

**BAITULMAL IN TERENGGANU AND ITS CONTRIBUTIONS
FOR ISLAMIC DA'WAH.**

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AUTHOR DECLARATION

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

I hereby declare that the work in this academic project is my own except for quotations and summaries which have been duly acknowledge.

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ABSTRAK

Antara tujuan kajian dibuat ialah untuk mengetahui kemampuan Baitulmal di Terengganu dalam memberikan sumbangan kepada Dakwah Islamiyah. Selain itu, kajian ini juga menyentuh Baitulmal di zaman Rasulullah dan para sahabat Baginda serta struktur dan sumber-sumber di zaman tersebut. Di dalam kajian ini penulis telah menggunakan method observasi serta temuramah dan juga kajian perpustakaan. Di samping itu, penulis juga memaparkan mengenai latarbelakang institusi ini supaya kita dapat mengenali dan mudah mendapat maklumat. Hasil daripada kajian ini juga, penulis dapat mengetahui beberapa golongan yang berhak mendapat bantuan daripada Baitulmal. Kajian ini juga memaparkan mengenai hasil-hasil atau sumber-sumber Baitulmal seperti zakat dan wakaf yang menjadi sumber utama bagi Baitulmal dan pengagihan sumber ini kepada masyarakat dan dakwah Islamiah di Terengganu.

ABSTRACT

Between the purposes for making this research is to know the ability of Baitulmal in Terengganu in giving contributions to Islamic Da'wah. Besides that, this research also concentrates on the Baitulmal in the period of Prophet Muhammad SAW and His companions also the structures and the sources in that period. Between that, this study case also explains about the background of this institution so that the writer can recognize and easier to get the information. From this research, we can know about some groups (asnaf) that should be assisted by Baitulmal and the produces or main sources such as zakat and wakaf that become a main source to Baitulmal and it dispense to the societies and Islamic Da'wah in Terengganu.

ملخص البحث

يهدف هذا البحث لمعرفة بيت المال في ولاية نرنجانو ومساهمتها في الدعوة الإسلامية. وبجانب ذلك هذا لبحث أيضا نظام بيت المال في عهد رسول الله ﷺ وأصحابه ومصادره أيضا عن خلفية المركز إن وجدت معارف ومصلحة البحث و نتيجة البحث التي تتحقق للتبرع من بيت المال مصادر بيت المال كالتزكاة والوقف التي أصبحت مصدرا أساسيا وإعطاء ه إلى المجتمع وللدعوة الإسلامية في ولاية نرنجانو.

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GLOSSARY

‘am :	general
Baitulmal:	treasury
fardhu ain:	individual obligation
hukm:	ruling of Shariah
‘ibadah:	devotional matters
ijtihad:	inference of rules of Shariah from its sources or applying the rules of Shariah to particular issues
imam :	a person who lead a congregational prayer
mualaf:	newly converted Muslim
ummah:	Muslim community
wakaf :	charitable endowment
zakat:	alms

TRANSLITERATION TABLE

ARABIC WORDS TRANSLITERATION SYSTEM

1. ALPHABET

<u>Arabic</u>	<u>Latin</u>	<u>Example</u>	<u>Transliteration</u>
ء	'	فار	fa'r
ب	b	برد	burd
ت	t	تلّ	tall
ث	th	ثوب	thawb
ج	j	جدار	jidār
ح	h	حليب	halīb
خ	kh	خادم	khādim
د	d	ديك	dīk
ذ	dh	ذهب	dhahab
ر	r	رفيق	rafīq
ز	z	زميل	zamīl
س	s	سلام	salām
ش	sh	شعب	sha ^c b
ص	s	صخر	sakhr
ض	d	ضيق	dayq
ط	t	طازخ	tālib
ظ	z	ظالم	zālim
ع	c	عقل	^c aq̄l

غ	gh	غلام	ghulām
ف	f	فيل	fil
ق	q	قلب	qalb
ك	k	كلام	kalām
ل	l	لبّ	lubb
م	m	مال	māl
ن	n	نجم	najm
ه	h	هول	hawl
و	w	ورق	waraq
ي	y	يم	yamm

2. Short Vowel

<u>Arabic</u>	<u>Latin</u>	<u>Example</u>	<u>Transliteration</u>
_____	a	كتب	kataba
_____	i	علم	°alima
_____	u	غلب	ghuliba

3. Long Vowel

<u>Arabic</u>	<u>Latin</u>	<u>Example</u>	<u>Transliteration</u>
أ، آ	ā	عالم، فتى	°ālim, fatā
ي	ī	عليم، داعي	°alīm, dā°ī
و	ū	علوم، أدعو	°ulūm, Ad°ū

4. Diphthong

<u>Arabic</u>	<u>Latin</u>	<u>Example</u>	<u>Transliteration</u>
و	aw	نوم	nawn
ي	ay	ليل	layl
يَّ	iy	شافعي	shāfī'iy (ending)
وَّ	uww	علوَّ	'uluww (ending)

5. Exemptions

5.1 Arabic letter ء (*hamzah*) found at the beginning of a word is transliterated to the letter “a” and not to ‘.

Example: أكبر transliterated to: akbar (not ‘akbar).

