

## **Waqf Accounting and Management: Embracing an Islamic Approach for Asset Preservation in Sarawak**

Syed Zahiruddin Bin Syed Musa\*

Universiti Islam Malaysia, Bangunan Aisyah,  
Lot 287, Jalan 16/3, Seksyen 16, 46350 Petaling Jaya, Selangor

\*Corresponding author: syedzahir03@gmail.com

### **Abstract**

This abstract focuses on the study of non-Muslims individuals in Malaysia who choose to adopt an Islamic approach towards asset preservation through waqf. Waqf refers to the act of dedicating property or wealth for religious or charitable purposes, with the intention of benefiting the community. The research methodology employed in this study is quantitative method. The research objectives are (1) to investigate the method of non-Muslims in handling their assets after pass away and (2) to identify what attracts non-Muslims to allow the government agencies to handle their waqf. There are 200 respondents chosen for this study using quota sampling method, which is a non-probability sampling. This study set quota for 100 female and 100 male. Besides, this study requires the participation from non-Muslims who contribute for waqf. This is because researchers need their opinions and experiences to answer the research objectives. The questionnaires is designed for 200 respondents and is distributed using Google Forms through Facebook and Whatsapp. Before providing the Google Forms link, researcher will ensure that the respondent is non-Muslim and had contribute to waqf. This is because the researcher use the descriptive analysis to describe the findings. The study found that non-Muslims use a Will to manage their assets after death. There are law and regulations relate to non-Muslims in distributing their assets after death which is Distribution Act 1958. Other findings revealed that non-Muslims are interested in contributing to waqf because of the professionalism and expertise of government agencies in handling waqf and they also wants to support those in needs. In conclusion, the concept of waqf accounting and management has gained recognition and acceptance among non-Muslims in Malaysia as an effective approach for asset preservation.

Keywords: Waqf, Waqf Accounting and Management, Non-Muslims, Asset Preservation

### **Introduction**

In the vibrant multicultural landscape of Malaysia, the concept of waqf, or Islamic endowment, holds immense significance for the Muslim community. Traditionally, waqf has been associated with the preservation of assets for religious purposes, such as mosques, schools, and hospitals. However, in recent years, there has been a growing interest among non-Muslims in Malaysia to adopt an Islamic approach towards managing their assets through waqf. According to Kahf (2003), waqf involves the act of possessing particular assets and safeguarding them solely for the exclusive purpose of philanthropy, strictly forbidding any utilization or transfer of the assets for any other objective beyond its designated purpose.

Waqf accounting and management refer to the financial and administrative practices employed in the preservation and management of waqf assets. Waqf, a concept rooted in Islamic principles, involves the act of dedicating a property or asset for charitable purposes, with the intention of preserving and benefiting the community. This study aims to explore the motivations and experiences of non-Muslim individuals and organizations in Malaysia who have chosen to adopt an Islamic approach towards asset preservation by establishing waqf. By examining their accounting and management practices, this research seeks to understand the challenges, opportunities, and benefits associated with implementing waqf from a non-Muslim perspective.

The adoption of an Islamic approach towards asset preservation through waqf by non-Muslims in Malaysia can be seen as a manifestation of their commitment to social responsibility and community development. It reflects a recognition of the ethical and moral principles embedded within Islamic finance and the potential of waqf to foster sustainable development and enhance societal well-being. Through this study, valuable insights can be gained into the strategies and the best practices employed by non-Muslim individuals and organizations in managing waqf assets. This knowledge can benefit other non-Muslims interested in adopting an Islamic approach towards asset preservation and contribute to the overall understanding and advancement of waqf accounting and management practices in Malaysia.

Bank Islam Berhad can set an example why it is not impossible for non-Muslims to contribute to waqf. Bank Islam's customers is not only Muslims but also non-Muslims from different ethnicities and religions, such as Chinese, Indian, and etc. So, it is indeed possible for non-Muslims to contribute to waqf. While waqf is traditionally associated with Islamic religious practices, the concept of endowment or charitable giving for a specific purpose can be found in many cultures and religions. Non-Muslims may choose to donate or establish waqf funds to support various causes, such as education, healthcare, social welfare, or environmental conservation. These contributions can be made to existing waqf institutions or through other charitable organizations that facilitate endowment initiatives. The funds donated by non-Muslims are typically used for the designated purpose and in accordance with the specific guidelines set by the donor. This approach allows for broader participation in waqf and foster the communal responsibility. Hence, this study pursues the following objectives: (i) to investigate the method of non-Muslims in handling their assets after pass away and (ii) to identify what attract non-Muslims to allow the government agencies to handle their waqf.

Overall, non-Muslims are increasingly embracing an Islamic approach towards asset preservation. By exploring their motivations, challenges, and experiences, this study seeks to contribute to the broader discourse on waqf accounting and management, ultimately promoting the preservation and effective utilization of waqf assets for the betterment of society.

