

## CONSTRUCTION OF WAQF ACCOUNTING BASED ON PSAK 112

Nawirah<sup>1</sup>, Mohamat Chazim Fikri<sup>2</sup>

*Universitas Islam Negeri Maulana Malik Ibrahim Malang, Indonesia  
Jl. Gajayana No.50, Dinoyo, Kec. Lowokwaru, Kota Malang, Jawa Timur*

Email: [nawirah@uin-malang.ac.id](mailto:nawirah@uin-malang.ac.id)

### ABSTRAK

Tujuan penelitian ini adalah untuk menganalisis dan mengkontruksi laporan keuangan wakaf. Jenis penelitian ini merupakan penelitian kualitatif menggunakan pendekatan deskriptif. Objek penelitian adalah Koperasi Masjid Sabilillah Kota Malang. Teknik Analisis digunakan dengan tujuan untuk mengetahui bagaimana perlakuan wakaf tunai yang diterima pengurus Koperasi Masjid Sabilillah Kota Malang, wakaf tunai akan ditinjau berdasarkan PSAK 112 dengan melihat perlakuan akuntansi wakaf. Tahapan selanjutnya kemudian melakukan kontruksi laporan keuangan sesuai dengan standart akuntansi wakaf yang telah disahkan oleh Ikatan Akuntan Indonesia. Penelitian ini memberikan hasil bahwa perlakuan akuntansi sesuai PSAK 112 secara umum menunjukkan baik serta transparan dalam hal penyampain informasi penerimaan wakaf tunai. Koperasi Masjid Sabilillah telah membuat Laporan keuangan yakni laporan laba rugi, laporan arus kas serta Laporan posisi keuangan. Terdapat beberapa laporan yang belum dibuat jika merujuk ke PSAK 112 yakni laporan aktivitas wakaf, laporan perubahan aset wakaf dan catatan atas laporan keuangan.

**Kata Kunci:** Wakaf, Laporan Keuangan, PSAK 112

### ABSTRACT

*The purpose of this research is to examine and create waqf financial accounts. This study is a sort of qualitative research that takes a descriptive method. This study was carried out at the Sabilillah Mosque Cooperative in Malang City. The analysis technique was carried out to determine the treatment of cash waqf received by the management of the Sabilillah Mosque Cooperative Malang City. The cash waqf was reviewed based on the waqf accounting treatment referred to in PSAK 112, and the financial statements were constructed in accordance with the waqf accounting standards approved by the Indonesian Institute of Accountants. In general, the findings revealed that accounting treatment to PSAK 112 was good and straightforward in transmitting information on cash waqf receipts. The financial statements that have been made by the Sabilillah Mosque Cooperative as the management of the cooperative are the income statement, cash flow statement and balance sheet. There are several reports that have not been made when referring to PSAK 112, namely reports are waqf activity reports, reports on changes in waqf assets and notes to financial statements.*

**Keywords:** Waqf, Financial Reports, PSAK 112

## INTRODUCTION

Economic development that triggered the idea of waqf among others due to the development of the Islamic economic system. The development of the Islamic economic system is rising due to the failure of the conventional economic system, the capitalist economy prioritizes profit as much as possible and allows investment in certain groups and is not distributed fairly to the community. Meanwhile, the socialist economic system initially promised equality and equity for the whole society.

(Rachman, 2018) stated that waqf has the potential to be developed to help underprivileged communities. However, the utilization of the term is still stuck in the traditional consumptive stage and not into a professionally productive level yet. Therefore, the perceived benefits for the socio-economic welfare of the community have not been optimally impacted to

the public. The potential of waqf as a means of income distribution and distribution of *rizki* has not been managed and utilized optimally in the national scope. If waqf is managed professionally, it potentially brings a big impact on the society's well-being. Inadequately, the nation's social and economic problems can be alleviated fundamentally and fully through a regional and national system of administration and usage of waqf. Up to now, Nazhir's responsibilities in the management of waqf assets remain minimal and limited in terms of accountability.

Each organization that deals with this concern has different ways of managing this money in order to accomplish the distribution of the merits of those cash waqf funds. As the current Islamic economy (sharia economy) has evolved, managers can take part in a wide range of advantages by employing either the conventional model or the institutional model, or by merging the two existing models. An agency's convergence of two Islamic economic concepts, is including the terms of loan transactions for those in need. If the borrower runs a business, he will engage into an agreement with the agency that there will be a profit sharing if his company's management is lucrative.

