

RISK MANAGEMENT IN THE ZAKAT DISTRIBUTION: Case Study on Productive Zakat Program in Dompot Dhuafa Yogyakarta

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Abstract: This research aims to analyze the implementation of risk management on productive zakat program in Dompot Dhuafa Yogyakarta. One of the productive zakat programs is Warung Beres (Clean, Tasty, and Healthy). Descriptive qualitative approach was employed as the research method. The data of this study are obtained from semi-structured interviews with staff/employees of Dompot Dhuafa in Yogyakarta branch, *mustahiq* (zakat recipients) of Warung Beres program, experts/lecturers in charge of risk management of zakat institutions and secondary data obtained from scientific journals. The research shows that the implementation of risk management is run by a timeline principle such as the stages of application, monitoring and evaluation. In addition, Dompot Dhuafa also utilizes the principles of efficiency and effectiveness. With these principles, Dompot Dhuafa Yogyakarta can be categorized good and in line with the program implementation strategy in running its program of Warung Beres although it has not been fully implemented yet.

Keywords: risk management; zakat distribution; warung beres; Dompot Dhuafa.

Abstrak: Penelitian ini bertujuan untuk menganalisis penerapan manajemen risiko pada penyaluran zakat dalam program zakat produktif di Dompot Dhuafa Kota Yogyakarta. Salah satu program zakat produktif adalah Warung Beres (Bersih, Enak, dan Sehat). Metode penelitian yang digunakan adalah pendekatan kualitatif deskriptif. Data yang digunakan dalam penelitian ini adalah data primer berasal dari wawancara semi terstruktur kepada staf/karyawan Dompot Dhuafa Yogyakarta, *mustahiq*/penerima manfaat Program Warung Beres, Ahli/Dosen yang membidangi manajemen risiko lembaga zakat dan data sekunder berasal dari jurnal ilmiah. Hasil analisis dari penelitian ini yaitu implementasi manajemen risiko dijalankan dengan berpedoman *timeline* seperti tahap pengaplikasian, monitoring dan evaluasi. Selain itu Dompot Dhuafa juga menggunakan prinsip efektif dan efisien. Dengan panduan tersebut Dompot Dhuafa Yogyakarta dalam menjalankan program Warung Beres dapat dikategorikan baik dan sesuai strategi pelaksanaan program meskipun belum sepenuhnya.

Kata kunci: manajemen risiko; penyaluran zakat; warung beres; Dompot Dhuafa.

Introduction

Zakat is the third pillar of Islam that will have a significant impact if it is managed optimally in developing a country. In the book on risk management of zakat management it is mentioned that zakat as a redistributive pillars to help the extreme poor and the poor to get out of poverty and eventually become financially included.¹ As time goes by, technology and information become more sophisticated and it is this condition that demands zakat institutions

to be able to manage their institutions well. Also inevitable, the potential risks faced by zakat institutions will be increasingly complex and must be managed with a structured management system. This is because the future of the zakat institution will be largely determined by the ability of the zakat manager to compile and run and mitigate the risk of the institution.²

According to the International Working Group on Zakat Core Principles (IWG ZCP), the quality of zakat management is influenced by

¹ PusKaS BAZNAS and DepKeu Syariah BI, *Manajemen Risiko Pengelolaan Zakat*, (Jakarta: BAZNAS, 2018), p. 24.

² PusKaS BAZNAS and DepKeu Syariah BI, *Manajemen...* (Jakarta: BAZNAS, 2018), pp. 2-3.

