

Exploring Cash Waqf Models for Financial Modernisation in Dayah-Based Islamic Higher Education Institutions in Aceh: A Sociology of Islam Perspective

Amiruddin Abdullah^{1*}, and Ruslan Razali²

^{1,2} Institut Agama Islam (IAI) Al-Aziziyah Samalanga Bireuen Aceh, Indonesia

Article History

Received: January 23, 2023

Revised: May 02, 2024

Accepted: June 29, 2024

Keywords :

Cash waqf, financial modernization, Islamic higher education institutions, sociology of muslim community

ABSTRACT

Throughout Islamic education, *waqf* has been integral to the ummah, especially in education. The potential for developing funding for educational institutions from new *waqf* sources, particularly cash *waqf*, is significant. This study examines the opportunities for implementing cash *waqf* models in Islamic Higher Educational Institutions (PTKI) in Aceh, focusing on modernizing the financial system at *dayah*-based PTKIS. This research employs a mixed-method approach to identify a gap in the effective implementation and management of cash *waqf*, including qualitative interviews and quantitative data analysis. The study explores current practices, challenges, and potential solutions in asset management, fundraising, investment strategies, and the utilization of *waqf* proceeds. Findings show substantial opportunities for innovation and improvement in these areas despite obstacles such as awareness and administrative issues. Based on the sociology of Islam perspective, this research highlights the interaction between local and universal aspects of Islam, emphasizing the importance of humanistic values in modern financial practices. This study provides strategic insights and recommendations for stakeholders to develop and implement effective cash *waqf* models, enhancing the financial sustainability of Islamic educational institutions in Aceh.

© Abdullah & Razali (2024)



This is an open-access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license

Correspondence Address:

amiruddinyes@gmail.com

JURNAL INDO-ISLAMIKA

Published by Graduate School of UIN Syarif Hidayatullah Jakarta, Indonesia

Please cite this article in APA Style as:

Abdullah, A & Razali, R.(2024). Exploring Cash Waqf Models for Financial Modernisation in Dayah-Based Islamic Higher Education Institutions in Aceh: A Sociology of Islam Perspective. *Jurnal Indo-Islamika*, 14(1), (62-78). <https://doi.org/10.15408/jii.v14i1.40676>

1. INTRODUCTION

The existence of educational institutions in the history of Islamic civilization cannot be separated from the attitude and behavior of generosity among the Islamic community. As part of the spirit of philanthropy, Waqf has played an essential function in various aspects of the Ummah, especially in revitalizing education (Putra et al., 2018). Waqf also strengthens the implementation of teaching and learning processes in all Islamic educational institutions such as *Masjīd*, *Maktāb*, *Madrāsah*, *Bayt al-Hikmah*, *Ma'hād*, *Jāmi'ah*, and others. Even in a broader context, *waqf* has also become one solution to overcome social inequality problems, such as poverty, health, and infrastructure development, such as roads and bridges, parks, and the environment (Kahf, 2003). It became one of the important pillars and main resources in strengthening the development of Islamic civilization. Of the many Islamic universities that have been successfully fostered with strong support from the waqf system is Al-Azhar University in Cairo, Egypt. It became one institution that could develop and survive centuries since the Fatimid Dynasty and Al-Muizz in 925-975 AD (Kahf, 2003).

The same thing also happened and developed in the Nusantara, along with the increasing development of the world of Islamic education in various aspects from time to time. The need for funding, facilities, and infrastructure for education is becoming greater, including the need for education personnel accompanied by improving aspects of welfare of teachers and students at all levels of institutions (Khan, 1990). In Aceh, traditional Islamic educational institutions have also developed and undergone significant changes in various aspects with the main support of the waqf system. Islamic boarding schools have now developed in a more competitive direction, the modernization process, both in terms of infrastructure and the education system.

In Aceh's traditional Islamic boarding school environment, better known as *Dayah*, not only have many formal schools been established, but several Islamic Higher Educational Institutions (PTKI) have even grown based on Islamic boarding schools. The relationship between these traditional educational institutions and government agencies has intensified with local and central governments. The attention and support given by the government have encouraged these Islamic educational institutions, especially at the university level, to become more developed and follow the established standards. However, the independence of these institutions still needs to be strengthened, especially in the economic aspects of education and financial management systems, so that their existence can be maintained and improved to be more professional in the future.

1.1. Cash Waqf Development Potential

One of the successful potentials that can be developed in revitalizing universities' economic and financial independence based on Islamic boarding schools is to reformulate the governance system of assets and Waqf properties owned. So far, Waqf assets and properties such as land, gardens, rice fields, ponds, buildings, and others owned by these educational institutions have significantly impacted *dayah* education in Aceh. However, they are still managed and used traditionally (Razali, R. 2015). In fact, many are not inventoried to related official bodies such as Baitul Mal, BAZIS, or the Indonesian Waqf Agency. Even though all these assets and properties have a very high value if managed more professionally. Waqf has great potential to be developed sustainably in quality and quantity (Sulistiani, 2021). The opportunity to develop funding for educational institutions from new waqf sources is very large, especially with the pattern of raising

cash waqf, which is now widely carried out in many places. The potential of permanent donors and alumni is very large and needs to be developed. It's just that it takes effort to open managerial and socialization opportunities more comprehensively.

In Islam, as developed by Ibn Khaldun, social solidarity, which reflects the conception of *Asabiyyah*, is that the similarity of background and social unity will give rise to the spirit of cohesiveness and solidarity in a society or community. In addition, *asabiyyah* is also the main factor in the formation of community progress and can affect the social stability and sustainability of the civilization of an entity, both society and institutions (Majid, MK, 1996). Society always experiences progress at a certain time, but over time, progress can turn into regression and threaten the sustainability of a group's civilization. Based on this theoretical study and its relevance in modern socialism today, it is illustrated that social solidarity always gives birth to a sense of togetherness, solidity, and continuous loyalty, such as the emergence of the spirit of generosity and the desire to help (ASM, Fajar, 2019). Therefore, the waqf tradition also reflects a high sense of social solidarity and is recognized as an important heritage of the spirit of social philanthropy in Islamic society. It has developed since the time of the Prophet Muhammad PBUH, especially which aims to support implementing Islamic education. Throughout the history of Islam, waqf has shown its significant function in funding and facilitating various educational purposes, besides assisting with all relevant aspects of the life of the public, such as poverty reduction and other help that is beneficial to the public. In Aceh, waqf is also carried out in the spirit of solidarity and attitude introduced by previous generations to represent the community's generosity. The community dominantly supports the *Dayah* institution through various types of contributions, both in economic, social, cultural, and government aspects (R, Razali, 2018).