5.2 Arabic letter ة (*ta' marbutah*) found in a word without ال (al) which is coupled with another word that contains ال (al) at the beginning of it is transliterated to the letter “ t ”

Example: مكتبة الإمام transliterated to: maktabat al-imām.

However if the Arabic letter ة (*ta' marbutah*) found in a word with ال (al), in a single word or in the last word in a sentence, it is transliterated to the letter “ h ” .

Example: المكتبة الأهلية transliterasi: al maktabah al-ahliyyah

قلعة qal'ah

دار وهبة dār wahba

ABBREVIATION

a.s	alayh al-salam
Dr.	Doctor
n.a	no author
n.d	no date/ no year
n.p	no place
n.pb	no publisher
p.p	pages
S.A.W	salla Allah alayh wa salam
SWT	subhanahu wa taala
R. A	Radiahu Allahu Anhu.

CHAPTER ONE

CHAPTER I

INTRODUCTION

1.1 Background of the Research.

Islam is a revelation religion that falled by Allah SWT so that can get to profess by the society and really feeling it teaching until can shaping the Islamic society that have a open minded and have a good manner also can distinguish a good and bad matter. Islam also not burden it followers with the variety of problems that have not a resolution, instead Islamic religion always lighten the all problems with the best way for their followers. Accepts Islamic religion will inveigh the group of poor that lazier to effort and attempt for working also merely hoping the helping from other peoples.

Touching that matter, the Islamic was introducing institution so that can lighten the all of problems that facing by the Islamic society so that their can get to conduct the all of activities in social development in the whole world. For the reason that, the institution of Baitulmal was introduced to control the country financial through the collecting and from it also can give a contribution towards the social Islamic development so that can helping and to free the group of luckless from suffering and very poor.

In reality, Baitulmal is not a new institution that just establish, even it existence same with the born of Islamic religion. The existence of baitulmal in Malaysia also was too long existed in Malaysia. Merely we do not know and realize of it existence that generated the activities according to Islam, as we seeing that the structure of it administration, we know that it is one institution or the treasury of country, it also involving the aspect of life social such as societies, economic, education and political.

What is the problem now, the role and the implementation of Baitulmal in giving a contribution to Islamic society is limited until caused the knowledge of the society about the Baitulmal still not clear, although the existence of Baitulmal was existed since the early Islamic period.

With that, the contribution of Baitulmal to the Islamic Da'wah will be discuss in all aspect of existence in order that contributions can get to give beneficial by Islamic society especially in case study and generic in the whole country. Furthermore, this institution is a one institution that always related with the Islamic society through the management that put under in the government administration and want to see how the methods of Baitulmal resolve all the problems that happened for assist to higher the status of Islamic societies was fulfill the Islamic demand.

So, with this case study, will give to open the society minded and cause to vanish the ascription that Baitulmal is one institution that only to focus a zakat even it also ability to give a contributions to Islamic da'wah in state of Terengganu.

1.2 The Research Objective.

One aspect to us for makes a research in this Baitulmal is we will open the opportunity to makes a research as training for us to practice in ourselves and can produce a good research and for the same time can open our minded. Amongst the objectives of this research;

- 1) This research is purposes to know how the baitulmal coordinated there work such as how to arrange and dispense the main source such as zakat, wakaf and the others source.
- 2) Beside that, we also will know about the activities that makes by Baitulmal from time to time.
- 3) This research also purposes to know how far the successfully of Baitulmal was achieved by this institution in the aspect of development and Islamic Da'wah.

1.3 The Scope of Research.

In this research, the writer makes a decision to put the scope of discussion in this research are focus to the concept of Baitulmal in Islamic view, also touching about the Baitulmal briefly history that existed in period the Prophet Muhammad SAW, Him companions and today.

Beside that, the writer also will discuss about the background of Majlis Agama Islam and Adat Melayu Terengganu (MAIDAM) because baitulmal was under the MAIDAM. Here also, writer will touch about the briefly history in this institution, the objectives of this institution and the department of administration. Here also with discussing details about the two main sources in Baitulmal namely zakat and wakaf.

In the others view, the writer will discuss about the contributions of Baitulmal to the Islamic Da'wah especially to the some group (asnaf) such as faqir, poor, riqab also the others group. The writer also will focus to the contributions and the method of dispensation of Baitulmal sources to that group. Here also, will be discuss about the rates of aids and the contributions of Baitulmal in the whole especially for Islamic da'wah.

Hopefully, with this research, will can give a clarification open the eyes of societies that Baitulmal still makes it operation with state all the activities especially in social development, zakat and wakaf.

1.4 The Research Problem.

During makes this research, there have many problems that faced to facing by the writer. These problems come from the external and internal factor.

From the aspect of external problem, amongst the problems are lacks of printed material; such as difficult to writer to finds the books that related with this research, newspaper and the magazines that related with this institution. So, it caused the writer to find out the material through the reference in the others library that have in public and private universities.