## Literature Review

### *What is Waqf?*

According to Yaacob (2013), the concept of waqf originates from the Al Qur'an and the Sunnah (ahadith) of the Prophet (peace be upon him). While no specific verse in the Qur'an mention waqf, Islamic Scholars and jurists from four prominent schools of thought (Shafie, Hanbali, Maliki, & Hanafi) agreed on few verses to be referred to as its basic (Hassan, 1984 as cited by Yaacob, 2013). For instance, Surah Al Imean, verse 92, Allah (s.w.t) says, "*By no means shall ye attain*

*righteousness unless ye give (freely) of that which ye love; and whatever ye give, of a truth God knoweth it well*". This means that Muslims will not be rewarded with goodness unless they are cherished gifts to others. The gift must be of value and which is dear to the giver (Yaacob, 2013).

The elements of waqf (as cited by Yaacob, 2013), include (1) Waqif, the endower or founder; (2) Mauquf, the property or capital, which must be fully owned and free from any encumbrances; (3) Mauquf 'alaih, the beneficiaries, which can family members, descendants, the poor, and the public (Ummah), excluding enemies of Islam and (4) Sighah, ijab and qabul of waqf (offer and acceptance) (Syed Othman, 1986; Alabij, 1989; Nik Mohd Zain & Azimuddin, 1999; Yaacob, 2006; Zain, 1982 as cited by Yaacob, 2013).

There are three types of waqf, namely pure religious waqf (property used for worship, like Masjid), philanthropic waqf (property used for charity, such as schools or hospital), and family waqf (*waqf fi ahli*) or posterity waqf (*waqf al awlad*) (Kahf, 1998). Moreover, Nor and Yaakub (2015) describe two types of waqf, namely *Waqf Mutlak* (General Waqf), which has no specific destination and can be used for any purpose aligned with Islamic law and *Waqf Muqayyad* (Special Waqf), where the donor specifies the purposes for which the property should be used.

### *The Purpose of Waqf*

As reviewed, the purpose of waqf is to dedicate a property or asset for charitable purposes in perpetuity. It is a religious endowment in Islamic law that beneficial the community and provide ongoing support for various social, educational, religious, and welfare projects (Chong, 2020). It allows individuals to contribute to society's betterment and earn blessings in the afterlife. The income generated from waqf property is used to fund projects, such as mosques, schools, hospitals, orphanages, and other initiatives that significantly promoting social welfare, reducing poverty, and supporting the less fortunate.

Waqf is crucial for fostering socio-economic development and community empowerment in Islamic societies (Chong, 2020). Despite its charitable essence, waqf provides sustainable solutions to societal challenges by offering essential services and infrastructure for education, healthcare, and social welfare (Sulaiman & Zakari, 2019). Moreover, waqf initiatives also promote intergenerational equity and resilience, ensuring the perpetual provision of resources for future generations (Kahf, 2003). Through prudent management and innovative utilization of waqf assets, communities can achieve greater self-reliance and inclusive growth, enhancing overall well-being and prosperity (Khairi et al., 2014). Thus, waqf emerges as a cornerstone of social solidarity and sustainable development in Islamic jurisprudence, embodying compassion, justice, and stewardship principles (Hanefah et al., 2020).

Table 1 demonstrates and summarizes the potential outcomes that waqf can contribute to the community.

**Table 1: The Potential Impact of Waqf to the Community**

Social Welfare	Waqf funds can be used to support various social welfare initiatives, such as providing healthcare, education, housing, and poverty alleviation programs. This helps to improve the overall well-being and living conditions of the community.
Economic Development	Waqf can be used to establish businesses or invest in productive assets, generating income and creating job opportunities. This can contribute to economic growth and development, particularly in disadvantaged areas.

Infrastructure Development	Waqf funds can be utilized to build and maintain important infrastructure, such as mosques, schools, hospitals, and community centers. This infrastructure benefits the community by providing essential services and facilities.
Education and Research	Waqf funds can be utilized to build and maintain important infrastructure, such as mosques, schools, hospitals, and community centers. This infrastructure benefits the community by providing essential services and facilities.
Cultural and Religious Preservation	Waqf can be used to preserve and promote cultural and religious heritage, including the maintenance of historical sites, the publication of religious texts, and the organization of cultural events. This helps to foster a sense of identity and pride within the community.

Sources: Author (2024)

### *Is Waqf Important?*

Waqf, an Islamic endowment concept, involves donating or dedicating property, assets, or wealth for charitable purposes (Ismail, Hassan, & Rahmat, 2023). It plays a crucial role in promoting social welfare by providing resources for the needy (Khairi et al., 2014). Endowments can be used to establish and maintain schools, hospitals, orphanages, and other charitable institutions. Waqf also contribute to economic development by utilizing donated assets productively. For example, waqf land can be used for agriculture or commercial purposes, generating income for reinvestment in development projects (Razak, 2019). Waqf ensures the preservation and continuous use of assets for their intended purpose (Fadzil et al., 2022). This dedication ensures long-term availability for charitable activities. Additionally, in Islamic belief, waqf is seen as a virtuous act that brings spiritual rewards for the donor (Khalil et al., 2021). It is considered a means of earning blessings and seeking the pleasure of God through the betterment of society.

From a societal perspective, waqf is generally seen as a positive practice to address social needs, uplifts disadvantaged communities, and promotes overall welfare. Its effectiveness depends on proper management, transparency, and alignment with community needs. It is important to ensure that waqf assets are utilized efficiently, that the income generated is effectively used for charitable purposes, and that the management of waqf institutions is accountable and transparent. When well-implemented, waqf significantly contribute to social and economic development.

