

ANALYSIS OF PRODUCTIVE WAQF FINANCIAL MANAGEMENT AT THE INDONESIAN WAKAF BOARD (BWI) REPRESENTATIVE OF RIAU PROVINCE

Rozi Andrini
Islamic State University of Sultan Syarif Kasim Riau
andrinirozi@gmail.com

Abstract

The Indonesian Waqf Agency (BWI) of Riau exists as an independent institution to support the development of waqf in Riau Province. As an independent institution, BWI functions, one of which is to manage and develop waqf assets on a national and international scale. However, phenomena in the field show that waqf funds at BWI are still relatively small to be managed. This study aims to analyze productive waqf financial management at BWI Riau Province. This research is field research (field research) with a qualitative approach. The results of the study show that the Indonesian Waqf Agency (BWI) of Riau Province has carried out financial management well and at this time productive waqf financial management has been carried out according to the standards set by BWI. However, there are drawbacks, namely that it is only limited to managing the types of cash waqf deposited in Islamic banks. In addition, BWI has problems in financial management, namely the absence of a Sharia Guarantee Institution. This research is expected to provide recommendations for the BWI of Riau Province in managing productive waqf finances as well as material for evaluating the functions of BWI.

Keywords: Financial Management, Productive Waqf, Indonesian Waqf Board

Introduction

Waqf has an inclination in the social field and has a great influence on the economic progress of the people if it is managed properly which of course is based on sources of Islamic law, namely in the form of the Al-Quran, Hadith of Rasulullah SAW, Ijtihad of scholars, and various opinions from sharia economists.

The issue of waqf has always been an interesting discussion, even though it is not something new. Waqf has existed since the time of Rasulullah SAW, the khulafaurrasyidin to contemporary times. Waqf since the time of Rasulullah SAW has proven to be able to help the people's economy. The majority of waqf is distributed for social purposes. The potential for waqf which continues to grow to this day has finally encouraged the formation of an institution that supports waqf in Indonesia, namely the Indonesian Waqf Board (BWI).

BWI is a state institution established under Law Number 41 of 2004 concerning waqf. This agency was formed in order to support the development and advancement of waqf in Indonesia. The establishment of BWI is not to take over the management of waqf assets which has been carried out by the existing waqf nazhirs. However, BWI is present as a coach for nazhir so that waqf assets can be managed properly and productively so that the results of this management can provide enormous benefits to the community, both in the form of social, economic empowerment and building infrastructure for the public. (B. W. Indonesia, 2021)

The Indonesian Waqf Agency (BWI) exists as an independent institution to support the development of waqf in Indonesia, one of which is in Riau Province, which is known as the Indonesian Waqf Agency (BWI) Representative for Riau Province. As an independent institution, BWI has many functions that are very crucial for waqf, one of which is managing and developing waqf assets on a national and international scale. This means that BWI has the authority to manage waqf with a larger and wider scope compared to other waqf management institutions.

With this broad authority, ideally BWI is able to properly manage large-scale waqf as a model for other waqf institutions under BWI. However, phenomena in the field show that the cash waqf funds that have been collected at BWI are still relatively small to be managed. The following is data on cash waqf at BWI Riau Province:

Table 1
Cash Waqf Data at the Indonesian Waqf Board (BWI) Riau Province Representative

No	Year	Amount of Cash Waqf
1.	2019	Rp. 3.185.000,-
2.	2020	Rp. 274.972.739,-
3.	2021	Rp. 285.136.600,-
4	2022	Rp. 140.322.415,-
Total		Rp. 703.616.154,-

Source: *BWI Processed Data for Riau Province 2023*

Based on the table above, it can be seen that the total collection of cash waqf funds in 2019 amounted to Rp. 3,185,000. The amount is very small because the cash waqf collection has just started. Then in 2020 the amount of cash waqf that has been collected is Rp. 274,972,739,-. This number has greatly increased from the previous year. Then in 2021 the amount of cash waqf collected will increase to Rp. 285.136.600,-. In 2022 the amount of cash waqf collected will decrease from the previous year, which was Rp. 140,322,415, -. So that the total cash waqf funds collected by the Indonesian Waqf Agency (BWI) of Riau Province until the end of 2022 is Rp. 703,616,154.- The decrease in the amount of cash waqf collected in 2022 is due to the decreased intensity of outreach due to post-pandemic adjustments to the Covid-19 pandemic.