The opportunities for developing cash waqf models have grown widely, especially since 2002, when the Indonesian Ulema Council (MUI) issued a fatwa allowing the implementation of the cash waqf system, also known as cash waqf in Indonesia (Fatwa MUI, 2002). Then, two years later, the government issued special law (UU) No. 41/2004 concerning Waqf, which in articles 28 to 31 discusses immovable waqf assets in cash form, such as money. Then, the government issued a Government Regulation (PP) No. 42/2006 as a derivative of UU N0 41/2004, which more broadly regulates the mechanism for implementing the cash waqf model.

Cash waqf, also called *waqf-nuqūd*, is a waqf performed by a person, group of people, organizations, or legal entities as cash utilization or as other securities. Often also referred to as productive waqf (UU No.41, 2004). With the support of strong regulations, the opportunity to develop a mobile cash waqf system is open, and many parties have initiated the implementation of this model. Several Islamic financial institutions have used this system as a new model to increase the added value and income of the waqf asset base and property. Then, the government, officially through the cooperation of the Ministry of Finance, Ministry of Religious Affairs, Bank Indonesia (BI), the Financial Services Authority (OJK), and the Indonesian Waqf Agency (BWI), launched a cash waqf development program. The launch of this initiative is called Cash Waqf Linked Sukuk (CWLS), which involves Islamic Financial Institutions (LKS), Money Waqf Recipients (PWU), and PWU Non-LKS to get maximum results since 2018.

This pattern has also developed in several other Muslim countries, such as Malaysia, Turkey, Kuwait, Bangladesh, and others. As mentioned in Majid Khademol Hoseini's study on Cash Waqf and Financial Instrument Issues (2012), when compared to immovable waqf, which was more dominant, such as buildings and land, along with the times and the current economic

system, the cash waqf model was more encouraged to be run. The cash waqf model is more flexible and practical to develop, and its potential benefits are more easily distributed to recipients (*mauquf alaih*). From a philanthropic point of view, Cash Waqf or cash waqf is more a reflection of the sincerity or charitable attitude of an individual or group of people in dedicating a certain amount of money that can be developed in order to get results and benefit with certain goals (Khademolhoseini, M, (2012).

In the economically lower middle class Indonesian society, this cash waqf pattern has more potential to be developed than the permanent (immovable) asset waqf pattern, which is more likely to be implemented by certain groups, especially the rich who have many assets and property. The cash waqf model can be done by philanthropists with variations in their respective abilities, such as participation in worship and help for the needs of the ummah (Puspita, 2012). As part of the concept of social economy in Islam, this cash waqf is carried out with a professional management system under the responsibility of *waqf nazir* or *mutawalli* as capital management managers from cash waqf proceeds. This waqf nazir can be as individuals or teams or certain financial institutions in charge of managing and investing the waqf capital in certain sectors and guaranteeing capital safety under the Islamic economic system and law.

Then, the results or profits from this waqf capital business are allocated benefits according to the contract agreement with the previous waqif based on the targets and objectives that have been set, such as utilization for education operational funds, facilities and infrastructure, scholarships, education subsidy help, health and so on. Therefore, the *nazir* or managers of cash waqf funds must be parties who have high managerial capacity and expertise and are trusted (Khademolhoseini, M. (2012).

The following table summarizes the pattern of implementation of the cash waqf model according to the study of Dahlia Ibrahim & Haslindar Ibrahim (2016):

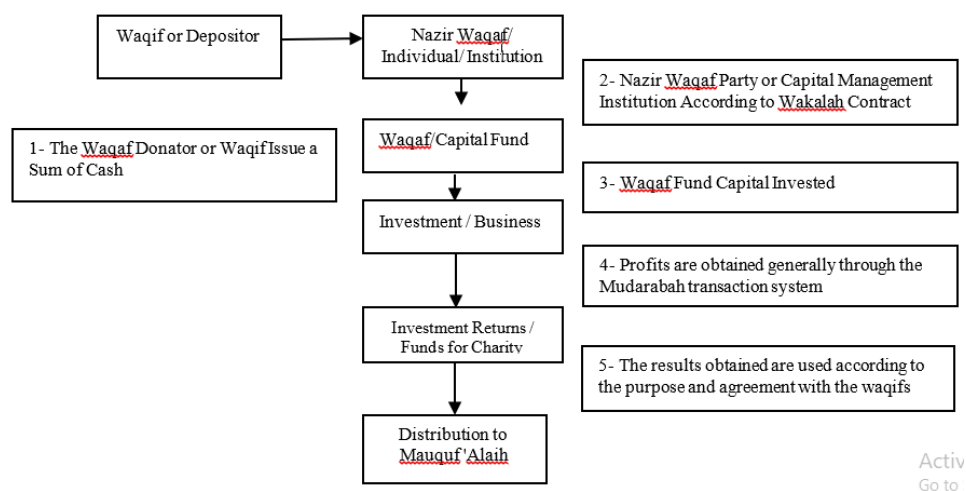


Figure 1. Overview of the implementation pattern of the cash waqf model

Under the development of the digitalization era, the waqf fundraising system, especially cash waqf, is also facilitated by following the latest FinTech (financial technology) system. The process of transactions, raising, and distributing funds can be easily run through an online system through internet-based network applications. So that applications and patterns such as e-cash,

waqf, or other e-commerce systems can be developed. The parties are expected to prepare some of the usual fundraising patterns to be performed now. Among them, there is a need for the readiness of funding instruments through cash payment (pay directly) or electronic payment (pay via an online system). Then, accompanied by the provision of waqf certificates or coupons for donors the third can also prepare a sukuk system for raising waqf funds, as developed by the government so far, both permanent and temporal (Syamsuri et al., 2019).

Many parties have implemented the development of this cash waqf model in Indonesia, such as the steps to implement cash waqf at the Darussalihin Mosque, Kota Batu, Malang, and Jawa Timur. An interesting fact obtained from the experience of mosque management is the launch of a cash waqf campaign as an endowment fund for the construction and management of mosques that function as places of worship and as a means of education for the Islamic community in the region. The raising of the endowment fund model at this mosque is issued with a cash waqf certificate issuance system with different nominal according to the ability of the waqif. The benefits of issuing this certificate refer to several considerations: first, the waqif has proof of participation with a particular nomination. Second, this cash waqf certificate can also be used in the name of certain people from among family or colleagues, whether living or deceased, as proof of participation and permanent religious worship; third, this certificate is issued as a model of social and community investment; and fourth it can make this pattern a tool of socialization, motivation and attraction for higher economic circles to participate in developing this cash waqf pattern (Puspita, 2012).