There is a special acknowledgment and monitoring of cash waqf monies utilized for transactions, one of which is the Sabilillah Mosque Cooperative. A cooperative, as is generally known, is an association that permits multiple persons or legal entities to carry out a work on a voluntary basis in order to enhance the fate of its members, for example, by jointly coordinating manufacturing, acquiring, selling, providing services, etc as well (Winardi in Nawawi 2002). Sharia accounting is required in order to ground the Islamic conceptual framework, which necessitates the development of Sharia Accounting Standards (Rachman, 2018). The Indonesian Institute of Accountants (IAI) has produced Statement of Financial Accounting Standards (PSAK) 112 addressing Waqf Accounting, which is one of the sharia accounting standards. PSAK 112 regulates waqf governance in general, whether it is carried out by nazhir or waqf in the form of organizations and legal entities for each waqf transaction carried out. Individual nazhir can also perform this PSAK. PSAK 112 contains financial entity reports, which include statements of financial position, detailed reports on waqf assets, activity reports, cash flow reports, and notes to financial statements (DSAS, 2018)

PSAK 112's presence is intended to aid groups working with waqf in their efforts to develop institutions or institutions that are more responsible and transparent. PSAK 112 governs the accounting treatment of waqf transactions, including the recognition, measurement, presentation, and disclosure of waqf transactions carried out by nadzhir and waqf organizations

with legal companies. PSAK 112 is often issued in response to a reasonably urgent public necessity.

Cash waqf shall be recognized as waqf assets and reported to the agency in the form of financial reports. However, according to PSAK 112, the financial statements of waqf assets will be flagged up in the form of financial statements such as accounting records in general separate and in depth, while in the company, they will be listed as waqf assets (PSAK 16) or investment property (PSAK 13) or intangible assets (PSAK 19) and/or other accounting policies that regulate the recognition of existing waqf assets in the company's report. The Sabilillah Mosque Cooperative's Savings and Loans is one of the waqf fund management systems, in which each member and customer contributes a small percentage to the cooperative's waqf. Savings and loan cooperatives that are created voluntarily are lawful.

The Sabilillah Mosque Cooperative benefits from the prudent administration of waqf assets. However, in the creation of financial statements, management has not been in line with PSAK 112 and remains to use the policies settled upon at the start of the cooperative's foundation. In line with that, PSAK 112 should be used by the Sabilillah Mosque Cooperative. Nevertheless, due to the Indonesian Accounting Association's lack of awareness over the use of PSAK 112, the financial statements are not well-prepared in compliance with existing standards. However, there is no motivation from the cooperative side to implement the established norms. It happens because they are unaware of the ideal criteria for creating waqf financial statements.

According to (Akhmad Sirojudin Munir, 2015), the allocation of waqf assets in Indonesia tends to lead to religious activities rather than economic empowerment. Although some individuals have not felt waqf, but it has been managed by a number of institutions. According to (Senjiati et al., 2020), the application of waqf in Indonesia is governed by Waqf Law No. 41 of 2004. Nadzir requires the backing of an effective accounting system and management information system in order for waqf to truly have social functions that minimize the economic gap of the people (Novitasari et al., 2019). Professional waqf management possesses people resources, managerial abilities, and waqf knowledge based on Islamic law (Sulaeman et al., 2020).

With the notion of cooperation, the Sabilillah Mosque Cooperative has employed the concept of monetary waqf to support and uplift the underprivileged. Because the Sabilillah Mosque Cooperative has a productive waqf, each waqf has its own financial report. As stated in PSAK 112, each financial statement of waqf assets has its own financial report, despite the

fact that the waqf is not a separate legal corporation. The purpose of this research is to identify the accounting treatment of waqf in the reporting of waqf funds, the acknowledgment of profits on the development of cash waqf funds utilized by nazhir with wakif when handing over cash waqf and the collation of waqf accounting financial statements.

This research gives a contribution that may be used by the Sabilillah Mosque Cooperative. In terms of accounting treatment, it is preferable to use waqf accounting principles established by the Indonesian Institute of Accountants, especially PSAK 112, even if they have not been fully applied by the cooperative administration. Waqf has a tremendous potential for human welfare provided it is handled correctly and has clear obligations that bring comfort and security for all those who trust in waqf property. A well-managed waqf accounting system fosters greater utilization of waqf properties for the prosperity of the people.

### **LITERATURE REVIEW**

PSAK 112 supervises the accounting management of waqf transactions undertaken by nazhir and wakif in the form of organizations and legal entities. PSAK 112 can also be used by a single nazhir. The waqf pledge deed is the foundation for recognizing waqf assets, if the waqf will and waqf promise (wa'd) do not match the conditions for recognizing waqf assets. Temporary waqf is an obligation that must be compensated to the wakif in the future. The acceptance of waqf advantages by mauquf alaih is the premise for acknowledging the allocation of waqf benefits. Meanwhile, the foundation for nazhir fees is the net outcome of waqf asset management and development that has been accomplished in cash (cash basis). Waqf assets obtained from wakif are measured using the nominal value for cash and the fair value for non-monetary assets.(DSAS, 2018)