### *The Allure of Waqf*

Waqf embodies a selfless act of giving back to society. By dedicating assets to waqf, individuals ensure assets benefit the community perpetually (Razak, 2018). This noble concept appeals to non-Muslims, who recognize its value in preserving assets for the greater good. By embracing waqf, they contribute to the development of educational institutions, healthcare facilities, and other charitable causes, leaving societal impact (Ayedh & Kamarubahrin, 2018).

In Malaysia, waqf's appeal stems from several factors. Firstly, waqf is rooted in Islamic principles and prevalent in a predominantly Muslim country. It fulfills religious obligations and gain spiritual rewards (Ismail et al., 2023). Secondly, waqf represents social responsibility and community development. By dedicating assets for charitable purposes, individuals and organizations contribute to the betterment of society (Khairi et al., 2014). This aligns with Malaysians values of community welfare and the concept of "gotong-royong" (mutual cooperation). Moreover, waqf provides sustainable asset preservation. The income generated from waqf assets support various social and economic initiatives, education, healthcare, and poverty alleviation (Khalil et al., 2021). Therefore, the Malaysian government actively promotes waqf to

develop the Islamic finance industry (ESPG @WAZAN, 2024). This initiative led to greater awareness and support the waqf, attracting individuals and organizations interested in socially responsible activities, fostering a long term, and create positive impact on society.

### *Government Agencies for Waqf in Malaysia*

In Malaysia, Waqf institutions operate under the State Islamic Religious Council (MAIN). These institutions include the Majlis Agama Islam Wilayah Persekutuan (MAIWP), Majlis Agama Islam Selangor (MAIS), Majlis Agama Islam Negeri Sembilan, (MAINS), Majlis Agama Islam Melaka (MAIM), and many others. Besides, there are three institutions: Tabung Baitulmal Sarawak (TBS), Perbadanan Wakaf Selangor (PWS), and Yayasan Waqaf Malaysia (YWM) ([jawhar.gov.my](http://jawhar.gov.my)).

### *Tabung Baitulmal Sarawak (TBS)*

In Sarawak, the management of zakat and waqf is combined under Tabung Baitulmal Sarawak (TBS), operating under the Islamic Religious Council of Sarawak (Majlis Islam Sarawak, MIS). MIS oversees the administration of Islamic affairs in Sarawak, including the collection and distribution of zakat and waqf. TBS is responsible for the collection, management, and distribution of zakat and waqf funds. TBS also manages waqf funds, using income from endowed properties for charitable purposes, such as education, healthcare, and other social welfare programs. By merging the management of zakat and waqf, TBS ensures efficient collection, proper management, and effective distribution of funds to benefit Muslim community. TBS functions as a waqf trustee through the Ordinan MIS 2001 and the administration of waqf 2008.

### *Waqf Accounting and Management*

In Malaysia, waqf accounting and management are primarily governed by Islamic principles and guidelines (Abu Hasan et al., 2015) and the management of waqf assets is carried out by Islamic religious councils or dedicated foundations (Nor & Yaakub, 2017). Shariah-compliant practices govern waqf management for Muslim entities (Rani & Aziz, 2010), ensuring waqf assets are used according to Islamic principles for the intended purposes, such as supporting charitable activities or providing public services (Hanefah et al., 2020). Income from waqf assets typically used for the community benefits, including funding education, healthcare, and other social welfare initiatives (Masruki & Shafii, 2013). Non-Muslims individuals or organizations can also participate in Malaysian waqf activities, motivated by social responsibility or community development (Sulaiman & Zakari, 2019). As such, the accounting and management of waqf assets may adhere to principles of transparency, accountability, and good governance (Boetto & Bell, 2015). The management of waqf assets in Malaysia is regulated by various laws and regulations, including the Waqf Act 1995 and the Islamic Financial Services Act 2013 (Yaacob, 2013). These laws provide a framework for the establishment, administration, and management of waqf assets, ensuring they are properly accounted for their intended purposes. Overall, waqf accounting and management in Malaysia are welcomed participation from diverse faiths as a means to foster societal welfare and promoting community welfare.

### *Waqf Accounting and Waqf Finance*

Waqf accounting and finance play a significant role in Islamic tradition, where waqf refers to the endowment of assets for charitable purposes. It is a testament to the benevolence and generosity

that encouraged by Islam. However, the accounting and financial management of waqf endowments is an intricate process, requiring meticulous attention and expertise.

Waqf accounting entails the comprehensive recording, classification, and reporting of financial transactions related to these endowments. It ensures transparency, accountability, and the preservation of the waqf's integrity. Given that waqf assets are dedicated to perpetual charitable causes, accurate accounting is vital to protect beneficiaries' interests and maintain the donor trust. One of the major challenges is valuing waqf assets, tangible properties, like real estate or land and intangible assets, such as intellectual property rights or shares in companies. Hence, a proper valuation requires careful market assessment and expertise.