Besides that, the writer also difficult to finds the materials from the Baitulmal. This is because, there are half of the officers not give cooperation in giving the information. It difficult to writer to got the materials about this Baitulmal. Furthermore, the writer forced to makes an appointment with the offices before makes an interviewed.

Lastly, the problem of writer also caused this research become slowly. This is because the writer also weak in language process and arrangement the sentences that needs to the writer to process the language very well.

CHAPTER TWO

CHAPTER II

LITERATURE REVIEW

Seeing that in my research, there have nobody that ever makes this research, just have only one thesis and some books that related with my research.

The one thesis by Mohammad Daud Bin Omar, “Peranan Baitulmal Dalam Meningkatkan Ekonomi Islam”. Study case in Wilayah Persekutuan. This study case is about the roles of Baitulmal in the development of Islamic Economic especially in Federal Territory.¹

“Dasar Ekonomi Islam”, 1979, by Hj. Zainal Abidin, states the history of Baitulmal in the period Prophet Muhammad SAW and the period companions, the structures and the sources of Islamic Baitulmal². Also Dr. Hailani Muji Tahir, in ‘Kursus Intensif Diploma Kewangan Islam, Institut Pengajian Ilmu-Ilmu Islam. He states that the Islamic Economic has a relationship with the money, financial institution, financial policy and the budget policy.³

Surtahman Kastin Hassan in his book ‘Ekonomi Islam’.First Printing ; 1990. His book about the Baitulmal is a Treasury Country. He also states there are three types of Baitulmal namely Private Treasury by of the Ruler, Bayt Al-Mal (public treasury) and Bayt al- Mal al- Muslimin (the treasury of Muslim).⁴

Afzal Ur-Rahman in his book, Doktrin Ekonomi Islam, Jilid III, discussing about the concept of zakat, the importance of zakat, the sources and the group of asnaf that eligible

¹ Mohammad Daud Bin Omar. n.d. *Peranan Baitulmal Dalam Meningkatkan Ekonomi Islam, Satu Kajian Di Wilayah Persekutuan*. n.pl: n.pb.

² Hj. Zainal Abidin. 1979. *Dasar Ekonomi Islam*. n.pl: n.pb. p. 300.

³ Dr. Hailani Muji Tahir. n.d. *Kursus Intensif Diploma Kewangan Islam. Institut Pengajian Ilmu-Ilmu Islam*. n.pl. n.pb.

⁴ Surtahman Kastin Hassan.1990. *Ekonomi Islam*. n.pl: n.pb.

to get the zakat⁵. Meanwhile, Nik Mustapha Nik Hassan in the ‘Konsep Dan Pelaksanaan Wakaf Di Malaysia. This book discusses about the roles of wakaf in the Islamic history and it appropriates with the current modern economic development and the understanding of the concept of wakaf and the implementation today in Malaysia.⁶

⁵ Afzal Ur-Rahman. 1994. *Doktrin Ekonomi Islam*. Dewan Bahasa Dan Pustaka. Kuala Lumpur.

⁶ Nik Mustapha Nik Hassan. 1999. *Konsep Dan Pelaksanaan Wakaf Di Malaysia*. IKIM. Kuala Lumpur.

CHAPTER THREE

CHAPTER III

RESEARCH METHODOLOGI

Among the methods that performed in making a research about the completed approach in the contributions of Baitulmal for societies and Islamic Da'wah in Terengganu are;

1) Interview:

Once of the method that used by the writer is interview which the writer go to this institution of Baitulmal and meet the officers there. Here, the writer was makes the discussion and conversation from individual in effort to get materials that related with this research. In the process to become a stranger method is a something impossible non-mix and dough to produce a complete method research.

2) Observation:

The writer also makes some observation in the area of Kuala Terengganu for knowing how about their situations after get assistance from the baitulmal. The writer can gathering the statistic of the numbers of residents that gets the aids also see some places that become to be a wakaf and giving a beneficial to Islamic people and to be a public asset through this method.

3) Library Research.

For more completed research, the writers was found the materials in others university. It is because, the materials that getting from this institution still not enough. So, the writer was found the materials in others universities include the Islamic University College of Malaysia. The other universities are University of Malaya, National University of Malaysia, and International Islamic University of Malaysia and the Islamic center.

4) Media Publication:

The writer too, found the materials from the media publication like a magazines, newspaper, pamphlets and so on to more add the materials for includes in this research.

CHAPTER FOUR

CHAPTER IV

BAITULMAL IN ISLAMIC HISTORY

4.1 Briefly History of Baitulmal.

Baitulmal began as a medium to government that role in economic that related in matter with system fiscal. It's relationship with government directly as a monetary country asset, either from citation, savings, income allocation and debt country.