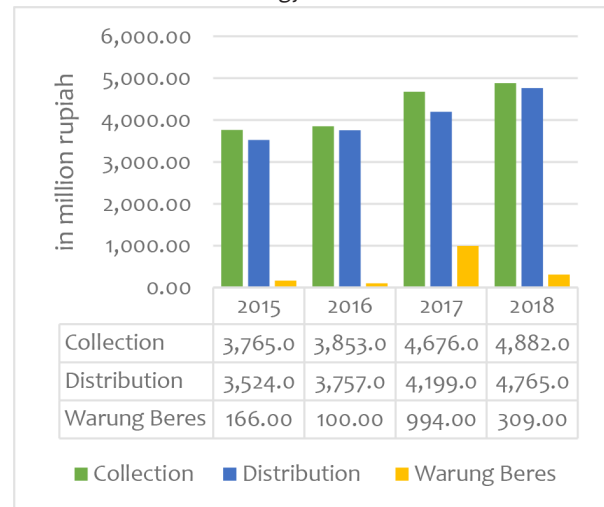
risk identification in the management of zakat. Triyani et.al, explained that there were four risks identified in non-profit institutions, namely the risk of zakat distribution, reputation risk and loss of *muzaki*, operational risk and the risk of zakat transfer between countries.³

Risk management is important and needs to be applied in amil zakat institutions. A clear concept is needed in mitigating the risks that have been identified, this aims to minimize risks that can cause adverse impacts such as losses or bankruptcy that can reduce the usefulness of the institution for the *mustahik*. Several previous studies relating to risk management in non-profit institutions, namely Dyarini and Jamilah⁴, Indrawati et. al⁵, Triyani et. al⁶, Sriharini and Suhud⁷, as well as research Masruroh⁸ states that risk management becomes important in the management of zakat.

Dompot Dhuafa Republika is one of the national amil zakat institutions born in 1994 whose funding sources come from Zakat, Infaq, Alms and Endowments as well as various halal funds to empower the poor with cultural approaches through prophetic socio-technopreneurship activities (prophetic social entrepreneurship) and humanitarian (philanthropic). Dompot Dhuafa Republika has several branches in the country and abroad one of them is the Yogyakarta branch. For the past 4 years, Dompot Dhuafa Jogja has carried out its activities in collection and distribution. One form of distribution that has been carried out in the form of the Warung Beres program. The

following are statistical reports on the zakat of Dompot Dhuafa Yogyakarta for the past 4 years:

Figure 1. Statistics of Zakat in Dompot Dhuafa Yogyakarta



Source: Income Statement Year 2015-2018 of Dompot Dhuafa Yogyakarta (processed)

Based on the figure 1, during the last 4 years Dompot Dhuafa Jogja has tried to maximize the distribution of funds in order to realize community welfare and poverty reduction into several programs including education, social development, health and economic programs. In the economic program there are several programs, one of which is the Warung Beres program.

Based on data from the last 4 years, the distribution of the Warung Beres program has fluctuated. From 2015 to 2017 experienced a quite drastic decline and in 2018 increased significantly again. There are several factors that influence the program, such as the inactivity of beneficiaries in the program, which is one of the risks that does not exclude the possibility of always happening.

Warung Beres is one of the programs initiated by Dompot Dhuafa Yogyakarta since 2011 with the concept of economic empowerment through the approach of applying the principle of clean and healthy life for street vendors, especially *angkringan* sellers. This program aims to empower *angkringan* stalls which have become icons in Yogyakarta. The Warung Beres program activities include *angkringan* business training such as food hygiene, capital assistance for *angkringan* equipment, and the formation of the

³ Nina Triyani et.al, "Risk Management at Badan Amil Zakat Nasional (BAZNAS)", *Jurnal Al-Muzara'ah*, Vol. 5, No. 2, 2017, p. 108.

⁴ Dyarini and Siti Jamilah, "Manajemen Risiko Pengelolaan Zakat", *Jurnal Ikhtirah Humaniora*, Vol. 1, No. 2, 2017, p. 49.

⁵ Nur Khusniyah Indrawati et.al, "Manajemen Risiko Berbasis Spiritual Islam", *Jurnal Ekonomi dan Keuangan*, Vol. 16, No. 2, 2018, p. 204.

⁶ Nina Triyani et.al, "Risk Management...", 122.

⁷ Sriharini and Moh. Abu Suhud, "Warung Beres Sebagai Modal Sosial Meningkatkan Produktifitas Ekonomi Umat: Studi Pemberdayaan Komunitas oleh Lembaga Amil Zakat Dompot Dhuafa Jogja di Kabupaten Gunung Kidul", *Jurnal Pemberdayaan Masyarakat*, Vol. 1, No. 1, 2017, p. 137.