Another success in waqf's productive management and development is at the Islamic Education Institute Pondok Modern Darussalam Gontor (PMDG). Based on studies conducted at this educational institution, waqf assets remain as the land of around 320 hectares, with 212 hectares of which the annual yield reaches almost one billion rupiah. In addition, it also has assets such as clove gardens and other business places that provide numerous results. There are also many other donations, such as cash waqf collected by PMDG, whose management results are used optimally for development, financing, and scholarship help to approximately 30 thousand students (Djalaludin & Maisyaroh, 2013).

The same thing has also been developed by Baitul Mal Hidayatullah (BMH) in Malang, East Java, to help the development of Ar-Rahmah Islamic Education Institution. This BMH conducts several socialization processes, productively raising and developing capital from cash waqf. Socialization and cash waqf campaigns are conducted through brochures, magazines, radio promotions, opening outlets, and door-to-door safaris as targets for waqf candidates. This pattern provides convenience for waqf managers or *naẓīr* by running a 'ball pick-up' system to target donors and is also accompanied by the provision of donor application forms, cash waqf certificates, and award certificates (Djalaludin & Maisyaroh, 2013).

Globally, the implementation of this cash waqf model is growing and widely practiced in many countries, especially Muslim-majority countries. In a study by Magda Ismail Abdel Mohsin from INCEIF Malaysia (2013), there are at least six schemes for developing cash waqf models that are predominantly applied to several countries. Among them are waqf share schemes, cash waqf deposit schemes, cash waqf compulsory schemes, corporate waqf schemes, deposit product waqf schemes, and cooperative waqf schemes. These patterns are mainly developed in Malaysia, Indonesia, Kuwait, and the UK (Mohsin, 2013). To focus more on the aspect of educational empowerment, the cash waqf model also has an educational scheme system implemented

explicitly in Chad, Gambia, the Philippines, Albania, and Kosovo. The implementation is oriented toward funding orphan education, learning health facilities, and financing Arabic and Islamic language education, including providing salaries or incentives to teachers.

Interestingly, the development of waqf institutions, especially cash waqf, is not only developing in Muslim-majority countries. In the UK, the development of this donation institution has been going well for a long time. NGOs such as Islamic Relief have been established since 1984, and then there is the WFF (Waqf Future Fund), which specializes in developing the waqf sector (Mohsin, 2013). This picture shows how waqf has great potential for further development.

1.2. Implementation at PTKIS Based on Traditional Dayah in Aceh

Learning from the development of the application of the cash waqf model in many regions, even abroad, this study provided a breakthrough to begin to conceptually examine the opportunities for developing the cash waqf model in strengthening the economy and finance of an educational institution. The aim is that it can be implemented in several Islamic Campuses (PTKI) based on Islamic boarding institutions as a new pattern that other academic institutions will follow. Based on the interaction and observation of several Islamic boarding schools or Dayah in Aceh, especially those that already have Islamic Higher Educational Institutions (PTKI) for undergraduate education (S1), three campuses of which have assets and property of waqf assets that have played a strong role in the establishment effort to the process of learning activities. However, the utilization of waqf assets and properties has not been maximized, and they are still managed traditionally.

Interestingly, the average source of waqf comes from permanent donors and alums with strong ties and active organizational networks. Moreover, every two years, alumni and donors conduct reunion events through the forum Hari Ulang Tahun (HAUL), Muzakarah Ulama, and annual alumni board meetings to discuss various religious issues and the sustainability of Islamic educational institutions. The three campuses are the Sekolah Tinggi Ilmu Syariah (STIS) Ummul Ayman in Pidie Jaya, Institut Agama Islam (IAI) Al-Aziziyah in Samalanga, Bireuen and Sekolah Tinggi Ilmu Syariah (STIS) Dayah Amal in Peureulak, East Aceh. These three campuses have also received accreditation from the National Accreditation Board for Higher Education (BAN-PT). This study intends to examine and plan formulations on the opportunities for applying the cash waqf model in these educational institutions. The great hope is that these PTKIS institutions will have tested and scientific conceptual guidance as an academic reference in modernizing the asset and property management system and raising other sources of cash waqf.

This research is focused on providing solutions to several important study problems in handling and answering the formulation of research problems, namely related: 1) To what extent is the existence of the waqf and its role in helping the education economy at the three Private Islamic Higher Educational Institutions (PTKIS)? 2) What is the potential of the waqf as potential donors who will support the cash waqf fundraising program at these three Islamic religious universities? 3) What are the opportunities for the development and investment model of cash waqf funds that the naẓīr or the governing body will manage in these three Islamic religious universities? 4) What are the plans for using cash waqf investment funds to assist the financial management of Islamic educational institutions in these three Islamic religious universities?

This study is based on the awareness of how important it is for Muslims to redevelop all existing Islamic generosity potentials in order to be part of efforts to restore the revival of Islamic

educational institutions in the future. More specifically, this research was performed with a deeper purpose: to evaluate the existence and role that has been obtained from various waqf assets and properties that the three Islamic religious universities have owned. Then, it intends to review and map potential sources and strategic steps to raise cash waqf funds that will support the development, guidance, and financing of other education in these three Islamic religious universities. It formulated a scientific conception based on the results of detailed academic studies as scientific articles and manuals on the model and steps for developing the waqf cash model to modernize and strengthen the financial system of educational institutions towards a more professional management system in these three Islamic religious universities.

This study is carried out hoping to provide tangible benefits in efforts to strengthen the strategic role and function of the cash waqf system in Indonesia, especially in Islamic educational institutions such as Aceh. Even theoretically, this research should make a conceptual contribution as comprehensive and scientific studies on the appropriate and effective approach to raising and managing cash waqf assets so that all parties can make it a scientific reference to expand similar studies in the future. The results are expected to provide direct benefits and use to the leaders and administrators of the three Islamic higher education institutions (PTKI) who are the targets of research, especially parties or teams responsible for managing the institution's financial and asset management in order to seek steps to make the waqf cash pattern a source of organizational finance. The results are also useful as motivation and guidance for other Islamic educational institutions that want to seek changes in the mechanism of raising and managing cash waqf assets to get added value more broadly in supporting the teaching and learning process, helping students and teachers or lecturers.

