



Received: August 12, 2024

Revised: September 22, 2024

Accepted: October 31, 2024

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FINANCE | RESEARCH ARTICLE

Analysis of Accounting Treatment for *Zakat*, *Infaq*, and *Sadaqah* Considering on PSAK Number 109 at *Zakat* Management Organizations

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Abstract: This study aims to determine the conformity of the accounting treatment for *Zakat*, *Infaq*, and *Sadaqah* at BAZNAS South Sulawesi as reviewed under PSAK Number 109. The research employs a descriptive analytical approach, involving direct investigation of the research subject, and collecting and analyzing documents or records maintained by the organization regarding their accounting and financial reporting. The methodology includes interviews with key personnel, review of financial statements, and comparative analysis with PSAK Number 109 standards. The urgency of this research lies in the need to enhance transparency and accountability in the management of charitable funds, ensuring compliance with regulatory standards, and improving public trust in *Zakat* management. The results indicate that the recognition and measurement of *Zakat*, *Infaq*, and *Sadaqah* at BAZNAS South Sulawesi are consistent with PSAK Number 109, except that the presentation and disclosure of financial reports are not fully compliant with PSAK Number 109.

Keywords: Zakat, Infaq, Sadaqah, BAZNAS, PSAK Number 109.

JEL Classification Code: M41, M48, H41, G34

1. INTRODUCTION

The diverse socio-economic conditions in society highlight significant disparities in social and economic status. Many individuals enjoy high status and wealth, while others struggle with low status and poverty. *Zakat*, the third pillar of Islam, serves as a key instrument for redistributing wealth from the affluent to those in need. It aims to promote equity and improve living standards in society. A study by the Language and Culture Center of UIN Jakarta (2003-2004) surveyed 1,500 randomly selected Muslim families and 300 philanthropic organizations, revealing that the potential funds from *Zakat*, *Infaq*, and *Sadaqah* could reach IDR 19.3 trillion annually. This was based on an average annual cash donation of IDR 409,267 and in-kind contributions of IDR 148,200 per family. With approximately 34.5 million Muslim families in Indonesia, total potential donations could amount to IDR 14.2 trillion in cash and IDR 5.1 trillion in goods.

The substantial potential of *Zakat*, *Infaq*, and *Sadaqah* underscores the importance of effective management, especially as the majority of Indonesians are Muslim and increasingly educated. This awareness encourages wealthier Muslims to fulfill their *Zakat* obligations. Given that *Zakat* is a form of social transaction in Islamic finance, it requires specific accounting standards, similar to other commercial transactions. Effective *Zakat* management relies on well-managed organizations, such as Badan Amil Zakat (BAZ) and Lembaga Amil Zakat (LAZ). BAZ operates under the Ministry of Religious Affairs, while LAZ is community-established. The role of *Zakat* management institutions, like BAZNAS South Sulawesi, is crucial for public trust in handling *Zakat* funds. To enhance accountability, the Financial Accounting Standards Board (IAI) issued PSAK Number 109 on April 6,

2010, which became available in September 2011. This standard aims to ensure compliance with Islamic law and standardize financial reporting among *Zakat* institutions. However, not all organizations consistently apply PSAK Number 109. Previous research by Kristin and Umah (2011) on LAZ DPU DT Semarang concluded that their accounting practices did not fully comply with PSAK Number 109. BAZNAS South Sulawesi focuses on professional management of *Zakat*, *Infaq*, and *Sadaqah*, emphasizing education, health, community development, and economic empowerment. The organization acts as a mediator between the interests of donors and recipients, promoting social spirituality.