⁸ Siti Masruroh, "Implementasi Manajemen Risiko Pada Pengelolaan Dana Zakat: Studi Kasus IZI (Inisiatif Zakat Indonesia) DIY", unpublished article, (Yogyakarta: UII, 2018), p. 64.

angkringan community. In this program, Dompét Dhuafa Yogyakarta also provides assistance and monitoring for beneficiaries.

This program initially focused on food health problems that exist in *angkringan* such as *angkringan* stalls that do not maintain food hygiene which results in the income of *angkringan* traders. When Dompét Dhuafa Yogyakarta conducted an in-depth study of the program, another problem was found that was related to the underdevelopment of the business due to the role of moneylenders. The problem is of particular concern for Dompét Dhuafa Yogyakarta because the role of moneylenders is a risk that can hamper the development of the business. This study aims to analyze how the implementation and mitigation of risk management efforts in the distribution of zakat funds in the Warung Beres program at Dompét Dhuafa Yogyakarta.

Some previous studies which are relevant include Mohd Noor's research which develops and proposes a performance measurement framework for zakat institutions, taking into account non-financial measures where input, process, output measures are as important as outcome measures. This performance management and measurement systems to be developed in the zakat institution must have the mean to monitor and maintain organizational control, which is the process of ensuring that an organization pursues action plans that lead to the achievement of overall goals and objectives.⁹

Another study was conducted by Hani Tahlani about five principles of good governance in zakat institutions, namely transparency, accountability, responsibility, independence, and fairness. This research concluded that good governance in zakat institutions has been well implemented in some aspects but has not yet been implemented comprehensively. This research is significant in that it contributes guidelines on zakat management, provides teaching materials for higher education, and serves as a reference for the formulation of policies and regulations related

to the standardization of good governance in zakat institutions.¹⁰

Research on risk management in non-profit institutions has also been carried out by Jarosław Domanski. The research contained that non-profit organizations (non-governmental organizations) must focus more on the risks they face. To improve management quality and higher efficiency in the organization, it is necessary to contribute to the identification of risks, assessing risks, taking advantage of risks, or preventing risks.¹¹

Research with the Dompét Duafa research object has also been conducted by Kuncorowati et. al who concluded that in the management of waqf risk in Dompét Dhuafa the total amount of risk identified was 47 risks in the management of land and building waqf. The risks consist of 16 risks in the process of collecting waqf, 17 risks in the process of managing waqf and 13 risks in the process of distributing waqf benefits. Risk mitigation strategies refer to the level of risk response to each level of risk acceptance. To accept unacceptable risk, the risk response is by avoiding or avoiding risk, undesirable risk is responded by dividing or transferring risk, acceptable risk is responded by reducing risk, and neglected risk is responded by accepting risk.¹²

Method

This research uses a descriptive qualitative approach. Data collection techniques using triangulation techniques, namely observation, semi-structured interviews, and documentation. Observations were made by visiting the amil zakat at Dompét Dhuafa Yogyakarta. While semi-structured interviews were conducted with selected informants. The documentation can be in the form of photos, records, financial reports, and other documents related to the research process.

¹⁰ Hani Tahlani, "Contribution of Good Governance Principles to Strengthening Zakat Management in Indonesia: Confirmatory Factor Analysis" *International Journal of Zakat*, Vol.3 (3) 2018, pp. 39-54.

¹¹ Jarosław Domański. "Risk Categories and Risk Management Processes in Nonprofit Organizations", *Foundations of Management*, Vol. 8 (1), 2016, pp. 227-242.

¹² Desy Ery Kuncorowati, et. al, "Manajemen Risiko Wakaf di Dompét Dhuafa" *Jurnal Aplikasi Manajemen dan Bisnis*, Vol. 4 No. 3, September 2018, pp. 441-453.

