

## **Cash Management Strategy in Muhammadiyah Organization (Case Study on Muhammadiyah Sumatera Utara)**

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**Abstract:** This article tried examining the strategy of cash waqf management in Muhammadiyah organization based on the case studies muhammadiyah's leadership Sumatera Utara region . This study is conducted by combining the field and library research. Accordance with Analytic Network Process (ANP) results based on the priority scale explains that the strategy used in cash waqf management Muhammadiyah organization Leadership Sumatera Utara, the most priority is the socialization program. The main obstacle is from the internal side of human resources / Nadhir, while from the external side is from wakif, government, alternative investment. Finnaly, the solution given for overcoming the constraints of cash waqf management is investing cash waqf in shariah mutual funds.

**Keywords** – cash waqf, organization, muhammadiyah.

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### **I. INTRODUCTION**

Waqf in classical Islam history has very significant role in improving Moslem welfare in many sides. Waqf is also one potential resource social funds that closely related to human welfare in addition to *zakat, infaq and shadaqah*. The development of waqf in Indonesia began becoming dynamized in 2001, some practitioners of Islamic economics gave a new paradigm to society about the concept of cash waqf management to improve the human welfare. Then the Indonesian Ulama Council welcomed the concept by issuing the concept in fatwa allowing the money waqf (*Waqf al-nuqud*).

The Institutionalization waqf in Indonesia is spearheaded by Muhammadiyah pioneer, KH Ahmad Dahlan in the early twentieth century. The organization efforts of " Islamic Modernist " collecting, managing, developing, distributing and utilizing zakat funds and other donations effectively and strategically have been realized in real charities of human development and social investment. Muhammadiyah's actual charity has produced 5775 Kindergartens, 5538 primary and secondary educational institutions, 166 colleges, 250 hospitals and clinics, 493 social service facilities (such as orphanages, nursing homes and others) and 10 public financial institutions spreaded throughout the archipelago.

Based on the Minister of Religion decree Republic Indonesia Number 547, Executive of Central Muhammadiyah established LAZIS Muhammadiyah on September 16<sup>th</sup>, 2002 and confirmed as National Amil Zakat Institute [1]. Especially Sumatra Utara, Cash waqf Muhammadiyah Sumatera Utara (GWMTSU) Movement begins with Muhammadiyah concerns about endowments owned by the Muhammadiyah Unity which doesn't have any beneficial for human being. This happens because there is no special fund for developing it. Based on the cash waqf movement turned on becoming agenda of 10th Musyawarah (Musywil) in Pematang Siantar 2005. Then along with the development and progress of Muhammadiyah organization then it is formed the special institutions for managing and developing cash waqf in a special institution known as Amil Zakat institutions, Infaq and Cash Waqf (LAZISWA) Muhammadiyah Sumatera Utara [2].

Based on the dynamics presented above, this study tried examining how is the strategy of cash waqf management which is also one of instruments is money waqf, especially how the implementation and management of cash waqf in Muhammadiyah organization Indonesia, as well as analyzing the constraints and the solution.

### 1. The Meaning of "Waqf"

The word "waqf" or "waqf" is derived from Arabic "*waqafa*" means "endurance" [3] and *al-man'u*, (hinder) [4]. The word "*waqafa (fiil madi) -yaqifu (milari fiil) -waqfan (isim masdar)* [5] is equivalent to "*habasa - yahbisu* - ordination "means detaining, preventing [6], stop or detention [7]. It is called arrested because waqf is detained from the damage, sale and all actions that is not balancing with the waqf purpose. It is said holding also because the benefits and the results are held and prohibited for entitled to waqf. [8]

Waqf based on the etymologically *al-habs* (endurance [9]. It is a masdar word (gerund) of the phrase *waqfu al-syai* 'which basically means holding back something. Thus, based on the term is for giving the land to the poor to be detained. This because the possessions are held by others, such as holding cattle, soil and everything [10]. Based on the Mahzab fiqh Maliki [11] much more is used the word "habs", which means the same as waqf (waqf). The word habs, plural word from *hubus or ahbas*, is believed as derived of Habous's French vocabulary [12].