There have a many Ulama' which has defined the meaning of Baitulmal. Once them is Al-Mawardi which he was said Baitulmal as a place to record the divided and also gathering all assets from the sources, whereas among the others Ulama' were defined that Baitulmal is a State Treasury. Dr. Hasan Ibrahim Hassan also defined that Baitulmal is a country financial.¹

As a Dr. Imamuddin said, Baitulmal was built by Islamic century since a period Prophet Muhammad S.A.W. He was said strange in his literature and the title is " Bayt al- Mal and Banks in the Medieval Muslim world. He said the "Treasure in the early period was known as Bayt Al-Mal. There were three types of treasures and the first one is "Private Treasury by of the Ruler and then "Bayt al-Mal (Public Treasure) and the last is "Bayt al-May al- Muslimin (the treasure of Muslims).²

The "Private Treasury by of the Ruler is a medium to government or secret asset, with the source of income and type of product.

The second is "Bayt al-mal (public treasure). This bank receives all of problems from the society, which from Muslim or Non- Muslim. This institution is very important, such Dr.

¹ Surtahman Kastin Hassan. 1990. *Ekonomi Islam*. n.pl: n.pb. p. 103

² M.A. Manan. 1992. *Ekonomi Islam. Teori Dan Praktik*. n.pl: n.pb. p. 179

Imamuddin said: The Bayt al-mal was the state Bank of the Muslim in the early Islamic period. It was a special department of the government supervised and directly by its one particular officer designed Khazin Al-Mal or Sahih Al- Makhzon, and the provincial treasurer was called Khazrin or Amin.

And the last is “Baitulmal al- Muslimin. This institution was named as a second Public Treasure which Bank that was built by Muslimin for fulfill all of their problem. This may be all of the governments bank and others private bank.

So, we can make a summarize, that Baitulmal is a first bank Muslimin in their first period as said by Dr. Imamuddin “from the all prove that we presented, we know that system banking was introduced by Islamic World at Middle Period. That Bank had deposit, lending and also have instruments credit. Generally, the function of Islamic bank modern was existed the entire of Islamic world.³

4.2 BAITULMAL IN ISLAMIC HISTORY.

Appear of the Islamic country at the beginning not to need a Baitulmal in the state of money out and in. It caused by the country financial some in the period prophet Muhammad S.A.W. not more than the property of war, zakat and jizyah. And the all that gathered will be separated to the places that was determined by Allah S.W.T. Here we find the moneys that obtained in the morning will be separated to the groups (asnaf) before night without leave it. This concept clear to us that Baitulmal was done in the period prophet Muhammad S.A.W. although still not known by the name of Baitulmal.⁴

When the Islamic country more increase and the increasing of the source of entering money to Baitulmal, Saidina Abu Bakar R.A. was existed Baitulmal with appointed Abu Ubaidah Ibn Jarrah as a leader in the administered and manage it.

³ Surtahman Kastin Hasan. 1990. *Ekonomi Islam*. n.pl; n.pb.p.

⁴ *ibid.* p. 12.

In the governance of Saidina Umar R.A, the Islamic country become wide with include Syam, Iraq and Mesir, so with that, caused the financial sources and the Islamic assets increase. As a take example from the other country, the effort that took by Saidina Umar R.A is better in the administered and managed the Baitulmal.

With that, Saidina Umar R.A. was generated one office with purpose to record the money out, also record the groups (asnaf) and the short form, the financial of Islamic country in the governance of Khulafa' Al- Rashidin are satisfied.

In the governance of Bani Umayyah, libels and crimes was heavy at that time. This situation was caused the dissolution between the Islamic Ummah and become a financial country facing declining. Too, added by the leader behavior and the staffs corruption in the managed of country money. Many scandals happen and it caused the activities of economic become down and the living of nationality spoiled with the burden to the high tax and no justice.

So, the Islamic moved to Bani Al- Abbas, the short of justice slogan for all become core to the movement Bani Al- Abbas for taking place Bani Umayyah. After the Bani Umayyah fall down, the all of financial sources tidily and shaping again the role of Baitulmal with tidy and need

For example, during the governance of Khalifah Al-Rashid where he was commanded Al-Qadhi Abu Yusuf in order that to generate once system of Syarie that fair in the collecting kharaj, al Usyur and alms without neglecting the public significant.

When countries become weak and higgledy, higgledy happened, hence, the some country that separately was generated it own financial, and so on the fall down of Uthmaniyyah Kingdom was dispelled the Baitulmal in the financial system.⁵

⁵ H. Zainal Abidin Ahmad.1979. *Dasar Ekonomi Islam*. n.pl: n.pb. p. 300

4.3 The Structure of Islamic Baitulmal.

When we back to the effectiveness the role of Islamic Baitulmal, that was principled by the Prophet Muhammad SAW develop with fertile again by Caliph Al-Rashidin, we saw that the journey of Islamic Baitulmal really able to act as a country treasury. In the structures of Islamic Baitulmal, Saidina Umar Ibn Al-Khattab establishes the one ministry suitable with the necessary of country today. Some of the offices were appointed for state the entering number and total money that out from Madinah, the center of Islamic country as main office and it is because the Islamic country become wide, hence the some branches was established for easier to administered.