This research is important to do to provide an analysis of the financial management that has been carried out by BWI and to provide recommendations to the Indonesian Waqf Agency (BWI) Representative of Riau Province so that productive waqf financial management at BWI is carried out even better and BWI can evaluate the functions that have been carried out. Because BWI Riau Province has been designed based on Law no. 41 of 2004 concerning waqf to create better and more efficient management of waqf assets which can later have a greater impact on society, economic empowerment and development for the benefit of the people, especially in Riau Province which has the potential for large cash waqf of up to 7.8 trillion per year , and one of BWI's duties and authorities is to manage and develop waqf assets on a national and international scale. This task can only be carried out if productive waqf financial management is running properly.

Literature Review

The History of Waqf

Waqf is not just an activity of worship but is also a social instrument that plays its role so that it can significantly improve the welfare of the people in all aspects and lines of life. The initial operation of this waqf was carried out by Umar bin Khattab who had a fertile and productive garden in Khaibar. Then Umar bin al Khattab consulted Rasulullah SAW regarding how to donate the garden. Then Rasulullah SAW gave an answer so that

the garden and its principal were still managed properly and then the results from the garden could be donated to the community. (Andi Aisyah, 2021)

If we examine deeper than the story above, it seems as if it teaches us to be able to manage existing resources and produce something that can later be distributed benefits. During the friendship of waqf, it was a source of income for the welfare of society and improving the economy of the community, up to education, as during the Caliphate of Harun al Rasyid with the Bayt al-Hikmah library, which was financed by wealth originating from waqf.

However, if we look at it from the point of view of waqf in Indonesia during the Dutch East Indies era, waqf was only limited to inanimate objects, was not productive and became the responsibility of the community or was only fixated on mosques and what was stated in the waqf law in Indonesia. Then activities related to waqf are regulated by Law Number 5 of 1960 concerning Basic Agrarian Regulations and Government Regulation Number 28 of 1977 concerning Waqf of Owned Land. The regulation only regulates from an administrative and ownership perspective but has not yet touched on management.

Along with the development of the times, the knowledge and ijtihad of the scholars. At the end of 2004, Indonesia succeeded in passing a law regulating waqf which was the starting point for a new paradigm regarding waqf in Indonesia. Among the several developments contained in Law Number 41 of 2004 concerning waqf are related to waqf assets, institutionalization of waqf and management of waqf development. (Andi Aisyah, 2021)

Productive Waqf

The word waqf in Indonesian comes from the Arabic verb **الوقف** which means to hold. (Az Zuhaily, n.d.) According to the majority of scholars, the definition of waqf in syara' is the detention (prevention) of assets that may be utilized, without destroying the object by not taking action against it. the object and distributed to something that is permissible or permissible and exists. (Azzam, 1998). Waqf includes worship in the way of Allah SWT to get closer to Allah SWT, the reward of which is unlimited as long as the waqf is alive it continues to be brought to death. Waqf is one that is recommended by

Islamic teachings, which is used by humans as a means to channel the sustenance that Allah has given them. (Rahman, 2009)

Waqf can be concluded as retaining the assets of Allah WT which is managed by an institution and this is highly recommended according to Islamic teachings because it is a recommendation to get closer to Allah whose reward is until the waqf dies. (Rahman, 2009)

In the Al-Qur'an surah Ali-Imran (3) verse 92 Allah SWT says:

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

Meaning: *"You never come to (perfect) virtue, before you spend some of the treasures that you care about."* (Q.S Ali-Imran, 3 : 92).