2. METHODS

This research uses a qualitative approach based on the consideration that this study requires a deep and thorough understanding of the object studied to answer the research problem. Including reviewing data that describes facts that occur in the field as field research under the focus of research. It can also use a naturalistic research approach, which is research whose data is in a reasonable state or as it is by not being converted into quantitative fiction. In addition, a descriptive approach is also applied, namely to get a detailed description that can describe the problem under study or check and balance to other parties by collecting the same information to get a harmonious conclusion, interpretation of the content is made and compiled thoroughly and systematically (Ratnaningtyas et al., 2023).

This study focused on three campuses of Islamic higher education institutions (PTKI) based on Islamic boarding schools, which have been growing and are in three different districts with a large number of Islamic boarding schools and assets and property of waqf assets as intended in this study. They are:

1. Sekolah Tinggi Ilmu Syari'ah (STIS) Ummul Ayman is located in Meureudu, Kabuoaten Pidie Jaya, with the base of the Islamic boarding school is the Islamic Education Institute (Dayah) Ummul Ayman.
2. Institut Agama Islam (IAI) Al-Aziziyah, which is located in Samalanga, Kabupaten Bireuen in Samalanga District, Bireuen Regency, with the base of the Islamic boarding

school is the Islamic Education Institute (Dayah) Ma'hadul Ulum Diniyyah Al-Islamiyah (MUDI) Mesjid Raya, Samalanga.

3. Sekolah Tinggi Ilmu Syari'ah (STIS) Dayah Amal in Peureulak Barat, East Aceh, with the base of the Islamic boarding institution is Ma'had Dayah Amal.

In conducting data collection, this study follows the needs of data collection as part of field research that wants to learn directly with several techniques that are under the type of data needed. In the initial step in collecting data for this study, researchers made a series of in-depth observations by determining the object guidelines and targets for the inventory of assets and property of waqf assets owned by each PTKI institution. Its value and level of productivity will also be evaluated. The initial data obtained from the observations is used to determine the next data collection instrument. After that, researchers conducted in-depth interviews with stakeholders or parties directly related to the management of waqf assets and properties in each target PTKI. This is done not only to explore data and obtain more valid confirmation but also to identify the psychological tendencies of the parties in responding directly to efforts to modernize the waqf management system. Next, the observation findings and interview results were formulated as an initial draft, which was discussed with stakeholders from the three PTKIs and Islamic economic experts in a joint forum involving other competent parties. This forum is a focused discussion (FGD) that produces recommendations and follow-up actions that will be used as guidelines for all PTKIs in managing their waqf assets and properties.

3. RESULTS AND DISCUSSION

The profiles of the three campuses of Private Islamic Higher Educational Institutions (PTKIS) based on Islamic boarding schools are targeted by this study, based on interviews and profile information provided, that the three are in three different districts in Aceh. The first is Sekolah Tinggi Ilmu Syariah (STIS) Ummul Ayman is a campus of a Private Islamic College based on a Salafiyah Islamic boarding school (traditional dayah) named Dayah Ummul Ayman. This educational institution is basically prioritized among orphans and poor children in Aceh. STIS Ummul Ayman campus is at Main Road of Banda Aceh-Medan KM 165 Meunasah Bie Village, Kecamatan Meurah Dua, Kabupaten Pidie Jaya, got an operational permit from the Ministry of Religious Affairs of the Republic of Indonesia with SK No.4917 of 2014 on September 3, 2014 with Syari'ah Ahwāl Syakhshiyah (SAS) and Syari'ah Economic Law (HES) study programs, (Booklet STISUA, 2021). This High School was founded by a prominent scholar in Aceh, Tgk H. Waled Nuruzzahri, popularly known as Waled Nu, as a realization of the one-decade (10-year) education program of Dayah Ummul Ayman who previously had education levels from junior high school and high school levels. With the level of undergraduate education produced by this institution, students' intellectual and spiritual capacity is expected to grow. In performing its academic duties and teaching process, STIS Ummul Ayman is managed by academics who graduated from Dayah, both lecturers and structural staff (Interview; Mahdir).

The second campus is Institut Agama Islam (IAI) Al-Aziziyah, which was established in the neighborhood of Dayah Ma'hadal Ulum Diniyah Islamiyah (MUDI) in Mesjid Raya, Samalanga, as the largest Islamic boarding school in Aceh today. Al-Aziziyah Islamic Institute (IAI) achieved the status of an institute after the college was previously named Sekolah Tinggi Agama Islam (STAI) Al-Aziziyah after its inauguration in 2003. Now it has 3 Faculties with 7

Study Programs (Prodi) for Bachelor education (S1) and one Postgraduate study program with a Master Department in Islamic Broadcasting Communication (KPI). Almost all students of the Institut Agama Islam (IAI) Al-Aziziyah are students who are students of dayahs and have completed Áliyah-level education at Dayah MUDI Mesjid Raya and other dayahs around the campus area, such as Dayah Putri Muslimat, Dayah Baitul Ihsan, and others. Institut Agama Islam (IAI) Al-Aziziyah has over 5000 active students and 128 permanent lecturers. Lecturers and education staff at IAI Al-Aziziyah are, on average, alumni who already have master's and doctoral degrees, both domestic and foreign graduates, and until this year, there have been 28 lecturers with doctoral degrees (Muntasir et al., 2022).

Institutionally, establishing this Higher Education aims to organize educational, research, and community service activities as a manifestation of the Tri-Dharma of Higher Education. The presence of the Institut Agama Islam (IAI) Al-Aziziyah is expected to prepare the Islamic generation to face global challenges. In particular, organizing educational and teaching activities to produce Islamic scholars and scientists who have knowledge and sensitivity in understanding religious reality and can preach in an increasingly developing society. Then, they can produce graduates in the religious field who have the knowledge and skills to understand social symptoms in society through field research activities (fieldwork). As well as organizing academic activities developing concepts or theories of Islamic law, and delivering innovative da'wah to the ummah (Interview; MA Azizi).