⁹ Abd. Halim Mohd Noor, et. al, "Assessing Performance of Nonprofit Organization: A Framework for Zakat Institutions" *British Journal of Economics, Finance and Management Sciences*, Vol. 5 (1), August 2012, pp. 12-22.

Data analysis techniques using the model of Miles and Huberman, namely, Data Reduction, Data Display and Drawing Conclusion.¹³ The data validity technique in this study uses triangulation of sources, which aims to compare and check information that has been obtained to different informants. This is as said by Patton in Moleong that source triangulation means comparing and checking back the degree of trust in information obtained through different time and tools in qualitative research.¹⁴

This study uses three data sources from the Amil Zakat Dompot Dhuafa Yogyakarta Institute, the *mustahik* (beneficiaries), and the experts. Data sources from *mustahik* were taken by interviewing six selected *mustahik* people, namely: (1) Surahna, joined since 2014, from Kulon Progo; (2) Sudartya Winarta, joined since 2014, from Kulon Progo; (3) Slamet Riyanto, joined since 2011, from Yogyakarta; (4) Partini, joined since 2011, from Yogyakarta; (5) Sigit Sukaca, joined since 2013, from Bantul; and (6) Sudiman, joined since 2013, from Bantul.

The Warung Beres Program in Dompot Dhuafa Yogyakarta

Dompot Dhuafa Yogyakarta is a non-profit organization that collects Zakat, Infaq, Sadaqah and Waqf funds to help the poor. Funds that have been collected are channeled to various programs such as in the economic, educational, health, and social fields of humanitarian propaganda. One of the programs in the economic field is Warung Beres.

Warung Beres (*Bersih, Enak, dan Sehat* or Clean, Delicious, and Healthy) in the Dompot Dhuafa Yogyakarta aims to empower the community, especially the street food vendors/*angkringan* (who come from the poor). This program is based on health, namely food hygiene, intended to improve the quality of food *angkringan* so that it can affect consumer interest and increase the income of *angkringan* traders.

The Warung Beres program is implemented in various regions in the provinces of Yogyakarta in the cities of Yogyakarta, Bantul, Sleman, Kulon Progo and Gunung Kidul. As the program progresses, it certainly cannot be separated from various obstacles such as the inactivity of some members of the community groups caused by various things. Among the groups that are less active in the Warung Beres Yogyakarta Special Region group are the Gunung Kidul and Sleman groups.

The implementation of the Warung Beres program begins with socialization and coordination to stakeholders and the local department to provide an overview of the Warung Beres program that will be implemented. In the series there are several activities such as food hygiene training, simple financial management or debt management, the creation of the Warung Beres association, stimulants in the form of business capital in goods and there is some cash.

Dompot Dhuafa said that in the Warung Beres program, *mustahik* was not released just like that, but was formed to become a partner of Dompot Dhuafa. For this reason, intensive assistance was carried out for one full year and subsequently Dompot Dhuafa was only as a consultant for the beneficiaries (*mustahik*) while continuing to monitor the program every two months. In addition, to make the process of the Warung Beres program easier, a management within the group was formed and called the *Paguyuban*.¹⁵

This program involves several stakeholders, particularly in the implementation of training. The curriculum and presenters involved those who were competent in the health and food sector, namely from the Center for Food and Nutrition Studies (PSPG) UGM and the Health Office in the Regency. While in the field of management to manage finances or make simple financial reports, Dompot Dhuafa Jogja collaborates with the Management of STIE YKPN. The team is tasked with providing regular counseling and control to Warung Beres program participants

¹³ Matthew B. Miles & A. Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook*, (London: SAGE Publication Ltd., 1994).

¹⁴ Lexy J. Moleong, *Metodologi Penelitian Kualitatif*, (Bandung: Remaja Rosdakarya, 2017), p. 330.