A person who dies loses all the goodness of his deeds, in addition to the reward for three good deeds, namely Sadaqah jariyah (alms whose rewards keep flowing that he gives during his life), Useful knowledge (knowledge that he teaches during his life to others, and prayers of pious children (ie children who repay their parents and pray for their parents even though their parents are gone).

The word productive is an adjective that comes from the word product which means result, work, product or object produced. Based on this understanding, the word productive means something that has productive power or the ability to produce (in large quantities). waqf. Such as endowments of land for farming, springs for water and so on. (Qahar, 2005)

The party that plays the most role in the successful management of productive waqf is nazhir waqf. Nazhir waqf is a person or group of people or legal entities entrusted with the task of a waqif (a person who donates assets) to manage waqf. (Djunaidi, 2003)

We must admit that productive management of waqf has been attempted in various ways. Starting from Islamic organizations, Nazirs, Universities, NGOs and the government through the ratification of regulations in the form of Law Number 41 of 2014 concerning waqf and other regulations. Where this proves that the government has

paid attention to waqf management seriously through the legal umbrella. (Choiriyah, 2017)

Waqf Legal Basis

It has been agreed by the scholars that waqf is one of the many teachings of Islam. Waqf is one of the socio-economic features that has been ingrained and rooted in the midst of Islamic society in various countries with teachings and traditions that have been prescribed by law. Waqf has a legal basis, both from the Qur'an, as-sunah and ijma'. In the Qur'an there are no verses that explicitly mention waqf, although this does not mean that there are no verses that can be understood and refer to waqf. Verses that are generally understood and used by jurists as a basis or argument referring to waqf issues, include the words of Allah SWT in Surah Ali Imran verse 92 as follows:

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

Meaning: *"You never come to (perfect) virtue, before you spend some of the wealth that you love and whatever you spend, then verily Allah knows it."* (Qs. Ali Imran: 92)

In addition, the permissibility of waqf is also listed in government regulations in the form of Law Number 41 of 2004 concerning waqf. (Law of the Republic of Indonesia Number 41 of 2004 concerning Waqf, 2004). As well as the Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) which was issued on May 11, 2022. (Cash Waqf, 2002)

Pillars and Terms of Waqf

Basically, the productive waqf pillars are the same as the land waqf pillars, namely:

1. People who donate
2. Waqf assets
3. Purpose of waqf
4. Waqf contract/statement

Of course, the pillars of waqf must fulfill their respective requirements:

1. Waqf must be eternal (eternal) and continuous
2. Waqf must be made in money, without depending on the occurrence of an event in the future.
3. The purpose of waqf must be clear to whom. It means that the purpose of waqf should be clearly stated to whom it is donated.
4. Scholars differ on the element of "eternity". The Shafi'i and Hanafi schools emphasize waqf to fixed assets as a legal condition for waqf which is usually in the form of land, mosques or other fixed assets.

In contrast to Imam Maliki who defines "immortality" for fixed assets and movable assets. The relative perpetuity of waqf depends on the average age of the waqf assets. So that the thinking of the Maliki School provides an opportunity for waqf for any assets including money. The money is used as business capital and then distributes the results as waqf. (Anshori, 2005)

According to Law No. 41 of 2004 concerning Waqf, there are six conditions for waqf that must be met in order for waqf to be implemented, namely: (Law of the Republic of Indonesia Number 41 of 2004 concerning Waqf, 2004)

1. Waqif or person who donates assets
2. Nazhir or the person who will be responsible for managing the waqf property.
3. Waqf Assets or assets being donated
4. Pledge of waqf for the will to endow part of his property for the benefit of the people
5. Allocation of waqf assets over available assets

Tujuan dan Fungsi Wakaf

Waqf has two objectives, namely general objectives and specific objectives, namely:

- a. General purpose The general purpose of waqf is that waqf has a social function. This is because people have different social conditions. From all this, wisdom arises where Allah SWT gives opportunities to the intelligent to guide the stupid,

the rich give part of their wealth to the poor, the strong help the weak. This can be a vehicle for humans to do good in order to get closer to the supreme creator, namely Allah SWT. (Khoerudin, 2018) Thus the most important of all these methods is to issue assets regularly and accompanied by a clear system of rules and objectives. That is where the role of waqf holds a social function as a form of embodiment of a prosperous society. (Khoerudin, 2018)

- b. b. Special purpose The specific purpose of waqf is that waqf has an important mission as an effort to cadre, regenerate and develop human resources. This means that waqf has the goal of doing good, which does not come out of or conflict with Islamic law. Waqf includes depicting the religious spirit of charity for life both in this world and in the hereafter. Because whatever a person donates will be a savior for him in the afterlife. Waqf in particular can also foster social enthusiasm, namely for human awareness to participate in the life of society and the state. (Khoerudin, 2018)

Waqf Financial Management

Financial management is the most vital activity for every business and non-business organization. Qualified financial management can affect business sustainability. Because every business, both profit and non-profit, is established, of course, with the hope of sustainability or for the long term.

Related to the financial problems of the waqf received by Nazhir, it needs to be managed in accordance with applicable regulations. Each form of waqf has clear financial accountability. Financial management is better known as financial management. Financial management is all forms of activity related to financial management decisions and financial assets. The main objective of financial management is to obtain the maximum possible profit through available financial resources. The scope of financial management starts from finding sources of finance, how to use the finances obtained, to the distribution of profits as a result of financial management. Financial management can also be held individually or through companies. (Wikipedia, 2022)

Financial management is an activity of planning, budgeting, checking, managing, controlling, searching, and diverting funds owned by a company or organization.

Financial management is something that is very important for a company to be able to know the condition of the company.

Based on the explanation above, it can be concluded that financial management is all activities carried out by companies or organizations related to how to obtain, how to use and how to manage funds to achieve the goals of the company as a whole. Decision making in financial management relies heavily on accounting data, especially the information presented in the financial reports that have been prepared. Financial management provides benefits for the welfare of holders of financial resources.

Waqf financial management referred to in this study are all activities carried out by nazhir waqf related to how to obtain or collect waqf assets, how to use waqf assets and how to manage collected waqf assets or funds in order to obtain profits so that they can be distributed to beneficiaries. waqf (mauquf alaih) in accordance with the objectives to be achieved by waqf and nazhir waqf symbols.

Collecting waqf assets is also known as fundraising. Fundraising can be interpreted as a process of influencing society, both individuals as individuals and representatives of the community or institutions to channel funds to an organization. (Purwanto, 2009) Fundraising carried out by an organization has various strategies. The fundraising strategy has four well-known aspects known as the fundraising cycle, namely identifying potential donors, using fundraising methods, managing and protecting donors and monitoring and evaluating fundraising. (Munawar, 2018)

Waqf assets that have been collected through fundraising will then be managed to provide benefits. There are several forms of utilization or empowerment of waqf that are collected and used to improve people's welfare, including the following:

1. Field of Worship Facilities

- Assisting in establishing/renovating mosques and prayer rooms
- Help fulfill the equipment for other mandatory worship activities

2. Education Sector

- Assisted in establishing/renovating madrasas and integrated Islamic boarding schools
- Helping to meet educational facilities and infrastructure

- Help build/renovate the tahfiz house

3. Health Sector

- Established an Islamic hospital
- Establishing Health Center
- Establish maternity homes

4. Social Services Sector

- Established orphanages
- Established a home for elderly parents
- Established a home for the disabled

5. Economic Sector

- Provide jobs for the poor according to their skills and abilities
- Providing education and skills training to drop out youth
- Managing waqf land into agricultural/plantation land, business premises, markets, shop houses and rented houses
- Managing waqf buildings into shops that can be rented out
- Manage waqf money through investing in Islamic banks and starting a business
- Collaborate with other entrepreneurs in the form of cooperation that is permitted in Islamic law