## II. LITERATURE REVIEW

### 2.1. The Meaning of "Waqf"

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### 2.2. Waqf Based on Islamic Law

The Verse of the basic resources of waqf that became the basis of waqf teachings derived from the understanding of Al-qur'an and also As-Sunnah. None verse in Qur'anic describes waqf teaching explicitly. There is about the context understanding of verses Qur'an categorized as good deeds. The verses refers to waqf as good deeds in Al-Quran Surah Al-Hajj verse 77, Surah Ali Imron verse 92, Surah Al-Baqarah verse 261, Al-Quran Surah Al-Baqarah verse 267, and a bit about related hadist.

Nevertheless, the few verses of Qur'an and Sunnah is sufficient as guiding for Islamic Fiqh expert. Since Khulafaur Rashidin era until now, in discussing and developing the waqf law is by using their method of extracting their law (ijtihad). Therefore most of the waqf rules in Islam are defined as the result of ijtihad like *qiyas, maslahah mursalah* and others. The interpretation of waqf is often revolved synonymous with *shadaqah jariyah*, it is like reward continuing flow to flow utilized by human life.

Checked of the owned law, the teachings of waqf is a recommendation (sunnah), but the owned power is as pioneer for human welfare. Thus, the teachings of waqf of ijtihadi, automatically become non-managerial supporters that the management can be developed optimally [13].

### 2.3. Elements and Waqf Pillars

There are four elements or waqf pillar according to most of Fiqh expert and Islamic jurisprudence, such as 4 pillars of *waqib* (someone gives waqf), *mauquf* (Terms of Goods Reputed), *mauquf alaih* (may not to be contrars of worship values) and *shighat* (greeting, writing or gesture). While the used principle is Benefits Eternity, Principles of Accountability and Principles of Management Professionalism.

### 2.4. Previous Research

Samsun Juni Anwar 2008 based on the title "Prospect of Cash waqf in Islamic Law development in Indonesia". The study concluded that the difference of opinion among expert about cash waqf law is considered completely, and the special characteristic of Islamic law is dynamic. The practice of cash waqf in Indonesia is conservative than other islamic countries, this happens because the lack of waqf understanding, people are more interested in other deeds such as *infaq, shodaqoh* and others. Indonesia has potential waqf but it is not utilized yet, waqf still handled conventionally by managers with individual recruitment trust. Based on econom expert, the waqf assets in Indonesia have a good prospect to be developed with the application of cash Waqf Certificate. (SWT) [14].

The study of waqf problems and solutions have been done by previous writers such as, Suhadi (1995) argued that the using of land waqf is for helping the interests or general welfare as worship (devotion) to Allah

SWT and this should be expressed in endowments form. According to his research, land waqf in Indonesia has not functioned well to help the public interest yet. Therefore, the management of land waqf is more effectively, it is recommended the manager should has legal entity.

Meanwhile, Hasanah (1997) argued this study concluded that the waqf management leads to realize the human welfare and it has not be able to realize yet [15]. Furthermore Fathurrohman (2012) explained that most of land waqf is used for religious facilities and some of them are not strategically located. In addition, nazhir's knowledge and understanding of waqf rules is still lack. Meanwhile, Salih (2007) explained that there are 5 pillars to keep waqf like *maqashid shari'ah*, for maintaining religion (*hifzhuddiin*) then waqf has a role for cleansing the heart of a *waqif* in order praying to Allah instead of the treasure . So it can lead to *hifzhunnafs* (keeping soul), *hifzhunnasab* (keep the offspring), *hifzhul maal* (keep the treasure), and *hifzhul 'aql* (nourish the mind).