Several studies have examined the implementation of zakat accounting across various institutions. Ari Kristin, P. Umi, and Khoirul Umah (2011) found that LAZ DPU DT Semarang applies a cash basis accounting model but lacks full compliance with PSAK Number 109, producing only basic reports without necessary financial statements. Similarly, Syawal Harianto and Diana (2014) analyzed Baitul Mal Kota Lhokseumawe, noting its use of single-entry accounting and cash basis recognition, which resulted in inadequate financial reporting not aligned with PSAK 109. Ahmad Roziq and Widya Yanti (2011) highlighted that while LAZ Rumah Yatim Mandiri, Rumah Zakat, and LAZ DD Surabaya follow PSAK 109, they struggle with the treatment of non-halal funds, particularly in terms of separation and recognition. In contrast, Andi Metari Setiaware (2013) confirmed that LAZ Dompot Dhuafa Makassar adheres to PSAK 109 in its accounting practices. Zulfayani (2011) assessed the effective internal control system at Baitul Mal Hidayatullah (BMH) Makassar, which aligns with PSAK standards. Zainal A. Wijaya (2011) emphasized that transparency and accountability are crucial for good governance in zakat institutions, impacting *muzzaki* loyalty. Additionally, Lina Yulianti (2021) noted that BAZNAS Kota Bandung complies with PSAK 109 in its financial reporting, while Anah Zanatun et al. (2018) reported that Yayasan Rumah Yatim Arrohman follows PSAK 109 in its comprehensive financial statements. Putri Happy Meilina et al. (2023) found that the attitudes of *amil* influence the implementation of zakat accounting practices, with some lacking understanding of these principles. Finally, Anggun Vitasari and Alia Ariesanti (2023) noted that KLL Mu'allimaat's recognition and measurement of *zakat* and *Infaq/Sadaqah* partially align with PSAK 109, particularly regarding non-cash assets. Overall, while some institutions demonstrate compliance with PSAK 109, others face challenges in fully implementing the required standards.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 *Zakat, Infaq and Sadaqah*

Zakat, Infaq, and Sadaqah (ZIS) are essential aspects of philanthropy in Muslim society. *Zakat* is an obligation for every capable Muslim and is part of the pillars of Islam, while *Infaq* and *Sadaqah* reflect gratitude towards Allah SWT by allocating a portion of one's wealth for religious purposes and helping others. Linguistically, *zakat* means to grow and develop, as well as to purify. According to Islamic law, *zakat* is mandatory for free Muslims who possess wealth reaching the *nisab* (Nurhayati and Wasilah). PSAK Number 109 defines *zakat* as the wealth that must be given by the *muzzaki* in accordance with Sharia to those entitled to receive it (*mustahiq*). *Infaq* refers to the expenditure of wealth, which can be obligatory (such as *zakat*, *kafarat*, and *nadzari*) or *sunnah* (such as donations to the poor, disaster relief, and humanitarian efforts). PSAK Number 109 states that *Infaq/Sadaqah* is wealth given voluntarily, with or without specific limitations. *Sadaqah* is the act of giving to the poor and those in need without expecting anything in return, with no limits on the amount or timing (Mu'is, 2011, in Setiariware, 2013).

Based on their type, *zakat* consists of two categories: *zakat* fitrah and *zakat maal* (or *zakat* on wealth). *Zakat* fitrah is obligatory for Muslims during the month of Ramadan, specifically at sunset on the last day of Ramadan, and it is preferable to pay it before the *Idul Fitri* prayer. *Zakat* fitrah is mandatory for every Muslim who meets the criteria, including their dependents. The requirement for *zakat* fitrah is that individuals must have excess staple food for themselves and their dependents on the day of Eid. This type of *zakat* does not have a *nisab* threshold and is paid at a rate of one sha, equivalent to 3.5 Liters (2.5 kg) of staple food. The second type is *zakat maal*, which refers to *zakat* on wealth that

can be paid at any time as long as the *zakat* object meets the requirements. This includes income from trade, agriculture, mining, marine resources, livestock, found treasures, gold, silver, and professional earnings, each having its own calculations (Nurhayati and Sri, 2011).

2.2 Definition of Zakat Accounting

Accounting, as defined by the American Accounting Association, is the process of recording, classifying, processing, summarizing, analyzing, and reporting financial transactions. It can also be seen as a service activity that provides quantitative financial information to stakeholders for decision-making (Nurhayati and Wasilah, 2011). In Arabic, the term "*syariah*" refers to a path or guideline. Zaid (in Setiariware, 2013) defines Islamic accounting (*muhasabah*) as a systematic activity related to transactions, actions, and decisions in accordance with Sharia, focusing on their financial implications to aid in informed decision-making. Thus, *zakat* accounting can be summarized as the process of recognizing, measuring, presenting, and disclosing *zakat* and *Infaq/Sadaqah* transactions according to Islamic principles. This ensures effective management of these funds by Amil, promoting good governance through transparency, responsibility, accountability, fairness, and independence.