Indonesian Waqf Board (BWI) Representative for Riau Province

The Indonesian Waqf Board (BWI) was designed based on Law no. 41 of 2004 concerning waqf. BWI came to create better and more efficient management of waqf assets which in the future can have a greater impact on society, economic empowerment and development for the benefit of the people. The emergence of BWI itself is because Muslims in Indonesia who want to practice Islamic teachings or waqf feel the need to have a special institution that makes arrangements regarding waqf legally. The practice of waqf has existed since the time of Rasulullah SAW, where the first waqf was in the form of land for the Quba Mosque and then the Nabawi Mosque. (Aisha, 2021)

BWI was born under the Law. So BWI has a strong legal position in the national legal structure. BWI's own duties and authorities are contained in Article 49 Paragraph 1

of Law Number 41 of 2004 concerning Waqf, that BWI has the following duties and authorities: (Republic of Indonesia Law Number 41 of 2004 concerning Waqf, 2004)

1. Provide guidance to Nazhir in managing and developing waqf assets,
2. Manage and develop waqf assets on a national and international scale
3. Give approval and or permission for changes in the designation and status of waqf assets;
4. Dismissing and replacing Nazhir;
5. Give approval for the exchange of waqf assets; And
6. Provide advice and considerations to the Government in formulating policies in the field of waqf.

Then, through BWI Regulation Number 1 of 2007 concerning the Organization and Work Procedure of the Indonesian Waqf Board, BWI describes its duties and authorities as follows: (Indonesian Waqf Agency Regulation Number 1 of 2021 concerning the Organization and Work Procedure of the Indonesian Waqf Board, 2021)

1. Provide guidance to nazirs in managing and developing waqf assets;
2. Create guidelines for the management and development of waqf assets;
3. Manage and develop waqf assets on a national and international scale as well as abandoned waqf assets.
4. Provide consideration, approval, and/or permission for changes to the designation and status of waqf assets:
5. Give consideration and/or approval for the exchange of waqf assets:
6. Provide advice and considerations to the Government in formulating policies in
7. field of waqf
8. Receive, do the assessment. issue proof of nazhir registration, and reappoint nazhir whose term of office has expired:
9. Dismissing and replacing nazhir if deemed necessary;
10. Provide advice and considerations to the Minister of Religion in appointing Islamic Financial Institutions Receiving Cash Waqf (LKS-PWU); And
11. Receive the registration of the Waqf Pledge Deed (AIW) for movable objects other than money from the Waqf Pledge Deed Making Officer (PPAIW),

In carrying out its duties and authorities, BWI cooperates with the Ministry of Religion (Directorate of Waqf Empowerment), Indonesian Council of Ulama, National Land Agency, Bank Indonesia, National Development Planning Agency, Islamic Development Bank, and various other institutions. It is also possible that BWI is also working with entrepreneurs/investors in order to develop waqf assets to make them more productive.

BWI is located in every capital city and has representatives in provinces, districts and/or cities. In Riau Province the emergence of BWI was spearheaded by Drs. H. Irhas, Minister of Natural Sciences of Riau Province, together with Chairman Dr. Drs. H. Tarmizi and Secretary H. Jhoni Hendra, in 2014. At the beginning of its presence BWI Riau representatives had a very difficult time so that they did not run optimally and efficiently. So BWI Reconstruction of Riau Province as the Head of the Waqf Empowerment Division tried to organize management performance which was previously not good, and in 2018 a new strategy and management system began to be drafted until BWI Riau Province officially issued SK No 043/BWI/P-BWI/2018 in September 2018 and appointed Head of Central BWI. (Aisha, 2021)

There are several other studies on waqf management including research conducted by Veitzal Rivai in 2016 with the title Management and Development of productive waqf. The results of the study show that the management of waqf funds should have a definite purpose, allocated with an Islamic business orientation such as empowering MSMEs, optimizing waqf land in plantation areas, optimizing waqf land in strategic areas for establishing educational institutions, optimizing waqf funds to absorb labor, revive the region poor and so on. (Zainal, 2016)