About the including of sources of income where Saidina Umar is more budgets and not depleted within three days separation. So, the new one step must be find, caused by the policy to depleting the income within three is not one regular policy, so the changing is doing for take care the significant of Islamic society.

If we see the one structure that generated along the Islamic history, here was arranged one structure of Baitulmal from the summarizing the whole of Baitulmal.

- 1) Baitulmal of zakat: especially about including and the budgets of zakat sources and it is a one account especially for importance of Islamic society.
- 2) Baitulmal of Jizyah and Kharaj: it is a one account for including the collecting of 'head tax' and produces from non- Muslim namely "ahl-zimmi" and the others group of mushriq.
- 3) 'Bait' Al- Ghanimah and Al- Fai'; as one account special for the source of booty and also dispense to the group poor and fakir.
- 4) 'Bait the Lost Thing'- as the money holder and the things that not demand include the assets without heirs.⁶

⁶ ibid p. 14

4.4 The Sources of Islamic Baitulmal.

The source of Islamic Baitulmal in the Islamic principle can be divided into two parts:

- 1) Source of Dauriyah (turned)
- 2) Source of Ghair Dauriyah (not turned)

Among the sources of Dauriyah are zakat, kharaj, jizyah and usyur. Whereas the source of Ghair Dauriyah are 1/5 from ghanimah, assets of minerals, rikaz, the leaving of assets that not heir or have a heir but not finished the patrimony, the assets of luqatah (spilled assets) and each assets that not know the owner, donated money such as wakaf, will and others.⁷

In briefly, explained about the sources of Islamic Baitulmal that became a principle at the period of Islamic governance.

1) Zakat means 'fertilized', 'cleaning' and 'improving'. It refers to the 'self cleaning' that obtained after implemented the liability to perform the zakat. Zakat divided to three types of assets and firstly gold, silver and the product of business. The rate is 2.5 percent. Second from the livestock those have many in Arabic land. It rates same with rates gold and silver. Whereas, the third produce from agriculture and fruits (cereal) with rates 10 percent for the land that bathe with water without using the energy and material (the crop that bathe with nature). The rates of zakat are 5 percents if the others material water the land.⁸

2) Ghanimah: According to the meaning from the Islamic shariah, ghanimah is a all type of assets that reach to the Islamic society from non-Muslim through the win way in war and with using the stronger guns. The words of ghanimah come from 'ghanam'. These

⁷ Mohamad Daud Bin Omar. n.d. *Peranan Baitulmal Dalam Meningkatkan Ekonomi Islam. Satu Kajian Di Wilayah Persekutuan*. n.pl: n.pb.

⁸ Afzal Ur- Rahman. 1994. *Doktrin Ekonomi Islam*. Dewan Bahasa Dan Pustaka. Kuala Lumpur. p. 175-178.

assets divided into five parts. Four parts for the force of army that fighter to country. From the total of property from the army, two part from it for 'house army' and one part to 'walking army'. Beside that, 1/5 part is for the Prophet Muhammad SAW, also it folks, the group of poor people and ibnu-sabil. Whereas, the land for the country that conquered by Muslim group from the enemies become to be ownership to others country. That country to be entitled to expands from the produces of country for the projects of publics significant and country safety.⁹

3) Al- Fay'- Al- Fay' is all of the type of assets of booty that took from the musyriq people none war, also none using the horse and others materials war. It same with property that obtained from produces of ceasefire, jizyah and 1/10 from the property of their business, or property that come from the mushriq people with the others reason, such as the property of jizyah, that if received, from them (mushriq people) must be cashed the 1/5 parts of the owner party that must be received, namely with divided to five parts according to it method.

4) Al- Jizyah; The jizyah statement in the period of Prophet Muhammad SAW not be arranged through one completed system or through the regular methods, also not to determined the rate and the total also the type payments. That's why, sometimes jizyah collected from the cloth and materials from it. Al-Imam Yahya Ibn- Jabir who known by the calling al- Bilazari wrote in his 'kitab' that named 'Futuh Al-Buldari- That the residents of Tabuh was join together the peaceful treaty with the Prophet Muhammad SAW about the payment of jizyah, come Yahnat Ibn Rukyath, the leader of Ailat village and makes a peaceful treaty with Prophet Muhammad SAW based on the condition that each of adult must pay one 'dinar'.¹⁰

5) Al- Kharaj – Al- Mawardi was explained that in the Arabic language, the word of Kharaj is a name for each shape of rental and produce from income. Kharaj was collected as a land produce from the mushriq people that were peace with Islamic country. The

⁹ ibid. p. 175-178.

¹⁰ ibid. p. 175-178.