Furthermore, waqf accounting necessitates adherence to principles of Islamic finance, emphasizing ethical and Sharia-compliant practices. This entails avoiding interest-based transactions (*riba*) and investments in prohibited activities, such as gambling or alcohol. The accounting framework must comply with these principles to ensure that the waqf's financial operations remain in line with Islamic teachings. An effective financial management is also pivotal in maximizing the benefits of waqf endowments. It involves prudent investment decisions, assets diversification, and regular monitoring of income and expenditure to generate sustainable returns while preserving the principal value of the endowment. Balancing growth and preservation requires financial acumen and understanding of both Islamic finance principles and market dynamics.

Waqf accounting and finance also encompass the equitable distribution of income generated from these endowments. The beneficiaries of waqf included educational institutions, healthcare facilities, and underprivileged and marginalized segments of society. A robust accounting system is needed to accurately capture and allocate this income according to the waqf's stipulations. Overall, waqf accounting and finance represent a crucial aspect of Islamic finance, embody charity, benevolence, and social responsibility. They require a specialized accounting framework that adheres to Islamic principles, values tangible and intangible assets accurately, and ensures transparent financial reporting. Effective financial management of these endowments could foster social development and uplifting communities in line with Islamic values.

### ***Waqf Wealth Management from the Perspective of Islamic Law***

Waqf wealth management under Islamic law is governed by principles of Shariah, which provide comprehensive guidelines for the establishment, administration, and utilization of waqf assets. These principles ensure that donated property is managed by appropriate parties who supervise waqf property benefits, channelling them to rightful recipients (Cited by Rani & Aziz, 2010 from Badran, Badran Abu al-‘Aynayn, 1986, p.687). Non-Muslims engaging in waqf need to understand these Islamic finance principles and accounting are crucial to ensure the proper allocation and utilization of their resources. This includes adhering to transparency, accountability, and ethical financial practices, which are fundamental to Islamic finance.

Key aspects of waqf wealth management include the permanence and dedication of waqf assets to specific charitable purposes, ensuring they are permanently held for the community's benefit and cannot be sold, gifted, or inherited. Shariah compliance is important to avoid prohibited activities such as interest-based transactions (*riba*), gambling, and investments in businesses dealing with prohibited goods or services. Moreover, transparency and accountability are essential, with clear records of income, expenses, and utilization of funds and regular reporting and audits

to ensure accountability. Prudent investment of waqf assets in permissible investment vehicles, such as real estate, stocks, or Islamic financial instruments is encouraged to generate income. All investments should comply with Shariah principles, which prohibit speculative or unethical investments. The main goal is the preservation of waqf capital is to ensure that only income or profits generated are used for charitable purposes. Lastly, the benefits generated from waqf assets should be equitably distributed for intended charitable purposes, such as education, healthcare, or other social welfare services, aligning with the waqf's objectives.

### *Waqf Wealth Management in Malaysia*

In Malaysia, waqf wealth management is regulated by state Islamic religious authorities and governed by the various state waqf enactments. As cited by Rani and Aziz (2010), waqf property is considered trust property and listed under Schedule Nine, List II, of the State List. All waqf land, whether movable or immovable, is managed by the State Religious Council or Majlis Agama Islam Negeri (MAIN) (Baharuddin, 1998, pp.94-98). To establish waqf, the donor (wakif) must formally declare and register it with the state Islamic religious authorities. The waqf deed should clearly outline the waqf's purpose, the details of the wakif and beneficiaries, and the assets being dedicated. The state Islamic religious authorities appoint trustees or administrators to oversee the day-to-day operations, including the collection and utilization of income from the assets. Besides, the state Islamic religious authorities provide investment guidelines based on Shariah principles, investing in real estate, Islamic financial products, or other approved investment vehicles. The income generated from these investments is used for the intended charitable purposes, such as education scholarships, healthcare services, poverty alleviation programs, or supporting mosques and Islamic institutions. Trustees or administrators of waqf assets are required to maintain proper records and accounts, and are subject to regular audits to ensure transparency and accountability. The Malaysian government, through institutions like the Federal Territory Islamic Religious Council (MAIWP) and the Department of Waqf, Zakat, and Hajj (JAWHAR), actively promotes the development and growth of waqf assets. They provide support and assistance to individuals and organizations, advisory services, and training programs. Engaging in waqf accounting and management offers non-Muslims the opportunity to align financial decisions with personal values, contribute to society well-being, foster social responsibility and offer tax benefits and financial incentives.

### *Impact on Society*

The involvement of non-Muslims in waqf accounting and management has the potential to revolutionize asset preservation in Malaysia (Ayedh & Kamarubahrin, 2018). By transcending religious boundaries, this practice can foster collaboration among diverse individuals for societal betterment (Khairi et al., 2014). Non-Muslim contributions can amplify the impact and reach of these charitable endeavors, benefitting a larger segment of the population (Rashid, 2018). Non-Muslims involvement in waqf accounting and management promotes diversity and inclusivity within the waqf sector (Hanefah et al., 2020). It allows for a broader range of perspectives, expertise, and experiences to be brought to the table, leading to more innovative and effective solutions for managing waqf assets and maximizing their impact. Additionally, non-Muslims can contribute to improving accountability and transparency in waqf management (Sulaiman & Zakari,

2019) by establishing robust governance structures, financial reporting mechanisms, and oversight processes, which can build trust among stakeholders and donors.