¹⁵ Processed from the results of an interview with Nuryanto Hari Murti, Supervisor of Economic Affairs, Dompot Dhuafa Yogyakarta on March 26, 2019 at 13.00 WIB.

so that they can run their business in a clean, healthy and orderly.¹⁶

The success of a program can be proven from how much benefits can be felt by *mustahiq*. Some *mustahiq* said that by partnering with Dompot Dhuafa they felt it was very helpful and profitable to advance small businesses such as angkringan. This is in accordance with the phrase *mustahiq* the beneficiary of the Warung Beres program was obtained during the interview.¹⁷

The Concept of Risk Management in the Warung Beres Program

Guidance on the application of risk management for the distribution of zakat funds in the Warung Beres program in Dompot Dhuafa Yogyakarta is contained in the timeline. The timeline or model of the program is the initial stage of the application of food hygiene in the stall (warung) and certainly not constrained by equipment, then the monitoring stage by giving reward and punishment as well as the final stage of evaluation.¹⁸

The application of risk management for the distribution of zakat funds itself uses the principle of effective and efficient. In the empowerment program, the effective principle itself is intended that the program has a clear essence and output, and the use of funds is adjusted to the needs. Dompot Dhuafa Yogyakarta does not want to distribute zakat funds only, but only the benefits of zakat funds that are channeled can have an impact and develop.¹⁹

Dompot Dhuafa also has a concept of mitigation if there is a risk in the Warung Beres program. There are 3 ways to mitigate the risk management of zakat funds in the Warung Beres program, namely (1) using the Budget Plan of Warung Beres program by making

program planning matrices, (2) using Standard Operating Procedure guidelines in channeling venture capital assistance, and (3) there is a companion in the program Warung Beres, it aims to screen memoranda and checks related to *mustahik* applying the knowledge gained in the Warung Beres program. In channeling venture capital, Dompot Dhuafa has a field survey team that aims to assess the needs of the *mustahik* and this is an effort to manage finances in the Warung Beres program.²⁰

Implementation of Risk Management in the Management of Zakat Fund Distribution in the Warung Beres Program

Based on the Zakat Management Risk Book published by the BAZNAS Strategic Study Center, there are 5 risks in zakat fund management. The five risks were confirmed through interviews with several informants, the following results were obtained: First, the risk of overlapping the distribution of zakat funds with other Zakat Management Organizations (ZMO). Mitigation for this risk is to coordinate with FoZ (Zakat Organization Forum).

The risk was not found because Dompot Dhuafa tried to coordinate with other ZMO through the Zakat Organization Forum (FoZ). Coordination conducted by FOZ such as ZMO has run program B in area X, so ethics that must be carried out by other ZMO should not implement the same program in the area, but if the program can be synergized, then joint utilization is carried out. In this case there is no competition among ZMO, but fellow ZMO prioritizes synergy or *fastabiqul khairat*.²¹

Secondly, the allocation of zakat distribution is uneven. Mitigation for this risk is to map potential beneficiary or *mustahik* areas and conduct rigorous assessments in channeling zakat funds. Dompot Dhuafa Yogyakarta uses Al-Ghazali's priority fiqh, that if there are more poor people in an area, the distribution of zakat will be optimized for the *asnaf*. In the distribution

¹⁶ Bambang Edi P, *Proposal Kerjasama Program Warung Beres Dompot Dhuafa Yogyakarta*, Dokumen LAZNAS Dompot Dhuafa, (Yogyakarta: Dompot Dhuafa, 2013), p. 5.

¹⁷ Processed from the results of an interview with Surahna, *Mustahiq Warung Beres Program in Kulon Progo*, on 2 April 2019 at 18:30 WIB.

¹⁸ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

¹⁹ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB.

²⁰ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB.

²¹ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

of zakat funds, Dompot Dhuafa Yogyakarta usually divides in half, namely 70% for empowerment and 30% for charity and all is used optimally. Then the mapping of beneficiaries is carried out. This step was taken to minimize the risk of uneven distribution of zakat.²²

Third, the lack of coordination between Zakat Management Organizations (ZMO) in the distribution of zakat. Mitigation for this risk is coordinating with FoZ (Zakat Organization Forum). Fourth, the late distribution of zakat funds to *mustahik*. Mitigation for this risk is the distribution of zakat funds using a deficit system or at the beginning of the period. This system aims to avoid the poor performance of institutions caused by a surplus of funds. Fifth, zakat funds are stored too long, not immediately distributed. Mitigation is to use a deficit scheme or distribution of zakat at the beginning.