Accounting serves several key purposes in the context of *zakat*, as outlined by Mahmudi (2008): (a) Providing Essential Information: It delivers the necessary information for effectively managing *zakat*, *Infaq*, *Sadaqah*, *hibah*, and *wakaf* entrusted to *zakat* management organizations. This goal relates to management control for the internal interests of the organization; (b) Facilitating Accountability: It enables *zakat* management institutions to report on their responsibilities regarding the effective management and use of *zakat*, *Infaq*, *Sadaqah*, *hibah*, and *waqf*. This transparency allows these organizations to inform the public about their operations and the use of public funds (community resources). In summary, *zakat* accounting is focused on three main areas: providing information, management control, and accountability. It acts as a communication tool between *zakat* management institutions and stakeholders. For management, *zakat* accounting information is crucial for processes like planning, program development, budget allocation, performance evaluation, and reporting. This information aids decision-making, especially in *zakat* allocation, and helps identify effective and targeted programs. Selecting the right, effective, and economical programs significantly enhances the allocation process for *zakat*, *Infaq*, *Sadaqah*, *hibah*, and *waqf* received (Mahmudi, 2008). Additionally, *zakat* accounting can be used to measure the performance of *zakat* management organizations, as it establishes performance indicators essential for evaluating effectiveness. Without adequate performance indicators, management would struggle to assess performance, and these indicators can be both financial and non-financial.

2.3 Transparency

Mardiasmo, as cited in Maryati (2012), defines transparency as the openness of the government in providing information related to the management of public resources to those who need it. The government has an obligation to provide financial information and other relevant data that stakeholders will use for decision-making. In the context of Islam, Tapanjeh (2009) describes the concept of transparency as follows: first, organizations must be open to *muzakki*, ensuring that all facts related to *zakat* management, including financial information, are easily accessible to interested parties. Second, information should be disclosed honestly and comprehensively, covering all aspects related to the information provided. Third, the provision of information must be fair to all parties requiring it. Additionally, organizations are expected to communicate their policies to the stakeholders who entrust them. From this understanding, it can be concluded that transparency in Islam is closely linked to honesty. When conveying information, those providing it must be truthful, ensuring that nothing is overlooked in the knowledge of the information recipients.

3. RESEARCH METHOD AND MATERIALS

This research will be conducted at BAZNAS of South Sulawesi Province, located at Jl. Mesjid Raya Makassar, over a period of two months from July to August 2024. The study will utilize two types of

data: quantitative data, which includes numerical information relevant to the discussion, and qualitative data, which consists of non-numerical information such as general descriptions of the organization and other relevant details necessary for addressing the research problem. The sources of data will include primary data, obtained through direct observations, interviews, and documentation from the research subjects, as well as secondary data, gathered from various literature such as books, journals, and academic articles related to the research topic. To collect relevant data, the study will employ several methods, including observation to maintain objectivity, direct interviews with managers or staff of the *Zakat* Agency, and documentation from relevant records. The analysis method used will be descriptive analysis, which aims to describe and analyze the implementation of PSAK Number 109 concerning the accounting of *Zakat*, *Infaq*, and *Sadaqah* at the *Zakat* Agency. The indicators to be analyzed according to PSAK Number 109 include the initial recognition of *Zakat*, *Infaq*, and *Sadaqah*; measurement after initial recognition; presentation in financial statements; and disclosure.

