

ZAKAT POLICY

“Alms are for the poor and the needy, and those employed to administer the (funds); for those whose hearts have been (recently) reconciled (To Truth); for those in bondage and in debt; in the cause of God; and for the wayfarer.” (Qur’an 9:60)

Introduction:

Zakat is a mandatory form of alms for all Muslims who are able to pay it, and is one of the five pillars of Islam. Through Zakat, Muslims are required to give a proportion – traditionally defined as one-fortieth, or 2.5% – of their accumulated wealth after it has been in their possession for a lunar year for the benefit of the poor or needy (and other recipients as highlighted in the verse of the Qur’an 9:60).

Zakat is the only obligatory form of a range of different Islamic social financing mechanisms, all of which are intended to redress the balance of equality in society. Others include Sadaqah, a form of voluntary giving, and Aqwaf, a type of endowment.

Zakat is payable by all Muslims, providing their acquired wealth that year falls above a certain threshold known as the nisab. Muslims whose wealth falls below the nisab are encouraged to give Zakat in kind – this can be in the form of goods, or by offering a service or providing help to someone in need.

The word Zakat can be translated to mean ‘purification’ or ‘growth’; through giving Zakat, an individual is cleansing or purifying both themselves and their remaining wealth. Rather than being seen purely as a charitable donation, Zakat is in fact the spiritual duty of the Muslim, as a means of redistributing wealth in order to restore social equality and promote a more just society.

The overwhelming majority of Zakat is paid during Ramadan, the holy month of prayer and fasting, which is another of the five pillars of Islam and a time of particular religious significance for Muslims in terms of fulfilling their spiritual obligations. Ramadan also provides a practical marker or milestone relating to the lunar year (the

period over which Zakat should be paid) and Zakat al-fitr is also due at the end of Ramadan.

Qualification of Zakat Recipients

The eight (8) categories of eligible Zakât recipients are:

1. The poor (al-fuqarâ')
2. The needy (al-masâkîn)
3. Zakât administrators (âmilîn alayhâ)
4. Those whose hearts are to be reconciled (mu'allafât al-qulûb)
5. Those in bondage like slaves and captives (fî al-riqâb)
6. The debt-ridden (al-Gharimîn)
7. In the cause of God (fî sabil'illâh)
8. The wayfarer - the stranded, displaced, or travelers lacking resources (ibn al-sabîl)

Zakat Collection & Disbursement Protocols

PAGE handles Zakat separately from the rest of donations it collects.

PAGE maintains separate books for Zakat.

PAGE charge 5% administration fee and disburse 95% of Zakat money it collects to the qualified recipients. No additional or hidden charges are applied.

PAGE maintains record of both givers and the recipients for transparency.

PAGE issues Zakat collection receipt to the givers and on demand provide them information about the recipient(s).

PAGE declares Zakat collection and disbursement separately in its annual reports and financial disclosures.

PAGE does not discriminate among the Zakat qualifiers but give preference to those who despite of the hardships of life provide education to their children, especially the girls.

PAGE only uses non-Zakat funds and donations for maintaining its routine educational and social activities. The Zakat is disbursed (less 5% admin cost) to the qualifiers.

PAGE appoints a Zakat Committee on yearly basis, which is headed by one of the Trustees of PAGE. The Committee is responsible for performing due diligence and ensuring transparency.

PAGE does not solicit Zakat applications but gather information through its network of teachers and volunteers to identify the needy families and individuals in the communities. Once the qualification and validity of a family or individual is established, the Zakat money is handed out to the recipient in a dignified manner without any announcement or publicity.

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