Furthermore, the best practices and expertise from non-Muslims with experience in accounting and management can significantly benefit the waqf sector (Boetto & Bell, 2015). They can introduce efficient financial management systems, strategic planning approaches, and performance measurement frameworks, enhancing the effectiveness of waqf initiatives. Collaboration and partnerships between communities and organizations can also be fostered among non-Muslim (Nor & Yaakub, 2017) by creating opportunities for interfaith dialogue and joint initiatives aimed at addressing social challenges and improving society well-being. Moreover, non-Muslims involvement could attract more resources for charitable causes (Khalil et al., 2021). Increased resources for charitable causes can be mobilized, mobilize funds from diverse sources, including non-Muslim donors and philanthropic organizations. Overall, non-Muslims involvement in waqf accounting and management can contribute to the growth, effectiveness, and impact of waqf initiatives, ultimately benefiting society as a whole.

#### *The Impact of Waqf and Zakat on Sustainable Development*

Waqf and zakat have a significant impact on sustainable development by addressing social, economic, and environmental challenges (Khalil et al., 2021). Zakat, as an obligatory form of charity, plays a crucial role in poverty alleviation (Ismail et al., 2023) by providing financial support to the poor and needy, thus improving their living conditions and enhance economic well-being. This contribution is essential for reducing poverty and achieving sustainable development goals. Moreover, waqf properties can be dedicated to establishing educational institutions and healthcare facilities (Ayedh & Kamarubahrin, 2018), offering quality education and healthcare services to the underprivileged. By investing in these, waqf and zakat promote human development and contribute to long-term sustainable development.

Furthermore, waqf properties can support income-generating projects, such as vocational training centers or small business incubators (Khairi et al., 2014), empowering individuals and communities to become self-sufficient and economically independent. Environmental conservation is another area where waqf properties can be utilized, such as establishing nature reserves, reforestation projects, or renewable energy facilities (Rashid, 2018), promoting sustainable practices and protecting the environment. Waqf and zakat also contribute to community development by supporting infrastructure, providing clean water and sanitation, and improving access to transportation (Khalil et al., 2021). It is therefore enhancing the quality of life and creating resilient and inclusive communities. Additionally, waqf and zakat are important in fostering social cohesion and harmony within communities (Razak, 2018). It is useful to encourage social justice and solidarity, vital for supportive and inclusive environment. Overall, the combined resources and strengths of waqf and zakat contribute to create a more equitable, inclusive, and sustainable society.

#### *Waqf for Community in the Context of Homeless and Elderly*

Waqf has significant potential to address the multifaceted needs of the homeless and elderly (Rani & Aziz, 2010). By establishing dedicated waqf properties equipped with essential amenities and services, we can create safe havens where the most vulnerable members of our society can find solace and comfort (Razak, 2018). These properties can serve as shelters, offering a warm bed,

