

ZAKAH/DONATION COLLECTION, INVESTMENT & DISBURSEMENT CRITERIA

Both Zakah and Donation/Charity are purely Islamic philanthropy and Muslims are advised and reminded that Zakah is Farz (mandatory) and has to be paid by Muslims who have a certain amount of wealth in their possession for a particular period of time.

Because of the purity and sensitivity in nature, extreme care should be taken in the collection, Investment and proper utilization and disbursement of Zakah and even Donation/Charity.

If due and proper diligence is not taken care of in handling these matters, then the very purpose and objective of these matters would not be achieved, resulting not only in non fulfillment of the Fareezah (specifically in the case of Zakah) or good deed rather it could become a sin and would go against the shariah principles and teachings of Islam.

In order to effectively utilize the Zakah and Donation/Charity according to Islamic shariah, following criteria/steps must be ensured in these matters. These three criterias are:

1. Collection Criteria
2. Investment Criteria
3. Disbursement Criteria.

Collection Criteria

- There must be proper, separate collection accounts for Donation/Charity and Zakah.
- There should be proper, different/separate (different in colour) receipts for Donation and Zakah (one colour for Donation and other for Zakah) and these should be easily identifiable and it should be written on the receipt that it is only for Zakah and on other, it should be written for Donation/Charity/Sadqah only.
- It is mandatory that all the accounts should be opened in Islamic Banks i.e. for collection purposes, the organization must open accounts in all the Islamic Banks in the country on priority basis. This way they can properly target the Islamic Banking customers.
- No savings account should be opened in any conventional bank. Only current account can be opened in it. And even incase of current account in any conventional Bank, it must be ensured that the deposit is transferred to any Islamic Bank as soon as possible.

Investment Criteria

- The investment of Zakah and Donation/Charity Account should be separate.
- All the investments of both Zakah and Donation should always and only be in shariah compliant schemes and ventures.
- Not a single paisa of these should be invested in any conventional bank or non shariah compliant schemes.
- Donation could be invested in Long Term investment.

Disbursement Criteria

- Zakah should always and only be spent on the recipients who are eligible of Zakah.
- For this, a proper form (attached herewith) should be got signed from the Zakah recipient clearly stating and undertaking that he is eligible for the Zakah money.
- Proper assessment of students should be made every year in terms of Zakah eligibility criteria. Zakat Eligibility criteria is given below.
- A proper declaration should be taken from the patient that incase during a year, he/she get enough funds which make him non recipient of Zakah, he/she should immediately inform the concerned authority so that no Zakah is spent on his/her expenditure.
- A proper, periodic shariah audit should be conducted for this so as to remove any short coming in all the three criterias.
- It is mandatory that Zakah collected in any one particular year must be spent within one year only.

ELIGIBILITY CRITERIA

Recipients of Zakah

The Holy Quran has fixed eight categories of recipients in verse 60 of *Surah Taubah*. The Arabic text of the verse along with its translation is as follows:

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمَوْلَىةِ قُلُوبِهِمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي
سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ (60)

The Sadaqat (prescribed alms) are (meant) only to be given to the poor, the needy, to those employed to collect them, to those whose hearts are to

be won, in the cause of the slaves and those encumbered with debt, in the way of Allah and to a wayfarer. This is an obligation prescribed by Allah. Allah is All Knowing, Wise. [60]

There is a consensus amongst the jurists that the disbursement of Zakah is solely confined to these eight recipients. The Holy Prophet ﷺ was once asked by a Companion to give the latter Zakah. The Holy Prophet ﷺ replied:

إِنَّ اللَّهَ تَعَالَى لَمْ يَرْضَ بِحُكْمِ نَبِيِّ وَلَا غَيْرِهِ فِي الصَّدَقَاتِ حَتَّى حَكَمَ فِيهَا هُوَ فَجَزَّأَهَا ثَمَانِيَةَ أَجْزَاءٍ فَإِنْ كُنْتَ مِنْ تِلْكَ الْأَجْزَاءِ أُعْطِيَتْكَ حَقُّكَ¹.

