et. al., 2017). Therefore, it showed that the contribution of

cash waqf improved the ICT facilities at UKM and provide a comfortable learning environment for students.

The Welfare of disabled Students is Guaranteed

The main purposes for collecting cash waqf for education are to finance the purchase of educational equipment, school uniform, the cost of renovation, an additional cost of educational facilities, and finance the education costs such as a scholarship. So, a cash waqf donation in terms of scholarships, educational equipment such as notebooks for university students, or in terms of pocket money can guarantee the welfare of disabled students and those students can pursue their studies with these cash waqf grants. For instance, at Universiti Putra Malaysia (UPM) under WAZAN, the collection of sadaqah funds and cash waqf funds are distributed to help poor students to buy personal and family necessities, buy books, writing equipment, scholarships, pay tuition fees, and financial aid to write a thesis (Omar P. D., 2017). In addition, WAZAN UPM also provides RM1000 to final year students who did a research project on waqf. Besides, there is a joint venture project between Perlis SRIC and Perlis Islamic College University, where most of its students received a monthly allowance, hostel facilities, and free bus transportation (Don, 2019). Hence, the welfare of students is guaranteed, and the students would no longer be worried about paying tuition fees or any fees that can block them from continuing their studies.

Enrich the Quality of Education (Research Grant Allocation) – UniTP, Purple Book.

By collecting cash waqf, it helps to provide fund for researchers or academicians to do more research about waqf and this can help a university to enrich the quality of education. According to (Ministry of Higher Education Malaysia, 2016), the universities should continuously get grants for research and development to support their quality of education and to strengthen their collaboration with industry and international as well as enhance their expertise and university IPs through technology transfer. Technology transfer means a process of an invention or other innovation created in the institution's laboratory which turned into a new product (Tech Transfer Central Website, n.d.). So, a research collaboration between the community, industry, international research institutes, international bodies, corporate companies, and government agencies will improve university income, gives benefits to the community and industry too as well as can bring a good image to that university.

In 2014-2015, the universities were able to collect a total of RM 1.35 billion from public grants, RM 81 million from private agencies, and RM 41 million from international bodies (Ministry of Higher Education, 2016). As stated (Don, 2019), WAZAN UPM provided RM 1000 for final year students who researched about waqf. Thus, it has attracted many

students to involve in a research project because the research grant is considered an opportunity for them. More research projects will be done through collaboration with other agencies. As a result, it gave a good image to UPM's educational quality and increase UPM's position as a good research university. On the other hand, Universiti Sains Malaysia (USM) is also considered a good research university in Malaysia. From March 2018 until May 2016, a total of RM 50 000 cash waqf was collected is used for educational purposes and research development (Mufti of Federal Territory, 2019).

Based on the above discussion, the implementation of cash waqf for educational purposes in Malaysia is facing some challenges, and it can be solved if the government or waqf institutions take immediate action. Despite facing some challenges, the implementation of cash waqf had given some good impacts on students' welfare and enhanced education institutions. Therefore, there are some recommendations for Waqf institutions and the government to take immediate actions to solve the challenges. (1) Provide training for new waqf officers including the head department or anyone who is a newcomer to the waqf institution. Then, providing weekly seminars and monthly leadership programs also shall be done to improve the officers' skills, improve their time management in handling tasks. (2) Making some promotion, marketing events at any companies such as Waqf Week, Waqf advertisement, and tax exemption to increase public awareness and university top management. All the waqf contributors can redeem tax exemption according to the state's enactment, respectively. For instance, Terengganu SRIC increased the tax relief from 7% to 10% in 2019 to attract more cash waqf contributors including corporate companies. Former Minister of Finance, Lim Guan Eng also announced an income tax exemption of 10% for those who contributed cash waqf to the waqf state authorities during Malaysia Budget 2020 (Bakar B. , 2019). The tax exemption can attract more cash waqf contributors. (3) JAWHAR shall standardize the waqf enactments in all states. The reason is JAWHAR is a national body established by the government to control and monitor all the waqf activities in all states. Consistency can be achieved if all enactments are standardized and no misunderstanding among the waqf managers. (4) Update the latest annual report and the statistic of cash waqf on the official website. The SRIC shall update their latest annual report and disclose the statistical amount of cash waqf on their official websites to ease researchers, academicians, and the public to observe the performance of Waqf institutions.

To understand the main concept of cash waqf, its legality, and its development in Malaysia.

This objective is achieved. The concept of cash waqf is waqf collected by cash and cash collection is kept in a trust fund under State Religious

Islamic Council (SRIC) which is entrusted to manage this cash fund for charitable purposes including educational purposes. Then, the OIC Fiqh Academy 2004 permitted the cash waqf practice and, it was also permitted in Malaysia when the National Fatwa Council; the Fatwa Committee of 77th National Council for Islamic Religious Affairs Malaysia on 12 April 2007 has decided that the cash waqf is permissible. The cash waqf is developed rapidly after the Fatwa released and many collaborations with SRIC, Islamic banks, and non-government organizations (NGOs) have been engaged to collect cash waqfs such as MyWakaf or Wakaf Muamalat. Additionally, the cash waqf practice is growing because of the government supports through The Malaysia Education Blueprint 2015-2025 (Higher Education) to ensure long-term financial sustainability of higher education and enrich university income generation by endowment and waqf.