The zakat fund distribution system at the beginning of the year uses the remaining balance of the previous year (deficit system). This is also done so that there is not too much surplus at the end of the year, which can result in the performance of the institution becoming less good. By distributing zakat funds at the beginning of the year, all programs can be channeled and implemented, and the operational costs of the institution are minimized so as to make the performance of the institution better.²³

The zakat trend in general has fluctuated, for example in January it has decreased, in February it has then increased, then dropped again, and on Islamic holidays such as the holy month of Ramadan and Eid al-Adha has experienced a significant increase after the month has decreased. Zakat funds which have been collected by the Fundraising division are then immediately distributed based on the posts in the programs that have been arranged in the Annual Activity and Budget Plan.²⁴

Implementation of Risk Management in the Productive Fund in the Warung Beres Program

Risks in productive funds are risks caused by misuse in producing funds raised. As explained by BAZNAS in the Book on Risk Management for Zakat Management, there are 5 risks that exist in productive funds. Based on interviews with several informants, the following results were obtained: First, the productive zakat funds for each *mustahik* are too small. Risk mitigation is done by using a strict assessment system and providing knowledge related to business development. The assessment system aims to avoid the ineffectiveness of zakat funds spent. While knowledge related to the development of *angkringan* business (micro business) includes food hygiene and financial management (simple financial statements).

The form of assistance in the Warung Beres program provided by Dompot Dhuafa is not in the form of fresh money but in the form of business equipment and supplies such as tents, cups, trash bins and so on. However, at the start of the Warung Beres program, each *mustahik* received a cash assistance of Rp. 500,000 per person and a group of around Rp. 2 million to Rp. 3 million to support the efforts of the *mustahik*. Dompot Dhuafa also explained that the assistance provided was not merely money, but also skills and thought contributions so that beneficiaries were able to expand their businesses by increasing market share.

Second, revolving funds from zakat are less effective because they must know they are zakat funds. Risk mitigation by donating funds to *mustahik*, providing training to manage group businesses (cooperatives) and cooperative management conducting consultations with beneficiaries (*mustahik*) in the event of bad funds. In the Warung Beres program at Dompot Dhuafa Yogyakarta there are the Warung Beres association cooperatives throughout the Special Region of Yogyakarta (DIY) which receive a grant of around Rp 8 million.²⁵

²² Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

²³ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

²⁴ Processed from the Results of an Interview with Meuthia Maharani, Yogyakarta Dhuafa Dompot Finance Division, on April 18, 2019 At 10:30 WIB.

²⁵ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

Third, the zakat fund is used as a revolving fund for more than one year. According to Dompot Dhuafa Yogyakarta, in the Warung Beres program there is no risk. This is because the circulation of funds in the Warung Beres association cooperative in the Special Region of Yogyakarta (DIY) is very fast. Funds given as capital in the cooperative are not returned to Dompot Dhuafa, because the funds are given to the Warung Beres association and Dompot Dhuafa is only a consultant if the cooperative experiences obstacles and barriers. In these cooperatives, revolving funds are only used in cooperatives for the welfare of cooperatives and are not rolled out in other cases.

Fourth, revolving funds from zakat are less effective because *mustahik* is not equipped with the necessary expertise. Risk mitigation is carried out by collaborating (signing of the Memorandum of Understanding or MoU) with professional institutions, providing education and training to *mustahik* (workshops), and opening free consultations for *mustahik* with Dompot Dhuafa.²⁶

Fifth, the use of zakat funds for productive purposes is too much while for consumptive purposes has not been fulfilled. In the Warung Beres program, this risk was not found. For consumptive needs, the beneficiaries (*mustahik*) already feel sufficient given the income from the sale of *angkringan* which is considered to have increased. This can be seen from the number of *mustahik* who can buy motorcycles, one of which is the *mustahik* from the Yogyakarta City group named Partini and Slamet.