The third campus is Sekolah Tinggi Ilmu Syariah (STIS) Dayah AMAL in Beusa Seubrang, Peureulak Barat, Aceh Timur. This institution was established within the Dayah Al-Madinatul Munawarah Al-Waliyah, which is abbreviated as Dayah AMAL, and was established in 2002 at the initiative of a figure named Teungku Haji Armis Musa, M.Pd. As a higher education campus in East Aceh, STIS Dayah AMAL prepares clerical cadres to appear in various dimensions of community life. In addition, under the Dayah Amal Foundation as a Salafi educational institution, there are also several levels of secondary and upper education, such as SMA Dayah Amal, SMK Plus Dayah Amal, SMP Plus Dayah Amal, and SD IT Dayah Amal. In performing its program as a newly developing Private PTKI, the institution's foundation, and leaders are determined to realize their ideals with a strategy of performing knowledge transfer activities, especially in Islam, in-depth with an emphasis on improving the quality of education and teaching of higher education. Besides, it increases the intensity of science development activities in the Tri Dharma of Higher Education, teaching and education activities, research, and community service. As part of its social mission, STIS-DA is determined to create an educational and teaching environment capable of producing professional and future-ready scholars (Interview; Armis Musa).

3.1. Conditions of Existence of Waqf Assets

As stated by the leadership and staff of the finance department at the Institut Agama Islam Al-Aziziyah (IAIA), the amount of waqf assets there is still limited compared to the needs of the institution, especially related to the land needed for the location of new buildings. The sources did not explain the number of existing waqf assets but said that waqf assets such as land are the most dominant in the construction of this institution, especially the land assets of the main location of the Islamic Education Institute (LPI), which is also part of the location of the mosque as the main in the main complex. Currently, the MUDI Islamic traditional boarding school, which is the main lodging for IAIA students, is famous for the highest number of prospective student

admissions compared to other dayahs in Aceh. More than 6000 students who study there come from various regions in Aceh, outside Aceh, and abroad. However, the capacity of dayah facilities, such as dormitory rooms, local for studying, and other facilities, is already short of capacity. As a temporary solution, the management of MUDI and IAIA moved to gather financial support from the sources of amaliyah of the public, such as waqf, sadaqah, zakat, and grants.

The proceeds of this raising are used to free up land to build additional boys' dormitory facilities and are also used for female's dormitory complexes and facilities. In addition, several private land assets belonging to Alm Tgk H Abdul Aziz bin Tgk Muhd Shaleh, who was the chair of Mudir Dayah of MUDI in 1964-1989, have also been used to build this institution. In addition, approximately three hectares of rice fields from the waqf have been used for educational purposes, especially to help the teacher council and lecturers at the institution. While at STIS Ummul Ayman (STIS-UA), the leaders of this institution mentioned that the number of waqf assets is also dominant as land property, both rice fields and plantation land, which are mostly used for learning locations and some dormitory buildings or study locations halls, while lecture halls come more from government help and student guardian donors. The leaders in this institution feel that many endowments are important for the continuity of education, even in utilizing them, as one element of help is related to each other. And this explanation is based on his experience managing general donations such as *sadaqah*, *zakāt*, *hibah*, and *waqf*.

Meanwhile, in the case of STIS Dayah Amal (STIS-DA), the leadership element of this institution said that in addition to land and rice field properties as the dominant assets owned, agricultural waqfs such as shrimp ponds and also oil palm plantation land felt very useful in helping the needs of lecturers, teachers and staff of the institution. However, because the income from shrimp pond crops and oil palm harvests is not fixed from time to time, this source has not been a priority in expanding PTKI's financial side. However, it is usually used to help spend incentives for STIS teachers and lecturers. The land assets of this PTKI location that comes from waqf proceeds are around 2.5 hectares, while others come from different sources. Rice fields, shrimp ponds, and oil palm plantations, if added together all around three hectares with considerable results, will help this educational institution, although only approximately 35% can meet overall funding needs.

For the record, data on property or waqf assets in PTKI institutions have not been detailed or inventoried specifically but are still recorded with other funding sources. This picture is found in all PTKIs visited, according to the information of its finance department, because donations such as *waqf*, *zakāt*, *infāq*, and others are received spontaneously and not routinely. Its nature is very conditional, depending on the donors' awareness, and it cannot be relied upon as a routine and definite source in the balance sheet system. The financial management of PTKI and these dayah-dayah must raise other financial resources, which can ensure the financial needs of educational institutions, incentives for teachers/lecturers or staff, students/students and other operational costs.

Table 1. Overview information about waqf assets in 3 PTKIS
(source: Results of FGD with Leadership/Finance Element 3 PTKIS Aceh)

No.	Waqf Assets	IAI	STIS	STIS
		Al-Aziziyah	Ummul Ayman	Dayah Amal
1.	Masjid/Main Complex	√	√	-
2.	Rice fields	√	√	√
3.	Shrimp farm	-	-	√
4.	Plantation	√	√	√
5.	Study Room/Hall	√	√	√
6.	Dormitory	√	√	√
7.	Land	√	√	√
8.	Supporting Facilities	√	√	√

3.2. Potential Candidates for Waqif

Related to issues related to the potential donors or cash waqf givers who have the potential to be used as a source of funding, these three institutions have significant differences. Although the financial condition and funding of education in these three institutions are similar in terms of education financing capabilities, Of these three PTKIs, only IAIA is quite good and strong regarding educational economics. This is because its existence is longer and has a fairly large number of students and alumni. However, these three institutions still experience shortcomings in terms of education financing, especially to buy vital campus facilities and infrastructure. Such as the number of study rooms, student dormitories, library facilities, laboratory rooms, theater rooms and others are still not optimal. And in this case, the leaders stated that they still need serious attention and help, especially from the government and parties.

Meanwhile, to map potential candidates who will give their charity to help these three institutions, there are common goals and targets based on the estimates and beliefs of the leaders of these three institutions, namely from among the PTKI / Dayah alumni association. However, in this alumni element, a greater percentage of opportunities is IAIA based on Dayah MUDI because the age of the cottage is hundreds of years, and several alumni reach tens of thousands of people throughout Aceh and outside Aceh. As for STIS-UA, the most potential donors besides its alums are the guardians or parents of students or students. Based on experience in the past decade, LPI Ummul Ayman has recorded the motivation and contribution of guardians and parents in supporting and assisting the operation of this institution.

Meanwhile, the PTKI STIS-DA institution noted that the opportunity to get the best prospective donors came from community leaders, donators, and campus alums, most of whom were bureaucrats, legislators, and local entrepreneurs. While among its alums, it has not been fully reliable because the age of existence of this educational institution is still relatively new and has not produced crowded and successful alums in various fields. According to the leader, the average alumni who studies while staying in the middle of education are still in the advanced education stage and pursue careers as beginners. He believes in getting cash waqf donation opportunities from community leaders, tycoons, and entrepreneurs because of the closeness and social communication between PTKI leaders and related parties.