Islamic caliph was appointed the officers and a particular worker for collecting the kharaj that become a main source for paying to the soldier salaries and also the allocation of public administration, whereas the balance of money sent to the state treasury and the caliph have a mighty to expense for the implementation another projects.¹¹

6) Al-Usyur; is a tax that imposed to a trades commodities that exports to abroad or imported into the Islamic country. During the Islamic period, in the period of governance of Amir Al-Mu'minin and Umar Ibn Al-Khattab, was enforcement the collected of this usyur that not collected in the Period of Prophet Muhammad SAW and in the period Caliph Abu Bakr. This is because the development of Islamic country in that time not permitted to collect the tax like that.¹²

4.5 Introducing the System and the Structure of Islamic Financial.

When we talk about Baitulmal, it is a part of the Islamic Financial. So, is very important to us study to study about the system and structure of the Islamic financial.

The Islamic financial involving of the some meaning, include money, financial system, financial policy and budget policy. That's all put under one system that is Financial Islamic System. From its structure, financial system is a part from Islamic religion. This mean from the hierarchy matter such as follow:

First, Islamic religion.

Second, The System of Islamic Economic.

Third, The Islamic Financial System.

Forth, Institution of Islamic Financial.¹³

From the wide meaning, Islamic religion includes aqidah, shariah and 'akhlak'. The entire of system huqm and it rulers was codified by Allah SWT to Him caliph so that them

¹¹ *ibid.* p. 175-178.

¹² *ibid.* p. 175-178.

¹³ Dr. Hailani Muji Tahir. n.d. *Nota Kuliah Kursus Intensif Diploma Kewangan Islam*. npl: npb. p. 1-2.

pious to Allah and obedient to Him until lastly can carry or happiness/ successful in the world and hereafter. 'Shariat' or Islamic Legal knew the huqm and the rulers.

System, according to general meaning as a group of related parts working together / and in Arabic Language is a rope throat that tighten the group of jewels.

The Islamic Economic is a one knowledge that study about the humans behavior in aspect of using and managing the source of nature for significant itself and also for whole study for getting 'keredhaan' Allah SWT.¹⁴

The system of Islamic Economic is a system that form the administration pattern/ designed and management of the economic sector that involve the variety of institution that contains the huqm values, ruler and the believer that either directly or not in matter that related with the application, producing, distribution or changing the product services.¹⁵

Money is an instrument for makes a paying for getting the some product, services, factors of producing or used for paying debt.

Financial system is a one system that shaping a pattern and the total of money flows due variety sector in economic. That system includes consumer, firm / industry, government organization and institution in state and international. In this matter, financial system linked all sector in economic through activities that involve the money.¹⁶

The institution of financial, such bank, role as a channel the flow of money in market that sector so that it become faster, efficient and effectiveness. The institution either in group of bank system or non- bank, such as the company 'permodalan', KWSP, LUTH, Insurance, are instruments a mechanisms that channel the money from unit or more sector

¹⁴ ibid. p. 1-2.

¹⁵ ibid. p. 1-2.

¹⁶ ibid. p. 1-2.

to sector / less unit and economic such as firm and institution of government and international.

At level of the country, activities and institution movement also financial system are give attention by government due central bank so that it coordinated and appropriate with the economic vision that will be achieve. For example, the period of inflation, the government was practiced the highest income so that the leak will happened in economic beside save the money, and during the deflation.

4.6 BACKGROUND OF MAIDAM.

Majlis Agama Islam and Adat Istiadat Melayu Terengganu (MAIDAM) established based on claused 4 Addition to Law For The State of Terengganu 1367 and was gazetted as Laws Number 1 Year 1949, or well-known with name Undang- Undang Majlis Agama Islam dan Adat Melayu Terengganu. In formally, MAIDAM was built in 16 Februari 1949.¹⁷

Generally, MAIDAM connected by Department of Religious Affair of Terengganu (JHEAT). JHEAT is a department of an organizations and responsible in management and religion administration. It is built on year 1912 and conducted by Syeikhul Islam as a Leader of Department. Today, similar with more time, this department was develop becomes a big department with it objectives that focus on Allocation Enactments Administration of Religious Affair Laws 1986 and Enactment Laws of Administration Islamic Family 1985. Because realizing that objectives, the several departments were built for some activities.¹⁸

So, the Majlis Agama Islam and Adat Melayu Terengganu (MAIDAM) is a outline and guideline for the JHEAT is performing task that have a relationship by Department of

¹⁷ Majlis Agama Islam Dan Adat Melayu Terengganu. n.d. *Al- Risalah*. npl: npb. p.1-8.

¹⁸ *ibid.* p.1.

Religious Affair which suitable the Enactment of Administration Religious Affair 1986 and the Enactment of Administration of Islamic Family 1985.