Allah has not assigned the right to distribute zakah to any Prophet or any body else. He Himself has ordered about it and has fixed eight categories (of recipients). If you qualify as being from amongst these, I will give you your right.

these eight categories are as follows:

Description of the eight categories of Recipients of Zakah

1,2) The poor, the needy (*Fuqara and Masakeen*)

The *Fuqara* and *Masakeen* are extremely poor persons. The eligibility of receiving Zakah under this category is restricted to the either of the following three:

- Who do not own any property or assets at all, or
- Who do not own any property or assets in excess of basic necessity (e.g. House, furniture and effects, personal clothing, servant, tools of trade), or
- Who own property in excess of basic necessity but the excess is below the value of *nisaab*.

It must be kept in mind that above mentioned three categories are distinguished from the two classes, namely:

- Those who own, in excess of basic necessity, property or assets on which Zakah is levied (such as gold, silver, cash, inventory) whose value after deduction of debts equals or exceeds the value of *nisaab*. They are obliged to pay Zakah, and cannot receive it.
- Those who own, in excess of basic necessity, property or assets on which Zakah is not levied (such as diamonds, land which is not purchased for trade, etc) which equals or exceeds the value of *nisaab*. They are not obliged to pay Zakah but at the same time cannot receive it.

3) Collectors of Zakah (*Al-'Aamileen*)

¹Abu Dawood

Al-'Aamileen are those persons who are appointed by the Islamic State, or Muslim ruler, for the purpose of collecting Zakah. Zakah can be given to them, even when they are rich, as the salary for their efforts in collecting Zakah. In regard to the rest of the seven categories of recipients, need is defined as a requirement and a rich person cannot be a recipient of Zakah. This is not the case with *Al-'Aamileen* because the head of the Islamic State is responsible for the needs and welfare of the poor within his jurisdiction. He is therefore deemed to be their agent. The *Al-'Aamileen*, as employees of the head of state, are likewise agents of the poor and needy. It follows that the Zakah obligation is discharged as soon as the Zakah is paid by the Zakah payers to the *Al-'Aamileen*. And the salaries given to them is as if given by the poor themselves. It is exactly like the case when a person, who is eligible to receive Zakah, hires an attorney and pays his fee from the Zakah he received.

4) Those whose hearts are to be won (*Al-Mu'allafatu-Al-Quloob*)

This category of recipients refer to the poor and needy Muslims (*Fuqara* and *Masakeen*) who are given Zakah for the express purpose of strengthening their hearts and making them incline to Islam. Non-Muslims are excluded in accordance with the general principle that they do not qualify as recipients of Zakah. According to Imams Shafi'i and Ahmed, rich person possessing nisaab may receive Zakah under this category.

5) The cause of (freeing) the slaves (*Ar-Riqaab*)

The word *Riqaab* is the plural of *Raqabah*, which literally means "neck". In usage, it is applied to the whole person of a human being and therefore refers to a slave.

The majority of the jurists are of the view that the word *Raqabah* mentioned in the verse is confined to the *Mokatab*. *Mokatab* is that slave who enters into a contract with his master in terms of which the latter undertakes to free him against payment of a fixed sum of money. The view of the majority of the jurists is for the reason that in paying Zakah the recipient must be made owner of the Zakah property. In addition, Zakah cannot be paid as consideration for services rendered on the part of the recipient. In the case of disbursing Zakah to free a slave, the master becomes owner of the Zakah in return for the slave's freedom. The slave himself cannot own property for want of legal personality. On the other hand, payment of Zakah to the *Mokatab* makes the latter owner thereof.

6) Debtors (*Gharimeen*)

The word *Gharimeen* is the singular of *Gharim*. It means debtor. The verse refers to a specific type of debtor, i.e the one who is poor. A debtor can only be said to be poor and thus eligible to be the recipient of zakah if his net assets (the difference between his assets and liabilities) is below *nisaab*.