To raise cash waqf sources from various potential parties, the three parties from PTKI have almost the same plan to achieve this goal. The first is to conduct socialization and special meetings

by utilizing the momentum of special commemorative events that will usually present alumni, community leaders, government circles, and parents of students. The tradition of commemorating HAUL or the anniversary of the death of previous leaders or scholars is usually performed every year or at least every two years. Likewise, other Islamic holiday commemoration events, such as the commemoration of Maulidurrasul, the tenth anniversary of Muharram, and others, will hold meetings with alum organizations and other stakeholders to get support for the plan to raise prospective charities as waqf nuqud.

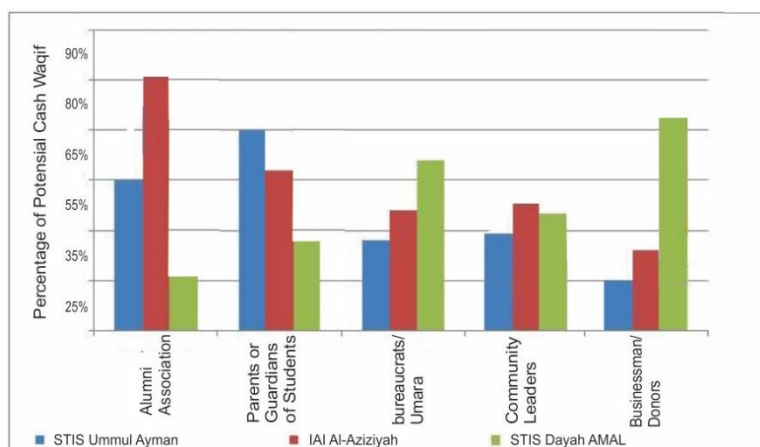


Figure 2. Overview of potential waqif/cash waqf donors at 3 PTKI (source: results of FGD with leadership/finance element 3 PTKIS Aceh)

3.3. Development Opportunities and Forms of Investment

As a follow-up to the plan and agreement between the waqif who are committed to contributing some value from their cash waqf with the leaders of PTKI and the naẓīr party has been realized, for the capital development plan, parties from the leadership element and finance division in the three PTKI admitted that so far they do not have a definite picture. In that direction, the investment fund will be directed. This is because of the lack of experience in managing finances sourced from cash waqf, so far they only manage the proceeds and income from immovable waqf assets such as land, rice fields, gardens or leased business locations, or fishery pond agricultural products whose benefits are used for the organization's expenditure budget.

However, based on the assessment and mapping of the existing internal financial situation of PTKI/Dayah, each has a different tendency to invest in order to generate income from the cash waqf capital. However, the three PTKIs are equally inclined to manage the cash waqf funds themselves as waqf naẓīrs rather than desire to cooperate with Islamic banks or other LKS-PWU. Regarding the lack of trust in the bank in managing this capital, the sources said the main reason was trust problems and banking track records that often make customers feel less profitable.

In analyzing the economic and capital sectors that have the most potential to benefit the cash waqf fund, STIS-DA plans to invest the cash waqf capital in the trade, production, and sales of building materials. This aligns with the entrepreneurial experience of this educational institution in fostering students' skills in printing building materials with raw materials of cement, sand, and bricks. This business has been successfully developed since the establishment of this dayah, especially in helping students and students from underprivileged families. It's just that, so

far, the business is often constrained by the capital aspect. Meanwhile, according to STIS-UA, the capital to be obtained from the cash waqf will ideally be used as culinary business capital with greater profit potential within its institution. The large number of students, students and guardians/students who come to visit their children every day is the potential to be used as one of the consumer markets for culinary shops (food and beverages), besides the needs of students and students for almost 24 hours activities in the *Dayah* and the surrounding community. Based on estimates from financial institutions, this opportunity is more promising for acquiring profits than other business sectors.

With PTKI IAIA and Dayah MUDI, the leaders of these institutions have a direction and tendency for the capital funds from the cash waqf group to be invested by opening new cooperative business units (Kopentren) besides existing businesses. So far, the campus cooperative has several shopping units that sell books, Muslim clothing, and daily basic food items. Based on the analysis of financial management, the existence of cooperatives has so far provided more benefits in business and commerce. Besides, seasonal businesses managed by cooperatives buy and sell rice every season, including rice field harvests, both from their processing and from the public.

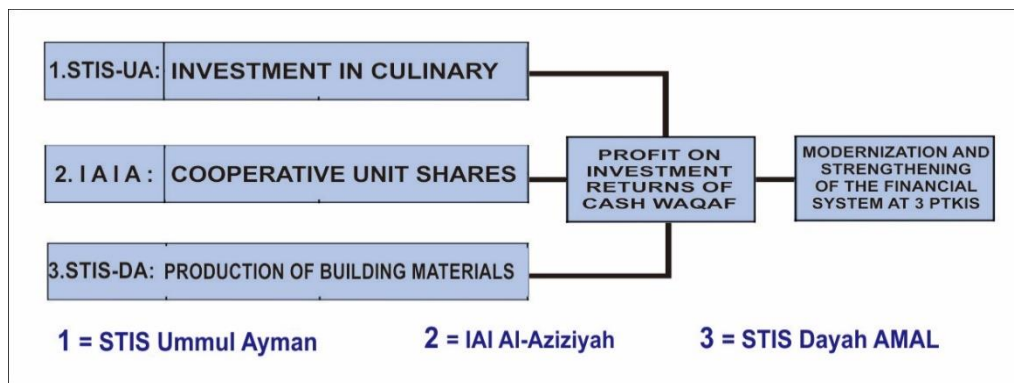


Figure 3. Overview of the development of waqf cash fund investment patterns at 3 PTKI
(source: results of FGD with leadership/finance element 3 PTKIS Aceh)

3.4. Plan of Use and Utilization of Cash Waqf Investment Returns

According to the confession of the leaders of PTKI institutions conveyed together with their financial parties in this research FGD, if this program is implemented well and can provide added value to PTKI's existing financial system, then its use will be used as well as possible under the previously agreed contract between the waqif as waqf funders and the naẓīr or cash waqf fund managers. According to the interviewees, this principle is important to maintain because it is the main requirement in terms of sharia and Islamic law that the waqf must be carried out according to the purpose of mauquf 'alaih (the target of waqf assistance) and to maintain a good level of trust from donors. If in the first stage, this program goes according to plan and is published to related parties or the public, it will increase the motivation of new organizers to take part in the future.