4. RESULTS AND DISCUSSION

4.1 Result of Research

The financial reporting process conducted by BAZNAS of South Sulawesi Province begins with the collection of documentation such as bank statements, giro reports, cash receipts, and cash disbursement records. All these documents are recorded in journals and ledgers, with financial reports generated periodically. Currently, BAZNAS of South Sulawesi Province has implemented a computerized accounting system. The funds managed are categorized into six positions: first, *Zakat* Funds, which include *fitrah* and property *zakat* distributed to eight *mustahiq asnaf* according to Islamic law, with 12.5% allocated for the management; second, *Infaq/Sadaqah* Funds, which are fully managed by the organization's management, allocating 35% for *amil* and 65% for BAZNAS programs; third, *Waqf* Funds, which are received in asset form for specific purposes; fourth, Humanitarian Funds, which are donations for social assistance; fifth, *Amil/Management* Funds, used for operational costs and employee salaries; and sixth, Funds for Distributing *Qurbani* Animals, designated for the slaughter of animals during *Eid al-Adha*.

In terms of asset recognition, BAZNAS of South Sulawesi Province records cash receipts at the time of receipt and cash disbursements at the time of outflow, with entries adjusted to reflect the physical cash balance. For example, upon receiving a cash donation of IDR 53,500,000, the journal entries reflect the recognition of cash and allocations for *zakat*, *Infaq*, and *Sadaqah*. Regarding receivables, the organization recognizes and records short-term receivables, which include claims against fellow BAZNAS networks. For instance, when the Maros branch borrows IDR 50,000,000, it is recorded as a receivable. The liabilities present are current liabilities, recorded upon recognition and when settling debts.

The funds received by BAZNAS of South Sulawesi Province arise from community fundraising activities, including *zakat*, *Infaq*, *Sadaqah*, and *waqf*, as well as funds from organizational management activities, including subsidies and other receipts. The *zakat* received is separated between the portion for the *amil* and *mustahiq* according to Islamic principles. The usage of funds is classified into distributions and expenses, with recognition occurring at the time of outflow. Regarding measurement, ZISWAF typically received is in cash, while *Sadaqah* and *Infaq* in the form of goods are measured based on their fair value at the time of receipt. BAZNAS South Sulawesi Province presents financial statements consisting of the following table 1.

Table 1. BAZNAS of South Sulawesi Province Statement of Financial Position for the Years Ended December 31, 2022, and 2023 (In Rupiah Units)

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	265.391.107	252.006.843
Accounts Receivable	1.904.568.587	1.541.786.450
Prepaid expenses		

	2023	2022
Inventory		
Total Current Assets	2.169.959.694	1.793.793.293
Non-current Assets		
Fixed Assets	683.128.254	1.553.620.748
Accumulated Depreciation		(661.313.361)
Book Value	683.128.254	892.307.388
Amount of Assets	2.853.087.948	2.686.100.681
Liabilities and Fund Balances		
Liabilities	390.090.000	
Payables to Third Parties Interfund Payables	339.500.000	579.922.020
Other Payables		
Total Liabilities	729.590.000	579.922.020
Balance of Funds		
Zakat	713.031.775	553.042.864
Infaq/Sadaqah	800.937.379	934.703.149
Amil	486.885.578	447.909.118
Waqaf	117.338.561	167.017.700
Non halal	5.304.655	3.505.831
Total Fund Balance	2.123.497.948	2.106.178.661
Total Liabilities and Fund Balance	2.853.087.948	2.686.100.681

Source: BAZNAS of South Sulawesi Province, 2024

In 2023, the total current assets of BAZNAS of South Sulawesi Province amounted to IDR 2,686,100,681, which includes cash and cash equivalents of IDR 252,006,843 and receivables of IDR 1,541,786,450. The fixed assets totaled IDR 1,553,620,748, with accumulated depreciation of IDR 661,313,361. The total liabilities of BAZNAS of South Sulawesi Province were IDR 579,922,020, arising from loans from third parties or fellow BAZNAS networks, amounting to IDR 579,922,020. The total fund balance at BAZNAS was IDR 2,106,178,661, sourced from *zakat*, *Infaq/Sadaqah*, *amil*, *waqaf*, and non-halal funds. In 2023, the financial position report of BAZNAS of South Sulawesi Province showed an increase compared to 2022. This is indicated by a rise in current assets by IDR 2,169,959,694, while fixed assets decreased by IDR 683,128,254. Additionally, both liabilities and fund balances in 2023 increased from the previous year, reflecting an improvement in the organization's financial management. For Results, provide sufficient detail to allow the results to be meaningful and informative. For Discussion, this should explore the significance of the results of the work, not repeat them. A combined Results and Discussion section is often appropriate. Avoid extensive citations and discussion of published literature.