Implementation of Risk Management in the Distribution Fund in the Warung Beres Program

Risks in distribution funds are risks caused by misuse in the distribution of zakat funds. As explained in the book on Risk Management for Zakat Management, there are 5 risks that exist in distribution funds. Based on the results of interviews with several informants, the

following data were obtained: first, zakat funds were distributed unfairly to reach the *mustahik* areas. Risk mitigation is carried out by Dompot Dhuafa by making a map of the area for potential beneficiaries or *mustahik*.²⁷

Second, the consumption of zakat for each *mustahik* is too small. Based on the results of the study, in the Warung Beres program this risk was not found. This is because Dompot Dhuafa has used and implemented a strict assessment, so the funds provided have been adjusted to the conditions of the beneficiaries. Third, the zakat fund takes too long to *mustahik*. Like the second risk, this risk also does not exist in the Warung Beres program.

The third risk is not found because Dompot Dhuafa always hastens the distribution of zakat because of remembering the rights that must be immediately given to others (*mustahik*). Dompot Dhuafa is principled to not delay work because time in Islam is very valuable.²⁸ This is also in line with the results of the interview with *mustahik*, that the assistance provided by Dompot Dhuafa is a fast process. Assistance in the form of money or goods, the process is equally fast.²⁹

Fourth, there is the use of zakat funds for personal or group interests. In the Warung Beres program there is no risk because Dompot Dhuafa Yogyakarta has implemented Standard Operating Procedure in the distribution of productive zakat. Actually, it is not only the distribution of productive zakat that has been regulated in the Standard Operating Procedure, but also other provisions, for example *amil zakat* salary which is 12.5% of zakat³⁰

Fifth, zakat funds are distributed unfairly to each *mustahik*. The definition of fair according to Dompot Dhuafa is to give something based on the priorities and needs of the *mustahik* and not based

²⁶ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

²⁷ PusKaS BAZNAS dan DepKeu Syariah BI, *Manajemen...*, pp. 52-53.

²⁸ Processed from the results of an interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB

²⁹ Processed from the results of an interview with Sudiman, *Mustahiq Warung Beres Program in Bantul*, on April 3, 2019, at 10.00 WIB and Interview Results with Partini, *Mustahiq Warung Beres from Yogyakarta City*, on April 3, 2019 at 11:00 WIB.

³⁰ Processed from the Results of an Interview with Meuthia Maharani..., on April 18, 2019 At 10:30 WIB.

on the principle of equal. For example in tents, related to the size of the tent is not given with one size but different because each beneficiary (*mustahik*) has different needs. Furthermore, to overcome this risk, Dompot Dhuafa Yogyakarta uses a strict assessment pattern and applies the *fiqh* of al-Ghazali's priority, namely by prioritizing those who need it most.

The Most Dominant Risks Appear in the Warung Beres Program

Various risks found or not found in the productive zakat program have been described. However, in one of Dompot Dhuafa Yogyakarta's productive zakat programs, the Warung Beres program, it was found that the most dominant risks that the facilitators are frequently changing (*resign*), conflict of interest, *mustahik* understanding related to the Warung Beres program and loans to moneylenders.

The first most dominant risk is a facilitator who floater (*resign*) because of the *syar'i*. Mitigation is done by replacing competent facilitators, although this is not easy to do. Second, conflict of interest. The impact of this risk is the emergence of hidden interests (for example: there are those who only intend to get financial assistance but after that they are not responsible or run away without giving word). Risk mitigation that should be done is Dompot Dhuafa must have strong power in managing its *mustahik*.³¹

Third, understanding *mustahik* related to the Warung Beres program. The impact of this risk is the loss of members of the Warung Beres program (natural selection). In harmony with the risk of losing the *mustahik* Warung Beres or can be called affected by natural selection also said by several *mustahik* programs where there are two groups that are not active, namely the Gunungkidul and Sleman groups. The reason is not active *mustahik* for various things such as the business has been closed down, busy trade, etc.³² Mitigation of this risk by conducting

an MoU (Memorandum of Understanding) or making a statement about the willingness of beneficiaries (*mustahik*) which aims to reinforce the commitment of beneficiaries to participate in the Warung Beres program.