7) The way of Allah (*fi Sabilillah*)

All interpretations narrated by the *Sahabah* and *Tabi'een*, regarding the word *fi sabilillah*, have expressively defined this word as either for *Mujahideen* or for pilgrims of *Hajj*. *Imam Ibne jarir* and *Imam ibn e Kaseer*, who restricted themselves to interpret the verses of the Holy Quran in the light of *Ahadeeth*, have particularized

the word *sabilullah* with those *Mujahideen* and pilgrims of *Hajj* who do not have enough resources to perform their respective deeds.

On the other hand, some Muslim Jurists such as *Allama Kasani*, have generalized the interpretation and extended the meaning of *sabilullah* to all good acts enjoined by the shariah. However, these Jurists have specifically described that the recipients must be poor and needy persons. Therefore, the jurists are unanimous on the point that Zakah cannot be spent on projects that would promote the interests of and be beneficial to the Muslim Community e.g. building of hospitals, roads, bridges and the like.

8) Wayfarer(*Ibn-us-sabil*)

This category refers to a traveler who, despite being wealthy at his place of residence, is in need during his journey. It is permissible to give such traveler Zakah to the extent of his needs. It is not permissible for such traveler to take Zakah in an amount which exceeds his needs and requirements. It is preferable for such traveler to borrow funds if he is able to do so than to accept Zakah.

Some Important rules relating to the recipients of Zakah

- If some one owns cash, trading assets, gold and silver equivalent to the value of 613.35 grams of silver, he is considered as wealthy in Shari'ah, hence not eligible to receive zakah.
- If some one owns, in excess of basic necessity, an asset or property on which zakah is not levied (such as diamond, vacant land not for commerce) and the excess is equivalent or above the value of 613.35 grams of silver, he is also considered as wealthy in Shari'ah. He cannot receive zakah but at the same time, is not obliged to pay zakah.
- If one has cloths or crockery that are not used for years but for once or twice, then these cloths or crockery will be considered as an excess of basic necessity. Hence if its value is equivalent or above the value of *nisaab*, the owner cannot receive zakah.
- The house in which one lives, the household furniture, servants, personal clothing and a motor vehicle all are basic necessities. The owner of all these assets will not be considered as wealthy, no matter how expensive the assets are. Rather he is entitled to receive zakah if he does not have any zakatable asset equivalent to the value of *nisaab*.
- If a person has given some of his houses on rent and he does not have any assets on which zakah is levied, he can receive zakah.²
- If a person has 20,000 Rs. and he is indebted of 20,000 Rs, he can receive zakah. If, in the above case, he is indebted of less than 20,000 Rs, then if the balance is equivalent or above to the value of *nisaab*, he cannot be given zakah. And if the balance is less than the *nisaab*, he can be given zakah.³
- Zakah cannot be given to a minor child of a rich person because such minor is deemed to be rich by virtue of the wealth of his father. If the child is major

² Same as above.

³ Hindiyah pg: 188, vol: 1, Bahishti Zewar pg: 225

and needy, zakah may be given to him irrespective of the financial standing of the parents.

- Zakah can be given to a minor child whose father is not rich but his mother is rich and wealthy because a minor child is not considered rich by virtue of the wealth of his mother.
- Zakah can be given to a poor woman whose husband is rich. Similarly, it is permissible to give zakah to a poor person whose child is rich.
- There is consensus of the Muslim jurists that it is not permissible to give zakah to non-Muslims. Other forms of voluntary charity (sadaqah naafilah) may be given to them.

Zakah cannot be given to the children of *Banu Hashim*. These are descendants of the Prophet's family (i.e. the descendants of Hazrat Ali رضي الله عنه, Hazrat Ja'far رضي الله عنه, Hazrat Aqeel رضي الله عنه, and Hazrat Harith ibn Abd Ul Muttalib) and are commonly known as Sayyids.