Table 2. Statement of Changes in Funds

BAZNAS of South Sulawesi Province REPORT ON CHANGE OF FUNDS For the Years Ended December 31, 2023 and 2022 (In Rupiah Units)		
	2023	2022
Infaq/Alms Fund		
Acceptance		
Bound Infaq / Charity Receipts		
Receipt of Infaq / shadaqah Miskin		774.159.950
Receipt of Infaq/shadaqah Education	48.690.000	282.506.260
Receipt of Infaq / shadaqah Social & humanity	27.305.000	
Da'wah Infaq/shadaqah Receipt		394.106.764
Receipt of Infaq / shadaqah Economy		
Total	806.665.000	1.450.772.974
Unrestricted Infaq/sadaqah Receipts		
General infaq/shadaqah receipts	1.452.570.730	1.082.895.387
Receipt of infaq / Shadaqah management		

BAZNAS of South Sulawesi Province REPORT ON CHANGE OF FUNDS For the Years Ended December 31, 2023 and 2022 (In Rupiah Units)		
	2023	2022
Program		
Total	1.452.570.730	1.082.895.387
Placement result		
Bank's profit sharing on infaq/alms funds	618.973	
Total	618.973	-
Total receipts of infaq/sadaqah funds	2.259.854.703	2.533.668.361
Amil		
Disbursement of unrestricted donations		
Receipt of Infaq / shadaqah Miskin	2.125.000	103.201.000
Receipt of Infaq/shadaqah Education	772.197.600	
Receipt of Infaq / shadaqah Social & humanity	3.300.000	
Da'wah Infaq/shadaqah Receipt		
Receipt of Infaq / shadaqah Economy		
Distribution of Infaq/shadaqah for amil	121.973.425	
Total	899.596.025	103.201.000
Distribution of unrestricted infaq		
Distribution of infaq / shadaqah Fakir Miskin		
Distribution of infaq / shadaqah Education	110.822.000	139.235.000
Social & humanitarian infaq / shadaqah distribution	51.402.602	497.866.795
Daqwah infaq/shadaqah distribution	450.788.515	383.990.133
Distribution of infaq / shadaqah Economy		150.000
Distribution of infaq / shadaqah worship suggestions		
Distribution of infaq / shadaqah Fashibilah	502.984.756	41.031.500
Disbursement of Amil Infaq Rights (30%)		324.868.616
Distribution of infaq / shadaqah Ibnu Sabil		
Total	1.115.997.873	1.387.142.044
Distribution of Infaq / Alms Fund	2.015.593.898	1.490.343.044
Surplus (Deficit)	244.260.806	1.403.325.317
Beginning Balance	556.676.574	(108.622.169)
Ending Balance	800.937.379	934.703.149

Source: BAZNAS Provinsi Sulawesi Selatan, 2024

Table 3. Statement of Changes Funds

BAZNAS of South Sulawesi Province Statement Of Changes In Funds For the Years Ended December 31, 2023 and 2022 (In Rupiah Units)		
Waqf Fund Revenue	2023	2022
Waqf Fund Revenue Profit Sharing on Waqf Funds	7.193.861	100.467.000
	193.861	
Receipt of Quranic Waqf		
Receipt of Waqf for Construction of Social Facilities	51.302.000	
Receipt of Waqf for the Construction of Educational Facilities	2.075.000	
	1.750.000	
Acceptance of Waqf for Da'wah Facilities	55.320.861	100.467.000
Acceptance of Productive Waqf	105.000.000	
	105.000.000	-
	(49.679.139)	100.467.000
Total revenue of Waqf Fund	167.017.700	66.550.700