Furthermore, research written by Muhammad Beny Ardi et al, in 2021 with the title SWOT Analysis of Cash Waqf at the Indonesian Waqf Board, South Sumatra Province. The results of the research found that BWI has formed a management structure and has collaborated with various parties in every Regency/City in South Sumatra Province. The potential for cash waqf is very large and becomes a challenge in the development of waqf which has not been effective because the waqf money collected at the PWU LKS has not been used. The problem is there are no office operational funds

and inadequate facilities and infrastructure. The threat is the low literacy of cash waqf. (Ardy et al., 2021)

There is also research conducted by Achmad Muchaddam Fahham in 2015 with the title Management of Cash Waqf in the Institute for Management of Waqf and Land Management of the Nahdatul Ulama Region, Special Region of Yogyakarta. The results of this study are that there are 3 reasons that encourage the Waqf and Land Management Institution of the Nahdatul Ulama Region of the Special Region of Yogyakarta to manage cash waqf, namely theological, sociological and juridical reasons. There are 2 stages of collecting cash waqf, namely socialization and granting of waqf certificates. Then the cash waqf is invested in BPD Syariah deposits for the Special Region of Yogyakarta. The results are used to provide interest-free productive loans. (Fahham, 2015)

Many studies have been carried out on the management of productive waqf, but they did not specifically touch on financial management, while one of the productive waqf carried out by BWI was cash waqf. In cash waqf, the managed property is in the form of money, so good financial management is needed so that it can provide greater benefits than the benefits of managing or investing the cash waqf. So that researchers are interested in studying more deeply related to productive waqf financial management at BWI Riau Province.

Research Method

This research is a field research (field research) with a qualitative approach. Research Location at BWI Riau Province Jl. Tuanku Tambusai Pekanbaru. The subjects in this study were the chairmen and members of the Indonesian Waqf Board (BWI) Representative of Riau Province. There were 3 informants in this study consisting of 1 key informant, namely the Chairman of BWI Riau and 2 additional informants, namely the Secretary of BWI and administrative staff. Selection of informants with the consideration that the informants know and master the management of cash waqf at BWI Riau so that they can answer the formulation of the research problem. Data collection techniques in the form of observation, interviews and documentation, for the validity of the data the author uses data triangulation techniques. Data analysis techniques in this study used descriptive qualitative.

Results and Discussion

Waqf Financial Management at BWI Riau Representative

Financial management is the most important thing in waqf management. This is because the financial potential of waqf is very large because the majority of people in Riau are Muslims. In 2018, the population of Riau Province was 6,614,384 people. (BPS, 2021) From this figure, Islam is the majority of the population in Riau Province, namely 5.62 million people. (Kusnandar, 2021) Where this has enormous potential in collecting waqf funds if we routinely collect waqf funds of 1000 rupiah every month it will produce significant waqf.

Waqf financial management, namely all activities carried out by nazhir waqf related to how to obtain or collect waqf assets, how to manage waqf assets or funds that have been collected in order to obtain profits so that they can be distributed to waqf recipients (mauquf alaih) according to the goals to be achieved by BWI then how to use or channel the benefits of waqf assets. Good and regular financial management will affect the results or targets set by the Indonesian Waqf Board (BWI).

Collection of Waqf Funds

How to collect waqf assets is more commonly known as fundraising. In order for fundraising to run optimally and in accordance with the targets achieved, the Indonesian Waqf Board Representative for Riau Province has managed the management starting with planning, organizing, implementing, to evaluating fundraising.