To observe the challenges and impacts on cash waqf education in Malaysia

The main challenges faced by the SRIC and university waqf center are (1) lack of expertise by the waqf officers and managers in cash waqf management; (2) low level of public awareness and less understanding of the university's top management; (3) inconsistency of enactments because every state has their own state's enactment; (4) Improper documentation and no publication on the latest annual report. Despite the challenges, the implementation of cash waqf contributed more good impacts for students and educational institutions such as (1) improving the facilities of schools and universities, (2) more university waqf centers had been established, (3) the welfare of disabling and poor students are guaranteed, and lastly (4) enrich the quality of higher education by providing research grants. Many studies supported the challenges and impacts on cash waqf for education in Malaysia (7,11,17,18). Therefore, this objective is achieved.

Application of cash waqf for education in Malaysia.

This objective is achieved too. The reasons for cash waqf for education are to finance the purchase of educational equipment for the welfare of the community, to finance the equipment and clothing for underprivileged students, finance the cost of renovation of educational facilities, and help to finance the cost of education need by giving allowance or scholarship. For instance, RM10 million has been collected from the collaboration between Maybank Islamic Berhad and Perak SRIC for waqf contribution, which is RM 5 million for the students' hostel of Universiti Islam Sultan Azlan Shah and the rest of RM 5 million for general cash waqf for other education projects. Another example is ISDEV Cash Endowment/Waqf by Universiti Sains Malaysia (USM), which has received a total cash waqf collection is RM 50 000 and has been used for education and research development.

To find out the involvement of regulatory bodies including government, Islamic financial institutions, and higher education institutions in implementing cash waqf.

Due to the development of waqf institutions, many cash fund schemes and projects have been established through collaboration with JAWHAR, SIRC, Islamic banks, and higher education institutions as well as NGOs. For instance, the MyWakaf foundation combined six Islamic Banks with SIRC to implement waqf projects through cash waqf collection. In addition, the government urged all the public universities to establish their waqf center in collaboration with the SRIC by the end of 2016 and the government published UniTP Purple Book as a guideline for them. Therefore, this objective is achieved.

To suggest solutions to overcome the challenges to ease cash waqf collection in the future.

The government and the waqf founders must take immediate actions to overcome the challenges because there will be a very high cost for education in the future and cash waqf is the main source for education institutions to lighten the burden of poor students. The suggestions for immediate actions are providing training for new officers, weekly seminars for all officers, marketing, and tax exemption for cash waqf contributors to increase public awareness and attract more cash contributors. Next, standardization of waqf enactments for all states, disclose and update the publication including an annual report on official websites. Thus, this objective is clear and achieved.

Overall, cash waqf is a waqf collected by cash where the cash collection will be kept in a trust fund under the SRIC, and it will be distributed for charitable purposes. The cash waqf has been widely practiced since the beginning of the 15th Century during the reign of the Ottoman Empire but, it is a new waqf instrument in Malaysia. There are many points of view by the Fuqaha regarding the permissibility of cash waqf. As a result, the OIC Fiqh Academy in 2004 and the National Fatwa Council of Malaysia on 12 April 2007 have permitted to practice the cash waqf. In Malaysia, the collection of cash waqf is distributed to the education sector, health sector, and economic development sector. In addition, the cash waqf practice is developed rapidly because of the government support through the UniTP Purple Book in 2016, published by the Ministry of Higher Education Malaysia to enrich the university income by endowment and waqf. Therefore, many collaborations of the SRIC with Islamic banks and higher educational institutions have been organized to collect the cash waqf for educational purposes such as MyWakaf, ISDEV, WAZAN (university waqf center), and many more.

Unfortunately, the SRIC and the university waqf centers faced some challenges during the cash waqf implementation which are (1) lack of expertise by the waqf officers and the waqf managers in cash waqf management; (2) lack of public awareness and less understanding by

the university's top management; (3) inconsistency of enactments due to the state enactment; (4) Improper documentation, and no latest publication of the annual report. Despite challenges, there are more good impacts for students and educational institutions such as (1) improving the facilities of schools and universities; (2) more university waqf centers had been established; (3) guaranteeing the welfare of disabled and poor students, and lastly (4) enrich the quality of higher education by providing the research grants.

The cash waqf practice is an efficient way to improve the quality standard of education in Malaysia. So, the SRIC, the government, the university waqf centers, and the public should take immediate actions to overcome the challenges to run the cash waqf smoothly in the future. There are some suggestions for immediate actions such as providing training, marketing, and tax exemption for the cash waqf contributors, standardization of waqf enactments for all states, disclosure and updating the latest publication on its official websites including the annual report. So far, all the public universities have their university waqf centers for students and educational purposes. In Malaysia, most of the organizations are collecting the cash waqf for education because education plays a very important role in producing futuristic leaders and developing Malaysia like other developed countries such as Japan, South Korea, Australia, and many more.

CONCLUSION

The findings showed four main challenges faced by the waqf authority; (1) lack of expertise by the waqf staff and manager in cash waqf management; (2) low level of public awareness and less understanding of the university's top management; (3) inconsistency of enactments because of the state's enactment; (4) Improper documentation and no publication on the latest annual report. Despite the challenges, the implementation of cash waqf contributed more good impacts on students and educational institutions such as (1) improve the facilities of schools and universities, (2) more university waqf centers had been established, (3) the welfare of disabled and poor students is guaranteed, and (4) enrich the quality of higher education through research grants.

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