Usage	117.338.561	167.017.700
Use of Waqf		
Waqf Development and Operations		
Distribution of Other Waqf Funds		
Total Use of Waqf Funds		
Surplus (Deficit) Beginning Balance		
End Balance		

Source: BAZNAS Provinsi Sulawesi Selatan, (2024)

Table 4. Statement of Changes In Funds

BAZNAS of South Sulawesi Province STATEMENT OF CHANGES IN FUNDS For the Years Ended December 31, 2023 and 2022 (In Rupiah Units)		
	2023	2022
Amil Funds		
Acceptance		
Amil Revenue	651.165.637	
Amil Share of Zakat Fund	107.069.898	145.695.181
Amil's share of the Fund	502.984.756	324.868.616
Infraq/Sadaqah		
Receipt of Management Funds		
Program		
Payment Receipt		
Receivables		
Receipt of Debt		
Other Receipts		1.044.492.119
Profit Sharing on Amilin Fund	200.000	
Total Amil Fund Revenue	1.261.420.290	1.515.055.917
Usage		
Salary & Benefits Expenses	440.227.934	1.041.130.349
Amil Salary	34.789.165	
Amil Allowance	64.358.500	
HR Development	26.113.000	
Electricity Account	15.961.000	
Communication Load	10.064.000	2.198.000
Maintenance Expenses		25.462.109
Asset Maintenance Expense	49.245.280	52.415.154
Administrative Expenses		55.415.154
Entertainment expenses		1.863.200
Information Load	1.962.000	2.857.000
Transportation Expenses		11.234.500
Print and Photocopy	35.012.000	
Stationery Cost	3.544.900	
Household Expenses	11.017.956	
Consumption Cost	6.120.500	
Bank Administration Expenses	2.083.852	
Rental Fee	195.000	
Meeting Expenses	4.854.000	
Postal Costs	237.000	
UN	760.000	
Vehicle Tax	1.800.000	1.800.000
Other Taxes	170.000	
In-City Travel	5.520.500	
Zis socialization	127.201.400	115.055.650
Building Depreciation Expense	256.438.356	
Vehicle Depreciation Expense	88.602.740	

BAZNAS of South Sulawesi Province STATEMENT OF CHANGES IN FUNDS For the Years Ended December 31, 2023 and 2022 (In Rupiah Units)		
4 wheels		
Inventory Depreciation Expense	35.683.247	
Total Use of Amil Funds	1.222.443.830	1.380.804.687
Surplus (Deficit)	38.976.460	134.251.229
Beginning Balance	447.909.118	313.657.888
Ending Balance	486.885.578	447.909.118

Source: BAZNAS of South Sulawesi Province (2024)

Table 5. Statement Of Changes In Funds

BAZNAS of South Sulawesi Province Statement Of Changes In Funds For the Years Ended December 31, 2023 and 2022 (In Rupiah Units)		
	2023	2022
NON-HALAL FUND REVENUE		
Interest Receipt	1.798.824	3.505.831
Interest income - infaq/alms fund	1.798.824	3.505.831
Interest income - amilin		
Interest income - non-halal	-	-
Total Non-Halal Fund Revenue		
	1.798.824	3.505.831
USAGE		
MCK construction costs	3.505.831	
Road construction costs		
Bank administration costs	5.304.655	3.505.831
Other costs		
Total Use of Waqf Funds		
Surplus (Deficit)		
Beginning Balance		
Ending Balance		

Source: BAZNAS of South Sulawesi Province, (2024)

In 2022, several fund balances at BAZNAS of South Sulawesi Province were in surplus, including the *zakat* and *waqf* funds. Other funds, such as *Infaq/Sadaqah*, *amil*, and non-halal funds, also showed surplus. The total *zakat* income for BAZNAS in 2022 reached IDR 1,165,561,449, with expenditures amounting to IDR 717,997,580, resulting in a surplus of IDR 553,042,864, which was added to the opening balance. Meanwhile, the *waqf* fund received IDR 106,467,000, with no expenditures, leading to an initial deficit; however, the surplus from the previous year allowed the ending balance for the *waqf* fund to remain in surplus at IDR 167,017,700. In 2023, BAZNAS of South Sulawesi Province reported *zakat* funds amounting to IDR 1,025,971,809, with distributions totaling IDR 865,982,898. This resulted in an excess of *zakat* funds of IDR 713,031,775 after adding the opening balance of IDR 553,042,864. Additionally, the *waqf* fund received IDR 55,320,861 but had distributions of IDR 105,000,000, resulting in a shortfall of IDR 49,679,139. Furthermore, the *Infaq/Sadaqah* fund experienced a deficit as its distributions exceeded both the opening balance and the total income received.