The above research differs from the researcher desertation did, in previous dissertation discussed about the prospect of cash waqf in the development of Islamic law Indonesia and the study of MUI fatwa's analysis of money waqf. There are some differences about the discussion contained in the two dissertations with the dissertation nowadays. In this dissertation, the researcher wants to know how the land waqf management strategy exist in Muhammadiyah organization. The equation with previous research is just about discussing money waqf or cash waqf.

### III. METHODOLOGY

This research is a combination research or mixed methods. If it is seen from the object of study, this research is a combination of field research (field research) and research library (library research), the research is relying on data obtained from depth interviews with informants and literature search like, journals, and research results.

The data source of this research is primary data obtained from depth interview with practitioners in Muhammadiyah organization of Sumatera Utara Region Leadership and academics who are considered experts and know about cash waqf.

The method used is Analytic Network Process (ANP) method. ANP is a decision-making technique for a problem [16]. Analytic Network Process (ANP) is also a mathematical theory that is able analyzing with the assumptions approach to solve the problem form. This method is used in the form of a settlement with consideration of the problem complexity adjustment by the greatest priority effect. In addition, Analytic Network Process (ANP) is able to explain the factor dependency factor and its feedback systematically. Decision-making in the ANP application is to consider and to validate the empirical experience [17].

### IV. RESULTS AND DISCUSSION

Referring to the used methodology, namely Analytic Network Process (ANP) to see the priority scale according to the practitioners in Muhammadiyah organization, Muhammadiyah Regional Leadership (PWM) of Sumatra Utara who became respondents in this research, the results can be seen that the strategy used in waqf cash management in Muhammadiyah Leadership Sumatera Utara, the most priority is the socialization program, then cash waqf segmentation, further strengthening management, then optimization of investment, and educational programs and third-party cooperation.

The troubles in Muhammadiyah organization, Regional Leadership Muhammadiyah Sumatera Utara in cash waqf management can be divided into two, like internal and external issues. Internal problems of Muhammadiyah, human resources / Nadhir, cash waqf techniques. Then external troubles come from *wakif*, government, alternative investments. The most priority problem faced is the external problem that is *wakif*, while the problem that the priority faced is trust.

The solution given for overcoming the troubles of cash waqf management in Muhammadiyah organization Leadership of Sumatra Utara Region can be divided into two, namely internal and external solutions. The most priority solution comes from alternative investment. In this alternative investment solution the most priority is investing cash waqf in shariah mutual funds.

### V. RESULTS AND DISCUSSION

#### 5.1. Conclusion

The better strategy should be applied in cash waqf management in Muhammadiyah organization Head of Muhammadiyah Sumatera Utara Region is socialization program, cash waqf segmentation, management strengthening, investment optimization, and educational program and third part cooperation. The troubles include internal and external issues. internal problems derived from human resources / Nadhir, cash waqf techniques. Furthermore, the most prioritized external problem faced is *wakif*, and the priorities trouble is about trust. The most priority solution comes from alternative investment. The action in the most priority alternative investment solution is for investing cash waqf in Islamic mutual funds.

## 5.2. Suggestion

Some suggestions which is given by the researchers about the strategy of cash waqf management in Muhammadiyah organization are;

1. To the government  
It is expected to continue improving the socialization of cash waqf regulated in waqf legislation also encourage the Indonesian Moslem to invest their treasure with cash waqf by increasing the news that sharia banking has been appointed government as a financial institution legitimately provide cash waqf certificate to wakif who runs waqf in banking institutions.
2. To the Regional Leadership of Muhammadiyah Sumatera Utara  
Giving more attentions through; increasing of management for the nadhir by improving their professionalism. Also increased the supervision on cash waqf investment so the purpose of cash waqf development can be realized well, then increase the socialization activities of cash waqf.
3. To the community  
It is expected to be much more becoming wakif in cash waqf, so the Moslem human welfare Especially Sumatera Utara better as long as the wakif add.

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