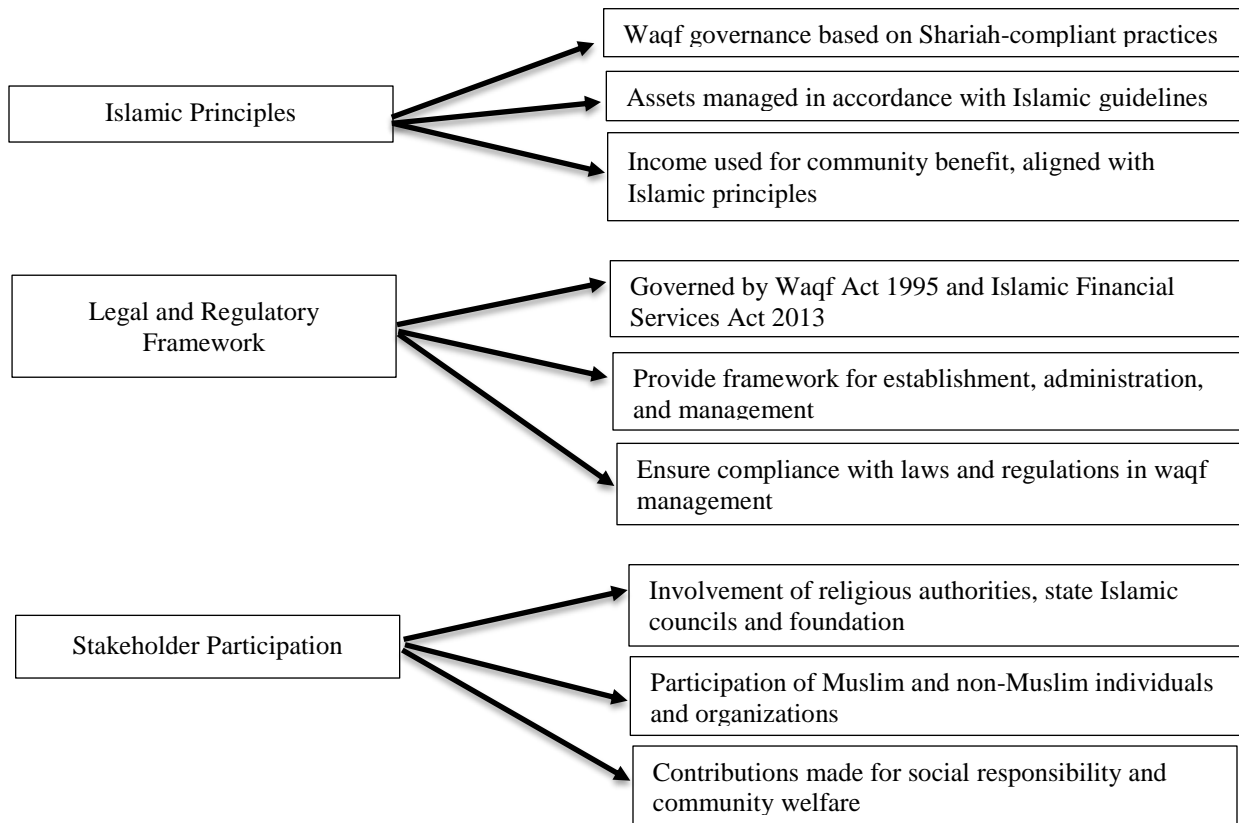


nourishing meals, and access to healthcare, thereby restoring dignity to those who have lost it (Abu Hasan et al., 2015). Imagine a waqf center specifically designed for the homeless, where professional counsellors and social workers provide emotional support and guidance (Rashid, 2018). Here, individuals who have fallen on hard times can find a compassionate ear, a shoulder to lean on, and the tools necessary to rebuild their lives (Fadzil et al., 2022). Such centers can offer vocational training programs, enabling the homeless to gain valuable skills, and ultimately reintegrate into mainstream society (Khalil et al., 2021).

Similarly, the elderly can benefit greatly from waqf initiatives tailored to their unique needs (Nor & Yaakub, 2017). By establishing retirement communities funded through waqf, we can create promote healthy aging, companionship, and a sense of belonging (Sulaiman & Zakari, 2019). These communities can provide comprehensive healthcare facilities, recreational activities, and spiritual support, ensuring that elders spend their twilight years with grace and dignity (Razak, 2018). Waqf can also support existing organizations and initiatives (Razak, 2018) dedicated to combating homelessness or providing care for the elderly, amplifying their impact and enabling them to reach more individuals in need (Rashid, 2018), and foster a sense of unity and solidarity within society, reminding ourselves of our shared responsibility towards the less fortunate (Ismail et al., 2023). Establishing waqf for the homeless or elderly requires a collective commitment from individuals, communities, and governments. It urges us to move beyond short-term fixes and embrace sustainable solutions (Rani & Aziz, 2010), recognizing that the well-being of the marginalized reflects our societal values and priorities (Khairi et al., 2014). Waqf represents a beacon of hope for the homeless and elderly, offering them a lifeline, and creating transformative spaces through the power of endowments.

### *Theoretical Framework*

Figure 1 presents theoretical framework of waqf accounting and management in Sarawak.



**Figure 1: Theoretical Framework of Waqf Accounting and Management in Sarawak**

Source: Abu Hasan et al. (2015)

### Methodology

The main aim of this research is to investigate how non-Muslims in Sarawak entrust their assets to waqf agencies, which are traditionally for Muslims. Sarawak was chosen due to its predominantly Non-Muslim population. The study involves 200 Non-Muslim participants from Sarawak, selected using quota sampling, a non-probability method focusing on specific groups. The researcher prepared 200 questionnaires using google forms, distributed via Facebook or Whatsapp. The developed questionnaires consist of descriptive quantitative questions, analyzed using descriptive analysis. All respondents were first screened to ensure they are non-Muslims who had contributed to waqf. If both criteria were met, they proceeded to fill out the survey. Data was analyzed using SPSS software version 26, with results presented in tables, highlighting responses from Non-Muslims who have contributed to waqf.

## Findings

### *Demographic profile information*

Table 2 demonstrates the demographics of the study's respondents. The research included an equal quota of 100 female and 100 male respondents, all non-Muslims who have contributed to waqf. Most of them are aged 29 years old above, with 36.5% working in private sector. The household income range was RM2,001–RM3,000 (36.5%). Approximately, 84% of the respondents are Christian (84%), making it the predominant religion among respondents.

**Table 2: Demographic Profile**

		Frequency	Percentage (%)
Gender	Female	100	50
	Male	100	50
Age	<20 years	15	7.5
	20-24 years	50	25
	25-29 years	57	28.5
	>29 years	78	39
Occupation	Government	62	31
	Private	73	36.5
	Self-employed	42	21
	Retire	23	11.5
Household income per month	<RM1,000	0	0
	RM1,001 – RM2000	56	28
	RM2,001 – RM3000	73	36.5
	>RM3000	71	35.5
Religion	Christian	168	84
	Buddha	26	13
	Hindu	6	3
	Others except Islam	0	0

Source: Author (2024)

Table 3 summarizes how non-Muslims handle their assets after death. The respondents, who answered based on their own knowledge, indicating that they handle their assets through a will (80%), without will (13.5%), and depend on consideration of the spouse (6.5%). Most follow common legal procedures according to legitimate will (98%) and aware of Distribution Act 1958 (82%). For estate planning and asset distribution, the researcher provided several options, included will, beneficiaries, gifting, and charitable giving. The result indicated that wills being the most preferred (79.5%). Next, some respondents noted potential dissatisfaction with the will's outcome (12.5%), the majority reported no misconceptions or misunderstandings (72.5%) about how non-Muslims handle assets after death.