Planning related to the collection of routine waqf funds is carried out at the beginning of the year in the form of an annual plan. The Indonesian Waqf Agency (BWI) Team from Riau Province held a special meeting regarding the plan to raise waqf funds which was approved by the Chair of BWI. Organizing the collection is carried out by the funding section. Implementation of fundraising is carried out based on the schedule set by the planning team. Then the evaluation in fundraising is carried out at the end of the year after the fundraising is carried out. (Goddess, 2022)

The way to collect waqf funds at BWI Riau Representative uses 2 methods, namely: (Qawiyun, 2022)

1. In Person Direct waqf fund raising is a method that uses techniques or methods that involve direct waqif participation. This method is the most commonly used by money waqf nazirs and is known as the conventional method. Direct waqf collection can be done through advertisements, telephone calls or direct presentations to waqifs. Wakif donated face to face with Nazhir. Or Nazhir goes directly to the field or to offices to collect waqf funds.
2. Indirectly Indirect waqf fund raising is a method that uses techniques or methods that do not involve direct waqif participation. This method is carried out using a promotional method that leads to the formation of a strong institutional image, without being directed at donation transactions at that time. Indirect methods carried out by BWI Riau include building a good image for BWI as a cash waqf nazhir, using advertisements on social media, holding outreach activities and waqf seminars, collaborating with various agencies, and conducting mediation with figures such as the Governor. Currently BWI Riau has collaborated with 60 agencies in Riau Province.

Collection of cash waqf using applications has also recently been used due to technological factors that continue to advance and develop so that people have started donating online through applications that provide waqf features on their smartphones. Among them, collection can be done through the QRIS application by scanning a barcode, through the mobile banking application, through open donations and transfers between banks.

The BWI Representative for Riau Province focuses more on cash waqf and waqf through money. (Riau, 2022) The differences are:

1. Cash waqf is waqf in the form of money handed over to Nazhir to be managed productively. The cash waqf is handed over to the nazhir through the LKS-PWU which has been appointed by BWI and then a cash waqf certificate will be given by the LKS-PWU. The management of cash waqf is carried out by the nazhir in order to gain profits, so that the profits are given to the beneficiaries of the waqf (mauquf alaih). For this cash waqf,

BWI Riau Province cooperates with or appoints Islamic Financial Institutions Receiving Money Waqf (LKS-PWU), namely Bank Riau Kepri Syariah and Bank Syariah Indonesia (BSI).

2. Waqf through money is waqf by giving money to be used according to the purpose of the waqf desired by the waqif. Such as waqf through money to buy or procure movable and immovable property that the wakif wants to manage productively for social purposes.

With direct and indirect methods, BWI has succeeded in collecting cash waqf. The total collection of cash waqf funds at the Indonesian Waqf Agency (BWI) Representative of Riau Province for the last 4 years amounted to Rp. 703,616,154.- This amount is still small compared to its potential. The decrease in the amount of cash waqf collected occurred in 2022 due to the decreased intensity of outreach due to post-pandemic adjustments to the Covid-19 pandemic.

Waqf Fund Management

After the waqf assets have been collected, the most important thing to do is manage them so that these assets can benefit so that the profits from management can be distributed to the beneficiaries of the waqf. However, the principal of the waqf cannot be reduced in the slightest, meaning that it must remain intact. Many waqf fund management models are carried out by nazhir waqf. Among them are in the form of social projects (mosques, Islamic boarding schools, bridges), productive projects (agricultural fields, rented houses, paid schools), the real sector (hospitals, minimarkets, bottled water), indirect management (sharia bank deposits, state sukuk, placement of shares, cooperatives).

The management of waqf funds ideally runs optimally and is in accordance with the targets to be achieved. The Indonesian Waqf Agency Representative for Riau Province has regulated the management of waqf funds starting with planning, organizing, implementing, and evaluating fundraising.