However, if given a choice, the direction of utilizing the waqf cash proceeds will help finance education on the priority scale of each PTKI. And based on field studies, the list of needs of these educational institutions that will be targeted for financing from the investment results of

cash waqf funds is: 1) preparing scholarships for orphans and poor students, 2) providing honorariums and incentives to PTKI lecturers and education staff, 3) assisting with the institution's operational costs, especially for PTKI's daily operational needs, 4) assisting in the procurement of books, books, references and PTKI library facilities, and 5) building dormitory rooms and study rooms for students.

The priority scale of financing from the results of cash waqf investment at STIS-UA Pidie Jaya is to provide scholarship help to students or santri who are orphans and poor. This choice was taken, considering that the number of students from orphaned or poor backgrounds is more dominant and still requires more financial support. Meanwhile, the STIS-DA campus in Aceh Timur will focus on utilizing the cash waqf investment to support the institution's operational costs, especially for PTKI's daily operational needs and building additional facilities such as dormitory rooms and study rooms for female students. Unlike the two campuses, IAI Al-Aziziyah in Bireuen has a tendency to use the proceeds from the cash waqf fund investment to maximize salary incentive funds and provide honorariums to lecturers and education staff and increase the number of procurement of books, books, and other study materials are required in the library section.

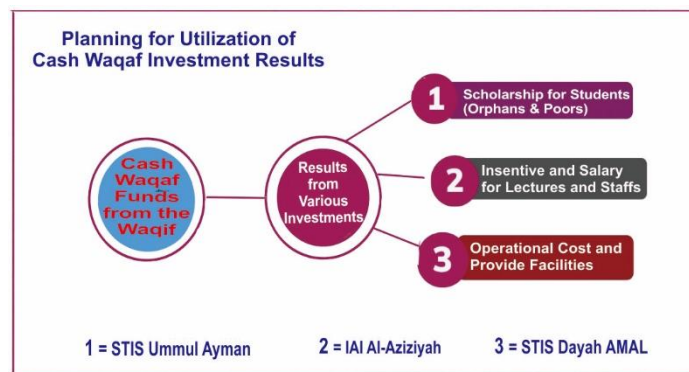


Figure 4. The priority scale for the utilization of cash waqf investment results at 3 PTKI (source: results of FGD with leadership/finance element 3 PTKIS aceh)

CONCLUSION

As a source of education financing, cash waqf has a very significant opportunity to support the economy and finances of educational institutions, especially for traditional Islamic educational institutions such as dayah or Islamic boarding schools, both in Aceh and throughout the archipelago. This is because the role of the Islamic community in building and ensuring the sustainability of Islamic educational institutions in a place has been proven throughout history. And the contribution or role given has a wider community support base. Hierarchically rooted in the scholarly text of scholars and bound in a strong religious belief that helping Islamic educational institutions is the same as helping religion that has the value of worship in the worldly and *ukhrāwī* dimension so that the spirit of generosity is born and shapes the personality of the Islamic community. In practical terms, the current pattern of cash waqf is developing in line with the development of the digitalization era in the financial system and financial transactions.

In this study, researchers have found a scientific conclusion and answer that waqf has significantly contributed to the development of traditional Islamic educational institutions in

Aceh. In the future, the opportunity to develop a cash waqf system in strengthening and modernizing the financial system of educational institutions such as Private Islamic Higher Education (PTKI) is very large, especially for those with Islamic boarding schools or *dayah* bases. As an initial reference, the campus of Sekolah Tinggi Ilmu Syariah (STIS) Ummul Ayman Pidie Jaya, Institut Agama Islam (IAI) Al-Aziziyah Samalanga-Bireuen and the Sekolah Tinggi Ilmu Syariah (STIS) Dayah AMAL, Aceh Timur have shown the existence of waqf assets that have been supporting the sustainability of educational institutions. The opportunity to raise cash waqf support is also great, especially from alumni who have formed bond boards or guardians and parents of students, entrepreneurs and philanthropists, *umara* and bureaucrats, and other community leaders.

In the next stage, the financial resources from the cash waqf raising will be used as investment capital which each institution has various tendencies, ranging from investment in the production and trade sectors of building materials, the addition of cooperative business units, and food/beverage (culinary) businesses in Islamic boarding schools or other strategic and potential places. Then, the profits from the various investments will assist and strengthen the financial education system of the three PTKIS under the initial agreement contract with the financiers (waqif). Especially in the scope of educational interests and teaching and learning processes, such as providing scholarships to orphaned or poor students, building supporting facilities or facilities, honorariums and salary incentives for educators, and increasing institutional operational expenditures. As a future follow-up and development of this program, the steps that PTKIS will take are to intensify socialization and publication of the results of cash waqf fundraising, management systems, and successful outputs of this program. This socialization is mainly for waqif, alumni, and guardians of students, government parties, community leaders, and the public.

For Islamic universities and higher education institutions, steps are needed to conduct further studies to produce a more detailed preparation of guidelines and technical guidelines on the potential development of the cash waqf model in financial system modernization. Expand cooperation with Islamic financial experts and institutions to acquire empirical information and experience in developing cash waqf models that are under Islamic finance principles. It is also necessary to involve *Dayah* parties in Aceh in planning and developing this cash waqf model to enable more effective collection and utilization of waqf funds. Based on the analysis of this study, the government must encourage policies and regulations that support the implementation of the cash waqf pattern in revitalizing the financial system of Islamic educational institutions. This can include tax-specific policies, investment opportunities, and legal protection for the institutions and individuals involved. Building supporting infrastructure such as technology platforms and electronic payment systems that facilitate easy transactions and manage waqf funds efficiently and transparently.

This infrastructure will facilitate collecting, distributing, and reporting cash waqf funds. The government can provide support and incentives for research and innovation related to developing the cash waqf model. This includes funding for research, conferences, and collaborations between educational institutions, Islamic boarding schools, and Islamic finance experts, as well as encouraging cooperation among Islamic higher education institutions, Islamic boarding schools, and other relevant financial institutions and entities to promote the cash waqf model approach. With the collaboration of Islamic higher education organizations with the government, the development of the cash waqf model in modernizing the financial system at

Islamic boarding school-based PTKI in Aceh can be done more effectively, efficiently, and sustainably.