**Table 3: How Non-Muslims Handle their Assets after Death**

Questions		Frequency	Percentage
How do non-Muslims typically handle their assets after they pass away?	With will and inheritance. The assets will be distributed among the deceased's immediate family: parent, spouse, issue (include	160	80

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	children of the deceased before he/she die).	
	Without will. Assets frozen and family need to appoint an administrator.	27 13.5
	Depend on consideration of the spouse. (Some does not really care where the assets go as long as it goes to who more deserve it).	13 6.5
What are the common legal procedures followed by non-Muslims for distributing their assets after death?	Legitimate will.	196 98
	Not sure.	4 2
Are there any specific laws or regulations that non-Muslims need to be aware of when it comes to handling their assets post-death?	Distribution Act 1958.	164 82
	Not sure.	36 18
What options do non-Muslims have for estate planning and asset distribution after they pass away?	Will.	159 79.5
	Beneficiaries.	23 11.5
	Gifting.	5 2.5
	Charitable giving.	13 6.5
Are there any common misconceptions or misunderstandings about how non-Muslims handle their assets after death, and what are the correct practices in such cases?	No.	145 72.5
	Not sure.	30 15
	Family might not satisfied with result of wills – all must know about the will during the person still alive, so that everyone can happily accept the result of the will.	25 12.5

Source: Author (2024)

Table 4 presents why non-muslims choose government agencies to handle their waqf. The researcher categorize the responses into few category, namely convenience, trust, no suitable alternatives, and no knowledge of waqf. The majority believe waqf helps those in need (89.5%). Most respondents cited professional and capability (78%), convenience (60%), followed by professionalism and expert (36.5%), as key factors. The most common type of waqf given was charitable waqf (54%).

**Table 4: Reason Non-Muslims Choose Government Agencies to Handle Waqf**

Questions		Frequency	Percentage
What are the reasons that non-Muslim individuals may choose to allow government agencies to handle their waqf?	Convenience.	120	60
	Trust.	25	12.5
	No suitable alternatives.	34	17
	No knowledge about waqf.	21	10.5
How do non-Muslims perceive the role and capabilities of government agencies in managing waqf?	Professional and capability	156	78
	Transparency	13	6.5
	Stability	5	2.5
	Longevity	11	5.5
	Potential for impact.	15	7.5
Are there any specific advantages or benefits that non-Muslims see in entrusting their waqf to government agencies?	It can help those in need.	179	89.5
	Long term investment toward waqf.	21	10.5
What role does the reputation and track record of government agencies play in attracting non-Muslims to entrust their waqf to them?	Trust.	23	11.5
	Accountability.	35	17.5
	Professionalism and expert.	73	36.5
	Community benefit.	69	34.5
How do non-Muslims view the long-term sustainability and growth potential of waqf managed by government agencies?	It can help the community.	108	54
	Regulatory oversight.	54	27
	Potential limitations.	38	19

Source: Author (2024)

### Discussion

In this study, the researcher set quotas to ensure a diverse range of respondents. The study included 200 respondents, with an equal number of females and males (100 each). This study focused on non-Muslims who have contributed to waqf. For demographic profile, the respondents' ages varied, with the highest percentage being 29 years old and above (39%), indicating that non-Muslims are more likely to contribute to waqf. Majority of respondents (36.5%) worked in the private sector and most had a household income between RM2,001-RM3000 (36.5%). Residence location (city or village) did not significantly affect participation. The study was limited to Non-Muslims, with the highest percentage being Christians (84%). Besides, respondents answered questions about handling assets after death. Most non-Muslims use wills and inheritance (80%) to

distribute assets among immediate family members. Without a will (13.5%), families must appoint an administrator, freezing assets until then. Some rely on the spouse (6.5%). Some of the family also have a consideration toward the spouse of the deceased especially if those who left behind is the wife. It will depend on her how she wants to divide the assets as long as the assets goes to those who more deserve it. Some also thought that there is a need of consideration toward the deceased's parent especially if the deceased is the only children in the family.

Next, most of the respondents choose legitimate will (98%) for the common legal procedures that the non-Muslims follow to distribute the assets. There are also some of the respondents not sure (2%) what to answer. Then, there is (82%) of the respondents answer that Distribution Act 1958 is the laws or regulations that Non-Muslims need to aware when handling the assets. After that, there is four types of options based on the answer of the respondents, the highest percentage for options that Non-Muslims have for estate planning and assets distribution is will (79.5%), followed by beneficiaries (11.5%), charitable giving (6.5%) and gifting (2.5%). Will is the biggest options for Non-Muslims to choose when they need to plan and distribute the assets, because a will can be used to outline their wishes regarding the distribution of the assets after death. This will allows them to choose beneficiaries, specify how their assets should be distributed and appoint an executor to carry out their wishes.