Based on the history, before the year 1949, the role of MAIDAM implemented under the administration Commissioner Religious Affair that perform also as ‘Yang Di Pertua MAIDAM’ Meanwhile the administration leader that manages the MAIDAM administration is a Secretary that also well-known as a Leader of Executive Officer.¹⁹

Today, MAIDAM is lead by the Secretary or the Chief of Executive Officer. Under the Chief of Executive Officer, there have some Assistant Officer or called by ‘Secretaries’. Under the Chief of Officers, there have also the Lead of Secretary Assistant especially in Department of Baitulmal. Whereas, under the Lead of Secretary Assistant, there have an accountant that conducts the financial matters in Baitulmal.²⁰

Whereas, at the department of Baitulmal and Wakaf, there have an Assistant Secretary and the Assistant of Officers in Religious Affair that conducts the department of Wakaf and General Source. At the department of Baitulmal, there have one of the assistants of the administrator that conduct the matters in Baitulmal. In the same time, in the department of wakaf, there were the assistant of administer and followed by Assistant of Administer Lower, the General Assistant Lower and the Officer of Civil Lower.²¹

These post have that filled by the loan / housing, have already regular, the qualification applied, the post are filled by the contract and the post still empty. See the Appendices.

¹⁹ *ibid.* p.1

²⁰ Majlis Agama Islam Dan Adat Melayu Terengganu. n.d. *Al- Risalah*. npl: npb. p. 2.

²¹ *ibid.* p. 2.

The Function Of MAIDAM

The establishment MAIDAM purpose to helping and advising Duli Yang Maha Mulia Tuanku Al- Sultan in all matters based on Islamic and Adat Melayu Terengganu.²²

The Vision of MAIDAM:

Enhance the Islamic socio-economic through by the institution of Baitulmal.

The Objectives of MAIDAM:

- 1) Take care property of Islam and it develops suitable according to Syara'.
- 2) To increase and became firm social- economic people of Islam.
- 3) To confident all the people of Islam to way out 'zakat' for Amil or Department of Hal Ehwal Agama Terengganu.

The Ethics Work of (MAIDAM);

- 1) A work with principle devotion to God.
- 2) A work based on information and clearness information.
- 3) A work with full responsible, honestly and trustily.
- 4) A work with clean, hardworking and efficient.
- 5) A serve an act and a work with an actuation of liver.
- 6) Give a good service without appreciations.
- 7) A serve with good spirit and 'Ithar'.
- 8) A serve with patient and cooperation by costumer.
- 9) To practice the concept 'Syura' and 'Taawin'.
- 10) As a based of task to Al-Quran and Al-Sunnah.²³

²² Majlis Agama Islam Dan Adat Melayu Terengganu. n.d. *Al- Risalah*. npl: npb. p.3.

²³ *ibid.* p. 3.

4.6.1 The Parts of Baitulmal Administration.

For make sure the readily and directs of it administration, began January 1998, MAIDAM was divided into two parts such as follow:

1) The Part of Administration and Financial.

- i) General Administration and Financial
- ii) Information System.
- iii) Basic of Islamic Pawn.

2) The Part of Baitulmal.

- i) Wakaf and General Source.
- ii) Unit of Zakat.
- iii) Development and Investment.²⁴

The Unit of Administration and Financial.

The Unit of Administration and Financial is lead by one of Assistant Secretary / Work Secretary. This unit becomes to coordinate and secretariat the whole of MAIDAM besides to manage the matters that related with the Administration and Financial such as follow:

- 1) To be a secretariat to the Council Meeting and the meeting of committee council.
- 2) To manage the matters that related with appointments such as appoint legitimize in appointments, examinations, and controlled behaviors, housing lending, motorcar or computer.
- 3) To manage the financial matters such as preparing the amounts of dispense for manage monthly, the payment of salary and bonus, preparing the account also answering the audit question.²⁵

²⁴ *ibid.* p. 3.

²⁵ *ibid.* p. 4

The Parts of Baitulmal.

Unit of Wakaf and General Source.

The unit of wakaf and general source are responsible to manage the matters that related about the wakaf matters and control-supervise the assets of wakaf , besides conducting about the Baitulmal / general source.

Section 143 The Enactment of Administration Affairs 1986 (En.12/26) allocating MAIDAM must to be a one guide to all wakaf, either in one in generic wakaf, special wakaf, general nazr, and all trust from all types that generate ‘amanah khairat’ for aid and development of Islamic religion or as a benefit for Muslim according to huqm Shariah. MAIDAM is responsible to manage and take any steps for developing the assets of wakaf and so on planning the wakaf sources for getting the produces and benefits for the societies in a long term.²⁶

There have two types of Wakaf that managed by MAIDAM and there are General Wakaf and Special Wakaf. General Wakaf is a wakaf that given for develop by the trustee agency for the significance of Islamic people today and the future. Whereas, they determine a special wakaf that want gives their assets for some project specially, for example give their lands for built the mosques, surau, school, and hospital land of graves and others for welfares of general societies. The main projects that give to wakaf commonly bias from their understanding, religious education also their main interested suitable with situation that necessary in the reality of existence of societies.²⁷

Meanwhile the General Source, more well-known as Baitulmal, is a one form of the administration that conduct the assets of Islamic people had died that not have a heirs but not finished the all of the parts according to faraid, coordinate with the allocation of Section 139 the Enactments 12/86. Generally the obtaining or produces from the General

²⁶ *ibid.* p. 4.

²⁷ *ibid.* p. 4.

Source includes the obtaining from patrimony, produces from lands or crop, give back the money profit bank, things that left (luqatah) and others contributions.