REFERENCE

- Abbas Sofwan Matlail Fajar (2019), Perspektif Ibnu Khaldun Tentang Perubahan Sosial, SALAM; Jurnal Sosial & Budaya Syar-i^[1]FSH UIN Syarif Hidayatullah Jakarta^[1]Vol. 6 No. 1-2019, pp.1-12, DOI: 10.15408/sjsbs.v6i1.10460.
- Ahmad, Mohammad Akhlaq (1985). *Traditional Education Among Muslims; A Study of Some Aspects in Modern India*. Delhi: B. R. Publishing Corporation.
- Ahmad Djalaludin & Maisyaroh (2013), “Manajemen Dana Wakaf Tunai Untuk Pengembangan Lembaga Pendidikan Islam (LPI) Ar-Rahmah: Studi pada BMH Cabang Malang”, Jurnal El-Dinar, Vol. 1, No 2, Juli 2013.
- Dahlia Ibrahim & Haslindar Ibrahim (2016), “The Role of Corporate Waqf in the Development of Islamic Finance”, Universiti Teknologi Mara and Universiti Sains Malaysia.
- Endah Marendah Ratnaningtyas; Ramli; Syafruddin; Edi Saputra; Desi Suliwati; Bekty Taufiq Ari Nugroho; Karimuddin; Muhammad Habibullah Aminy; Nanda Saputra; Khaidir; Adi Susilo Jahja (2023); *Metode Penelitian Kualitatif*. ISBN: 978-623-8065-30-1 Cetakan: Januari 2023 Penerbit: Yayasan Penerbit Muhammad Zaini.
- Hj. Ab. Majid, M. K. (1996). Sosiologi Islam: Suatu Pengenalan. *Jurnal Usuluddin*, 3, 103–114. Retrieved from <http://jice.um.edu.my/index.php/JUD/article/view/2981>
- Ira Chandra Puspita (2012), “Implementasi Wakaf Tunai di Masjid Darussalihin Kota Batu”, Jurisdicctie, Jurnal Hukum dan Syariah, Volume 3, Nomor 1, Juni 2012, hlm 35-44.
- Kahf, Monzer (2003). *The Role of Waqf in Improving the Ummah Welfare*. Paper Presented in International Seminar on Waqf as a Legal Private Body organized by the Islamic University of North Sumatra. Medan, Indonesia.
- Khademolhoseini, M. (2012). Cash-waqf a new financial instrument for financing issues: An analysis of structure and Islamic justification of its commercialization. Retrieved on 11th December, (2012) from www.iefpedia.com/english/?p=4437#high_1.
- Khan, Mohammad Sharif (1990). *Education, Religion and the Modern Age*. New Delhi: Ashish Publishing House.
- Komisi Fatwa Majelis Ulama Indonesia (MUI) (2002), “Fatwa tentang Waqf Uang” Dalam Himpunan Fatwa Majelis Ulama Indonesia. 11 Mei 2002.
- Magda Ismail Abdel Mohsin (2013), “Financing through cash-waqf: a revitalization to finance different needs”, International Centre for Education in Islamic Finance (INCEIF), The Global University of Islamic Finance, Kuala Lumpur, Malaysia, International Journal of Islamic and Middle Eastern Finance and Management Vol. 6 No. 4, 2013 pp. 304-321 q Emerald Group Publishing Limited 1753-8394, DOI 10.1108/IMEFM-08-2013-0094.
- Muntasir Abdul Kadir, et.al (2022), “The Practice of Wearing Hijab among Female Students of Al-Aziziyah Samalanga Islamic Institute, Bireuen: Study of Islamic Law^[1]and Legal Politics^[1]” Samarah: Jurnal Hukum Keluarga dan Hukum Islam Volume 5 No. 1. January-June 2022^[1]ISSN: 2549 – 3132; E-ISSN: 2549 – 3167^[1]DOI: 10.22373/sjhc.v6i1.12864.
- Purnama Putra, Sindi A Maharani, Dem Vi Sara (2018); *Optimalisasi Wakaf dalam Sektor Pendidikan (Sebuah Tinjauan Pengelolaan Wakaf Pendidikan di Indonesia dan Malaysia)*.

Jurnal Maslahah, Vol. 9, No. 1, Mei 2018.

Razali, R (2018). Enhancing Islamic Educational Institutions Within Philanthropic Attitude; The Way On Waqf Role In Aceh. *Jurnal Al-Fikrah*, 7(2), 89-105. P-ISSN: 2085-8523. E-ISSN: 2746-2714. Retrieved from <https://ejournal.unisai.ac.id/index.php/jiaf/article/view/395>.

Ruslan Razali (2015), “*The Contribution of Waqf Properties Toward Acehese Dayah’s Educational Empowerment*” (June 2015) Jurnal Artikel At-Tafkir Vol 8 No.1. with ISSN 2620-5858 (online) and ISSN 1979-9357 (printed) has been accredited SINTA 4.

Siska Lis Sulistiani (2021), *The Legal Position of Waqf for Non-Muslims in Efforts to Increase Waqf Assets in Indonesia*, Samarah: Jurnal Hukum Keluarga dan Hukum Islam Volume 5 No. 1. January-June 2021^[SEP]ISSN: 2549 – 3132; E-ISSN: 2549 – 3167^[SEP]DOI: 10.22373/sjkh.v5i1.9161

Syamsuri, Syamsuddin Arif, Alfarid Fedro, Vina Fithriana Wibisono, Veithzal Rivai, Iwan Kurniawan Subagja, Salim Basalamah (2019), “*Existence of Waqf in Enhancing of Indonesia Financial Stability in Era Industrial Revolution 4.0: A Conceptual Design*” East African Scholars Journal of Economics, Business and Management, Abbreviated Key Title: East African Scholars J Econ Bus Manag ISSN 2617-4464 (Print) | ISSN 2617-7269 (Online), Published By East African Scholars Publisher, Kenya, Volume-2 | Issue-12 | Dec-2019

Undang-Undang (UU) Republik Indonesia No 41 Tahun 2004.

Profile and Information Booklet of Sekolah Tinggi Ilmu Syariah (STIS) Ummul Ayman, Pidie Jaya. Year of Academic 2021-2022.

Profile and Information Booklet of Institut Agama Islam (IAI) Al-Aziziyah, Year of Academic 2021/2022.

Interview with Dr Tgk Mahdir Muhammad, MA; Lecturer and Campus Senate of STIS Dayah Ummul Ayman, Pidie Jaya, 20 Desember 2022.

Interview with Tgk. Muhammad Abrar Azizi, M.Sos, Rektor of IAI Al-Aziziyah on 24th Desember 2022.

Interview with Tgk. H Armis Musa, M.Pd, Principal of Yayasan Dayah Al-Madinatul Munawarah Al-Waliyah and STIS Dayah AMAL, Aceh Timur on 18th Desember 2022.