Planning related to the management of routine waqf funds is carried out at the beginning of the year in the form of an annual management plan. The Indonesian Waqf Agency (BWI) Team from Riau Province held a special meeting regarding the

management plan for waqf funds that had been successfully collected which was approved by the Chair of BWI. Organizing in management is carried out by the waqf management and development division at BWI. Management is carried out based on a schedule set by the planning team. Then an evaluation of the management of waqf funds is carried out at the end of the year after the waqf funds are managed. (Goddess, 2022)

Productive waqf management carried out by the Indonesian Waqf Agency (BWI) Riau Representative is currently limited to depositing cash waqf funds that have been successfully collected at Islamic Banks. In addition, no other management has been carried out. The obstacle is due to the absence of a Sharia Guarantee Institution, so that investment risks are difficult to avoid. In addition, BWI Riau also has not found a productive business in the real sector that can be managed and has low risk. (Suharto, 2022)

Through deposits at Islamic banks, within three years BWI Representative of Riau Province was able to get a profit sharing ratio of 25,000,000. (Riau, 2022) In moving BWI experienced obstacles due to the absence of a sharia guarantee institution, so Nazhir was required to be creative and keep up with the wrong times one with cash waqf deposited, namely cooperating with Bank Riau Kepri Syariah or making waqf through money, meaning that the money collected is intended to buy waqf assets. Because there is no LPS, all risks that occur must be borne by the manager.

Distribution of Benefits from Waqf Fund Management

After the waqf funds are managed, the benefits or results of this management can be distributed to the beneficiaries of the mauquf alaih waqf. The distribution of waqf benefits aims to help strengthen the economy of the beneficiary community, increase the beneficiary's business capital, drive the economy of the beneficiary community, finance productive waqf assets/assets and support the implementation of social programs.

There are various forms of programs created by the Indonesian Waqf Agency (BWI) to be distributed to waqf beneficiaries. The program for channeling benefits from the management of the Riau Representative BWI waqf are: (Qawiyun, 2022) Scholarships for Dropout Children, Collaboration to Create Outlets with Rotte, Investment in Gold Savings with Sharia Pawnshops, Palm Oil Waqf, Productive Business

Capital Loans, Formation of the Riau Waqf Forum , Development of SPUB Waqf, Guidance and Training.

The collection of cash waqf by BWI Riau is in line with the theory put forward by Munawar and Rozalinda. also in line with research conducted by Nabilatul Amaliyah, et al. (Amaliyah et al., 2022). Cash waqf investments made by money waqf nazirs in Riau Province are also in line with Law no. 41 of 2004 concerning waqf which states that cash waqf (cash waqf/ waqf al-Nuqud) is waqf in the form of money in rupiah which can be managed productively, the proceeds of which are used for mauquf alaih. In Article 43 paragraph (2) of Law no. 41 of 2014 concerning cash waqf states that the implementation of productive waqf can be carried out by way of investment, investment, production, trade, partnerships, agribusiness, mining, industry, technology development, building construction, supermarkets, shops, offices, educational facilities or health facilities others. (Law of the Republic of Indonesia Number 41 of 2004 Concerning Waqf, 2004)

Profits from mudharabah deposits tend to be minimal when compared to investments made in the real sector. However, BWI Riau Province believes that investing in mudharabah deposits is a relatively safe and minimal risk option because nazhir must guarantee that cash waqf assets must remain intact. In addition, nazhir cash waqf BWI Riau Province also does not have operational funds to manage investments in real terms. As well as the absence of a Sharia Supervisory Board (DPS) which oversees the management of cash waqf.

Result

Productive waqf financial management at BWI Riau Province has been carried out well, starting from planning, organizing, implementing to evaluating. Waqf financial management is carried out in the form of raising waqf funds, managing waqf funds to distributing waqf management benefits to beneficiaries of waqf (mauquf alaih). However, the management of waqf funds that have been collected is limited to investing or depositing waqf funds in Islamic financial institutions in collaboration with BWI Riau Province Representative. Obstacles that occur in the management of waqf funds at BWI are that until now there has been no Sharia Guarantee Institution, have not found a business in the real sector that is suitable, and no office operational costs. Therefore, until

now BWI Riau Province has only collected cash waqf and cash waqf. BWI as a cash waqf nazhir is required to be creative, innovative and keep abreast of the times in waqf financial management so that it can become a model for other cash waqf nazhirs in Riau Province in particular.

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