

UNIVERSITI TEKNOLOGI MARA

**METHODS OF ZAKAT COLLECTION IN ENHANCING
GOVERNANCE IN KEDAH (2024): A CASE STUDY AT
LEMBAGA ZAKAT NEGERI KEDAH**

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ABSTRACT

The lack of data management and uncertainty regarding the quality level of zakat being delivered by zakat institutions will raise concerns within the community. Issues in zakat management cannot be solved merely by increasing the amount of zakat collection and distribution. There is an urgent need for innovation and a deeper understanding of the potential of zakat collection methods to meet the needs of the modern community and improve good governance. Therefore, a strategic approach is needed to plan and manage zakat collection to ensure it operates more efficiently. This study aims to examine the zakat collection methods used at Lembaga Zakat Negeri Kedah (LZNK) and how they can improve zakat governance. The study specifically investigates how zakat collection methods such as e-zakat, online banking, and counters at LZNK contribute to improving zakat governance. This research uses a qualitative approach through semi-structured interviews with seven zakat officers at LZNK and secondary document analysis. The study suggests that the success of zakat governance at LZNK is not only measured by the amount of zakat funds distributed to the recipients (*asnaf*), but it is also closely linked to transparent and efficient collection methods and community involvement in paying zakat. The findings show that zakat collection methods at LZNK, such as salary deductions and online systems, are highly effective in strengthening governance through transparency and accountability.

Keywords: *Good Governance, Zakat Collection Methods, Lembaga Zakat Negeri Kedah*

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CHAPTER 1

INTRODUCTION

1.1 Introduction

In this chapter provides an overview of this study. It consists of a discussion on the history of the study, the aim of the study, the research question, the importance of the investigation study, the limitations of the study, the study, the scope of the study, and finally the conclusion of the study. This study aims to investigate more deeply about the method of zakat collection in improving zakat governance in Kedah for the year 2024. This chapter will give full details about this issue and explain why this research is important.

1.2 Research Background

Zakat is the fourth pillar of Islam. Therefore, giving zakat is one of the obligatory acts of worship for every Muslim who owns property and meets the conditions for the amount of *nisab* that has been placed on them. (Sulaiman, Abdul Rahman, & Nik Mat, 2019). Worshipping of zakat is an Islamic teaching that cannot be doubted because it has been explained in the Al-Quran about the obligation to pay zakat.

“Establish prayer, pay zakat, and bow with those who bow.”

(Al-Baqarah: 43)

The verse above shows that the command to perform prayer is obligatory, as well as paying zakat is obligatory. This is because the verse above has *used sighah fi'il amar* or command which shows a command or instruction to pay zakat. Furthermore, zakat contributes significantly to social harmony and the *asnaf* group's ability to maintain a high standard of living (Olanipekum, Brimah, & Sanusi, 2015). In Malaysia, the zakat system is managed by state zakat institutions that are responsible for collecting and distributing zakat funds to eligible recipients. Governance practice like accountability, transparency and equitable distribution of zakat resources are essential to the efficacy and efficiency of zakat collection (Takril & Othman, 2020). The