The Planning of Unit Wakaf and General Source.

1. The Planning Five (5) Year Wakaf.

The problem financial that limited is a main problem in developing and to manages the asset of wakaf that have already existed. In the planning five-year wakaf, this unit decided to establish one Wakaf Fund, which this fund obtains from the selling of certificate of Wakaf Share. Planning five year will comprehend;

- 1) To generate the scheme of Wakaf Share.
- 2) Give lends to mosques by Qardhul Hassan for developing the wakaf lands that their belonging.
- 3) By exchange (istibdal) the lands of wakaf that not suitable to the more better so that it can be develop.
- 4) Profitable the lands that given to wakaf.²⁸

2. Planning of General Source.

- 1) One hostel for family patient in the area of Hospital Of Kuala Terengganu with cost RM 300, 00.00 was built and defraud from the source of Baitulmal.
- 2) The land of lot 2766 Grant 3359 Ladang Mengabang was suggested for developed with commercial building.
- 3) The land of lot 1265 KRM 1030 and lot 1237 KRM 1004 Chendering with housing project.
- 4) The lot 4166 GM 4678 Balai Besar, Dungun with housing project.²⁹

²⁸ *ibid.* p. 5.

²⁹ *ibid.* p. 5.

3. Planning Five Year of Baitulmal.

Baitulmal also have a planning within five year that coming soon. Amongst are:

- 1) To minimize Baitulmal lands that under the company.
- 2) To generate the MAIDAM property Sdn. Bhd. Cooperate with the government agencies and private for developing the lands of Baitulmal.

The Unit of Zakat.

Here more clarified about the roles of MAIDAM (zakat) dispense the moneys of zakat to the peoples who want the moneys. MAIDAM was dispensed the money of zakat to the eight asnaf (group) according to the some aids. The groups are fakir, poor, muallaf, riqab, gharimin, ibnu-sabil, amil and fisabilillah.³⁰ The Merciful of Allah SWT in the verse appointed this group:

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ
وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴿٦٠﴾

(Surah- At- Taubah 9; 60)

'Alms (good and money given in charity) are for the poor and the needy, And those employed to manage the (funds); For those whose hearts have turned (To truth and belief recently); For those in slavery (and servitude) and in debt; In the cause Allah; And for the wayfarer; (It is so) order by Allah and is full of knowledge and wisdom.³¹

³⁰ ibid. p. 6.

³¹ Al- Qur'an. At- Taubah 9; 60. (This Quranic translation in this writing are based on Abdullah Yusof Ali. 1999. The Holy Quran: Original Arabic Text With English Translation and Selected Commentaries. Saba Islamic Media.

Based on this verse, the side of Baitulmal was took an initiative for helping that eight groups (asnaf). For group fakir and poor, amongst the aids in the form of monthly paying such as giving money for each month for fulfill their necessary. Beside that, assistance for build and repairing the houses, aids for supports to them, such as give aids to them that who wants begins a small business. Among that, the aids of treatment to patient, aids immediately such as happen the emergency cases like burning or flood also aids for celebration like Idul-Fitr.

The meaning of fakir is the people which too poor and their life are suffering that not have anything for life or the honest people and healthy, but not have any occupation and that is reason they do not have an earning. For the meanings of poor, it comprehends the all of weak peoples and not ability or the sick peoples, old peoples caused by the war and peoples whose do not ability to work.

The group of 'fisabilillah' also is very important for Islamic religion. So, the variety of aids gave such as aid lesson in state and overseas, assistance to generate the welfare project, orphanage house and religious school. Beside that, the assistance also giving to these who want to printed the magazines, pamphlets and religious book also contribution to our news brothers (mualaf).

For the group of ibnu-sabil, the assistance was given to the travelers in and out of Malaysia. Also for the students who want to further they're studying in the state or overseas. Beside that, the assistance of fare is given to comeback while the emergency cases and the people who aground in their journey.

Next the group of Gharimin, that have many meanings about this group. Qatada stated that Gharim is a people who involved in something owed problem and the owed was made not because their expense with more budget. According to Mujahid, Gharim is a current of water carries a people who burnt house or it assets and they do not support their family. Nevertheless, the side of Baitulmal was gave the assistance to the owed peoples and assistance also giving to the institution like mosque and house of prayer.

The others receiver is an Amil namely collector that appointed by Lead of Kingdom (Imam) for collecting and dispense the zakat. Beside that, give to the produce from individual to the Department and divided into 8/8 parts.³²

For the group of Muallaf, it is important to Baitulmal for helping them because this group includes the varieties of class societies that together to helping the strong of Islamic religion. The people who just embrace the Islamic religion may be will lost their assets and need to encouragement and assistance.³³

Among the assistance are support aids consolation money/ souvenirs such as religious books and cloths, paid that received after attended in the new brothers class. Beside that, built the educated center and training for new brothers, aid for children education.³⁴

³² *ibid.* p. 7.

³³ *ibid.* p. 8.

³⁴ *ibid.* p. 8.