

Information Systems Applications in the Reporting and Accountability of BMT ZIS Funds in Jakarta

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Abstract—This research is aimed to assess an information system application in the zakah fund accountability and the report in *Baitul Maal Wat Tamwil* (BMT) institution. When we observed the zakah fund from the *Baand Amal, Zakat, Infaq and Shadaqah* (BAZIS) institution we find that this fund called Zakat, Infaq and Shadaqah (ZIS) is potentially benefit to sharia institutions in term of developing their capability to expand their businesses and to strengthen their capital to be able to compete with any other micro finance institutions. Thus, the demand from the society about the transparency of zakah fund management from BAZIS to BMT have resulted in the use of information system application in the report and accountability process. Furthermore, the use of information system application have engaged the BMT institutions to mutually level their position in the competition with another micro finance institutions.

Keywords—Zakah, Micro Finance Institution, Report, Accountability

1.INTRODUCTION

The development of the *BaitulMaalWatTamwil* (BMT) or other micro Islamic institutions in Indonesia shows how encouraging progress was marked by the increasing amount of assets managed by these institutions every year. Islamic micro finance institutions had experienced a booming or a significant growth spurt in 1996 until the year 1998 since the establishment of first Islamic co-operative institution in 1990 and the establishment of Islamic banks of Muamalat in 1991. In 2005, the assets that managed by BMT of which were members of Small Business Incubation Center (PINBUK) was not less than IDR 1 trillion, with the membership of more than 3000 BMTs. But then the growth has been slowing due to BMT-induced financial crisis in 1998 where many BMT were not strong enough in capital and non-professionalism in the management had led to collapses or bankruptcies.

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The situation then became increasingly difficult for BMT because after the financial crisis, some conventional banks or non - Islamic capital market will begin to look in to BMT for the small traders in the market that have loan's ceiling of less than IDR 5 million but rarely would lead to bad credit. The banks which have massive capitals began to open up micro-credit services also, both in conventional and Sharia-compliant in the traditional markets of which are the main area of BMT customers thus have been providing hard competition for the BMT. According to M.Soekarni, et al, [7], The Government through the Agency of *Amil Zakat Infaq and Shadaqah* (BAZIS) institute starting in 1999 has provided funding assistance from infaq and shadaqah to 14 BMT Mudharabah financing method of which was the method of financing to small traders in the traditional markets while financing methods of *qardhul hasan* of which is interest-free assistance was provided to small traders. The program according to M.Soekarni, et al, [7], could not accomplished well because of the 14 BMT unless BMT Al Kareem, have been showing bad performances. In realizing that only this BMT that have shown good performances, BAZIS zakat funds then established cooperation with BMT Al Kareem in 2005 so it had changed the name of BMT Al Kareem into BMT Al Kareem Bazis. BAZIS grants to BMT have been made possible by the Act 21 of 2008 concerning on *Shariah Banking and Shariah Unit Entities*. According to this law Baitul Maal BAZIS as an institution could run a social function of which was receiving funds from zakat, infaq, Shadaqah and grants from the community to be distributed to the parties entitled to receive it (*mustahiq*). BMT have also managed to be the source of loanable funds to micro and small entities as addition to their capitals. Meanwhile, according to Sri Imaniyati Neni, [6], the functions as an institution of BMT Islamic micro entities that managed the charities was set out in the Act No.38 of 1999 [10]. The community as interested parties to BAZIS as been stated in Pelita electronic newspaper articles, have been asked for transparency and accountability as mentioned about the management of zakat, infaq and shadaqah (ZIS) that were coming into BAZIS and has been distributed to small and micro businesses through BMT. The transparency and accountability in the management of zakat, infaq and shadaqah was audited by BAZIS publication in 2003, while the transparency and accountability of the receiptment and disbursement of funds by the BMT ZIS is merely have been reported to the BAZIS. The application of information systems