The second option which is beneficiaries, the chosen beneficiaries will get certain assets and will transferred directly toward the beneficiaries. The third option which is charitable giving, Non-Muslims can include charitable giving as part of their estate planning. They can leave a portion of their assets to support causes they care about. The last option which is gifting, Non-Muslims can make lifetime gifts of their assets to their chosen beneficiaries. This can help reduce the size of the estate and potential estate taxes while allowing individuals to see their beneficiaries enjoy the gifted assets during their lifetime. Last but not least, the fifth question for this second components is, if there is any misconceptions or misunderstandings about how Non-Muslims handle their assets after death and what are the correct practices in such cases. The highest percentage of this question is no (72.5%) means there is no common misconceptions or misunderstandings in how non-Muslims handle their assets while others is not sure (15%) what to answer and some answer that family might not satisfied with the result of wills (12.5%). The respondents suggest that if some family might not satisfied, all of the family must know about the will during the person still stay alive, so that everyone can happily accept the result of the will.

For the reasons of choosing government agencies for waqf management, respondents cited convenience (60%), no suitable alternatives (17%), trust (12.5%), and no knowledge about waqf (10.5%). Convenience is crucial as government agencies have experience in handling charitable foundations. Non-Muslims may not know private organizations that manage waqf, finding government agencies more accessible and trustworthy. Moreover, regarding to perception of government agencies, non-Muslims perceive government agencies as professional and capability (78%) followed by potential for impact (7.5%), transparency (6.5%), longevity (5.5%), and stability (2.5%). They view government agencies as efficient in managing funds and assets. Furthermore, the primary advantage of entrusting waqf to government agencies is helping those in need (89.5%) and followed by long term investment (10.5%). Reputation and track record of government agencies attract non-Muslims due to professionalism and expertise (36.5%), community benefit (34.5%), accountability (17.5%), and lastly, trust (11.5%).

Lastly, respondents primarily contribute to charitable waqf (54%), public waqf (27%), and educational waqf (19%). Charitable waqf supports charitable causes, such as aiding the poor, orphans, widows, healthcare, etc. Public waqf benefits general public facilities like mosques, schools, hospitals, etc. Lastly, educational waqf promotes and supports education through schools, colleges, and universities.

### **Limitation/Implications/Conclusion**

In conclusion, waqf accounting and management have gained significant recognition and acceptance among non-Muslims in Malaysia as an effective approach for asset preservation (Rani & Aziz, 2010). Non-Muslims are increasingly adopting Islamic approach due to its reliable and sustainable method for long-term asset management (Kahf, 2003). This shift highlights the universal appeal and practicality of waqf principles, transcending religious boundaries and promoting assets preservation for the betterment of society (Khairi et al., 2014).

Non-Muslims in Malaysia are drawn to waqf accounting and management primarily because of its stability and reliability. Waqf assets are dedicated to specific purposes, such as education, healthcare, or social welfare, ensuring their use for community. This provides a sense of security for Non-Muslims, as their assets are protected and aligned with their values and goals (Chong, 2020). Moreover, waqf promotes long-term asset preservation. Unlike conventional asset management, which may involve selling assets for short-term gains, waqf assets are preserved and utilized for generations. This resonates with non-Muslims who prioritize preservation and sustainability of their wealth for future generations (Sulaiman & Zakari, 2019).

Waqf accounting and management also offer a transparent and accountable system. The principles of waqf require proper documentation and reporting, ensuring transparent asset management. This appeals to non-Muslims who value integrity and accountability in their financial affairs (Rashid, 2018). The acceptance of waqf accounting and management by non-Muslims highlights the inclusive nature of Islamic principles. The universality of waqf transcends religious boundaries, offering a practical solution for asset preservation. This promotes cooperation among different religious and cultural groups for societal betterment (Yaacob, 2013). Additionally, the adoption of waqf accounting and management by non-Muslims in Malaysia demonstrates the practicality and appeal of Islamic principles in asset preservation. The stability, long-term focus, transparency, and inclusivity of waqf principles make it an attractive approach for non-Muslims to safeguard and utilize their assets in alignment with their values and goals. As more non-Muslims embrace waqf, it is expected to contribute to the overall preservation and development of society in Malaysia.

### *Future of Waqf in Malaysia*

The future of waqf in Malaysia looks promising, with growing interest in promoting and revitalizing the waqf sector. Waqf, an Islamic practice of endowment, has historically provided social and economic benefits in Malaysia (Abu Hasan et al., 2015). Key initiatives include the establishment of the Waqf Fund to support waqf asset development and management. The government introduced incentives and tax breaks to encourage individuals and organizations to contribute to waqf (Abu Hasan et al., 2015).

Awareness of waqf's potential to address social and economic issues is increasing among Malaysians, leading to initiatives, such as waqf-based microfinance and crowdfunding platforms

aimed at community development (Abu Hasan et al., 2015). Additionally, digital transformation has significantly impacted waqf's future and facilitating easier management and administration of waqf assets. Digital platforms and apps have been developed to facilitate waqf transactions and investments, making it more accessible to a wider audience (Abu Hasan et al., 2015). Overall, with government support, growing awareness, and technology advancements, waqf is poised to significantly contribute to Malaysia's socio-economic development and improve the citizens' lives.

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