Fourth, loans from moneylenders. This risk makes *angkringan* stalls not progress. To overcome this risk, a Warung Beres Circle of Friends (*paguyuban*) cooperative was established, where members can apply for loans for additional capital. Type of risk is confirmed during an interview with one of *mustahik* in the Warung Beres program, named Slamet Riyanto. He said that before partnering with Dompot Dhuafa Yogyakarta, Slamet had been in debt with a loan shark/ *plecit* bank which made the economic conditions chaotic and slumped.³³

By using the timeline guidelines, Dompot Dhuafa has implemented the Warung Beres program well and according to the program implementation strategy, although not yet fully. Because, if examined in depth, the Standard Operating Procedures owned by Dompot Dhuafa are well structured. However, practice in the field adjusts to the problems faced and these problems are often resolved spontaneously and adjust the conditions of the local community and environment. For example, if there is a non-performing financing on *mustahik*, it is resolved through a family approach, visits the house, conducts a business place survey and conducts a discussion. In fact, if the problem is fully solved based on Standard Operating Procedures, then the solution is to use special administrative strategies such as rescheduling.

At the implementation of the Warung Beres program, there is the Warung Beres Circle of Friends (*paguyuban*) cooperative which has been established since December 2017. The meeting of the members of the Warung Beres Circle of Friends is held every second week of each month, while the association of Warung Beres Circle of Friends groups every group is held in the first

³¹ Processed from the Results of an Interview with Nuryanto Hari Murti..., on March 26, 2019 at 13.00 WIB.

³² Processed from the results of an interview with Surahna..., on 2 April 2019 at 18:30 WIB and Interview Results

with Partini, Mustahiq Warung Beres from Yogyakarta City, on 3 April 2019 at 11.00 WIB.

³³ Processed from the results of an interview with Slamet Riyanto, Mustahiq Warung Beres Program from Yogyakarta, on 4 April 2019 at 11.00 WIB.

week of each month. The management system of the Warung Beres Cooperative Society is the same as a cooperative in general, namely that there are principal savings, mandatory savings and voluntary savings. The rules that apply in the distribution of profits in the Warung Beres Circle of Friends cooperatives are as follows:

Table 1. Profit Sharing of Cooperative

Borrower	40 %
Caretaker	30%
Savers	20%
Strengthening capital	10%
Total	100%

Source: Interview results (processed)

In December 2018 became the first year running Annual Member Meeting. The circulation of funds in the cooperative has a fairly fast cycle, this can be proven by the amount of funds that has reached approximately Rp. 24 million which is then held back to be rotated in the cooperative.

Conclusion

The implementation of risk management in the distribution of zakat funds in the Warung Beres program in Dompot Dhuafa, Yogyakarta Branch is carried out using a timeline, which includes the stages of application, monitoring and evaluation. Besides that, Dompot Dhuafa also uses the principle of effective and efficient. By using the timeline guidelines, Dompot Dhuafa Yogyakarta has implemented the Warung Beres program well and according to the program implementation strategy, although not yet fully. Because, if examined in depth, the Standard Operating Procedures owned by Dompot Dhuafa are well structured. However, practice in the field adjusts to the problems faced and these problems are often resolved spontaneously and adjust the conditions of the local community and environment.

Efforts to mitigate the risk of zakat distribution in the Warung Beres Dompot Dhuafa Yogyakarta program in three ways, namely using the Budget Plan and Standard Operating Procedures of the Warung Beres program as well as with a companion from the Warung Beres program.

Suggestions for Dompot Dhuafa Yogyakarta, especially in running the Warung Beres program in order to reinforce the rules that must be obeyed by the beneficiaries in the program. This aims to minimize the risk of beneficiaries who are less responsible. The next researcher is expected to be able to analyze comprehensively about the application of risk management in the Amil Zakat Institution, both in terms of the collection, management and distribution of zakat.

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