4.2 Discussion

As a *zakat* management organization, BAZNAS of South Sulawesi Province is required to record every financial transaction, as the funds managed are entrusted by *muzzaki* (donors) and must be distributed in accordance with Islamic law. Additionally, BAZNAS is responsible for reporting its performance and financial statements to *muzzaki* and other stakeholders. The process of preparing financial reports begins with the collection of transaction evidence, such as bank statements and cash receipts, which are then recorded in journals and ledgers. Currently, BAZNAS utilizes a computerized accounting system that complies with PSAK Number 109.

Asset recognition occurs when there is a likelihood of future economic benefits and the asset's value can be measured. Recognized assets include cash and cash equivalents, receivables, prepaid expenses, and fixed assets, with recording practices in accordance with PSAK Number 109. Liabilities, representing potential future sacrifices of resources, are also recorded, particularly current liabilities that need to be settled within a year. Revenue recognition, which encompasses *zakat*, *Infaq/Sadaqah*, and *waqf*, occurs when cash or other assets are received, with a separation between the portions allocated

for management and those for beneficiaries in accordance with Islamic principles. In terms of fund utilization, BAZNAS recognizes expenditures for distribution to beneficiaries as well as operational expenses, adhering to PSAK Number 109. Accounting measurements are made by determining the monetary amounts to be recognized in the financial statements, where *zakat*, *Infaq*, and *Sadaqah* are valued at fair value upon receipt. BAZNAS presents its financial statements in accordance with PSAK Number 109, which includes the Statement of Financial Position, Statement of Changes in Funds, Statement of Sources and Uses of Funds, and Cash Flow Statement. These reports clearly reflect activities and the use of funds.

The Statement of Financial Position presents assets and liabilities, distinguishing between *zakat*, *Infaq/Sadaqah*, and other funds, while the Statement of Changes in Funds details the receipts and distributions separately. The Statement of Sources and Uses of Funds reflects the organization's performance in attracting and distributing funds, while the Cash Flow Statement illustrates operational and investment activities, although BAZNAS has not yet undertaken any investments. Lastly, the disclosure of information in the financial statements must be sufficiently clear to accurately depict the economic activities impacting the financial position, and BAZNAS needs to enhance its disclosures to better reflect its financial condition.

5. CONCLUSION

Based on the analysis and discussion regarding the implementation of *zakat*, *Infaq*, and *Sadaqah* accounting at BAZNAS of South Sulawesi Province, the researcher concludes that the allocation of *Ziswaf* funds (*zakat*, *Infaq/Sadaqah*) adheres to Sharia principles. Furthermore, the accounting treatment for *zakat*, *Infaq*, and *Sadaqah* complies with PSAK Number 109, as does the measurement of these funds. The presentation of financial statements is fully aligned with PSAK Number 109. However, it should be noted that the disclosure of *zakat*, *Infaq*, and *Sadaqah* accounting at BAZNAS of South Sulawesi Province does not yet fully meet the requirements of PSAK Number 109. Considering these findings, the researcher recommends that BAZNAS of South Sulawesi Province enhance its presentation in the Statement of Financial Position, particularly regarding any deficit funds and the presentation of depreciation costs in the Statement of Changes in Funds. Additionally, all financial reports that have not yet been presented should be included to ensure complete compliance with PSAK Number 109. Lastly, BAZNAS should improve its disclosures to encompass all necessary information as stipulated by PSAK Number 109. For Conclusions, the main conclusions of the study may be presented in a short Conclusions section, which may stand alone.

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