Furthermore, except for temporary waqf which is nonetheless recorded as wakif assets and displayed as restricted assets, Wakif recognizes the delivery of waqf assets as an expense in profit or loss. Waqf funds handled and produced by Nazhir in the form of waqf assets and related liabilities are a reporting entity. The waqf fund reporting entity (nazhir) provides separate financial statements that are not incorporated into the financial accounts of the nazhir's organization or government entity. Therefore, the Indonesian Institute of Accountants' statement aims to make it easier for wakif to use financial reports between the waqf's financial statements and the financial statements of the entity or institution, so that the wakif can measure and assess the performance of nazhir in terms of receiving, managing, developing, and distributing waqf benefits. Nazhir's contribution to the waqf financial report are as follows (DSAS, 2018):

a. Report of Financial Position

Waqf funds which are categorized as assets are divided into two categories: current assets and non-current assets. Meanwhile, waqf funds which are designated as liabilities are divided into two categories: short-term liabilities and long-term liabilities.

b. Report Details of Waqf Assets

Nazhir provides a quick overview on the management and development of waqf assets, which contains the following elements: Waqf assets acquired from wakif, waqf assets derived from management and development.

c. Activity Report

Nazhir delivers an activity report that has the following components: Waqf, both permanent and temporary, is accepted. The effect of re-valuing waqf assets, Waqf management and development outcomes, Waqf distribution.

d. Cash Flow Report

Nazhir provides a cash flow statement for the receipt and outflow of waqf funds in compliance with PSAK 2 concerning Cash Flow Statements, as well as additional PSAK and ISAK related to cash flow statement presentation.

e. Notes to Financial Report

Nazhir provides financial statement remarks in accordance with PSAK 101 concerning Presentation of Islamic Financial Statements, as well as additional PSAKs and the necessary ISAK.

PSAK 112 describes Nazhir's Accounting, which comprises of the following (DSAS, 2018):

**Recognition**

There are legal and physical limits on the waqf assets, Nazhir identifies them in the financial accounts. In terms of recognizing waqf assets, several waqf assets, such as land and parts of it, need a legal pledge deed. Those who do not require a pledge deed but immediately donate waqf assets, such as transferring assets directly from financial institutions, are exempted. If the nazhir approves the waqf will, the assets that will be waqf in the future are not reported in the financial statements. However, when the wakif died, Nazhir will acknowledge the waqf ownership.

If the nazhir accepts the pledge (*wa'd*) to waqf, the assets to be waqf in the future are not contained in the financial statements. The nazhir, on the other hand, will recognize the asset if he has received the cash and currency equivalents promised by the wakif. Waqf assets

acknowledged for a specific time (temporary waqf assets) are classified as liabilities by Nazhir. Because this waqf asset will only be created for a limited time and will not be sustained. Nazhir acknowledged the outcomes of waqf asset management and development as supplementary waqf assets. The addition will enhance the economic value of the waqf assets as the accomplishments of Nazhir's waqf develop.

### **Measurement**

Waqf assets in the form of money are measured at the nominal value. Meanwhile, waqf assets other than cash are measured at fair value. Waqf assets other than cash will be measured at fair value at the time of recognition, but if the assets can not be measured reliably, then the waqf assets are not listed in the financial statements. However, these assets are disclosed in the notes to the financial statements. Waqf assets in the terms of cash are valued at full value. Waqf assets besides cash, on the other hand, are rated at fair value. Aside cash, waqf assets will be valued at fair current value of recognition; nonetheless, if the assets cannot be evaluated precisely, the waqf assets will not be included in the financial statements. These assets, however, are derived from the financial statements' notes. Waqf assets in the form of valuable stones will therefore be assessed at fair value, with the modifications then recognized as the impact of waqf asset re-measurement

### **Presentation and Disclosure**

Nazhir demonstrates temporary waqf assets that have been obtained as liabilities. Nazhir revealed, but is not limited to. The following information about waqf:

1. Accounting policies applied to the acceptance, management, and distribution of waqf;
2. Explanation of individually significant wakif;
3. Explanation of the strategy for managing and developing waqf assets;
4. Explanation of the allocation of waqf assets;
5. The amount of nazhir fees and their percentage of the net proceeds from the management and development of waqf assets, and if there is a change in the current period, the reasons for the change are explained;
6. Details of net assets include initial waqf assets, waqf assets originating from the management and development of initial waqf assets, and net proceeds from the management and development of waqf assets;
7. Reconciliation to determine the basis for calculating nazhir rewards includes:

- i. Net proceeds from the management and development of waqf for the current period;
  - ii. Net proceeds from the management and development of waqf for the current period that have not been realized in cash and cash equivalents in the current period;
  - iii. Net proceeds from the management and development of waqf in the previous period realized in cash and cash equivalents in the current period;
8. If there is a temporary waqf, an explanation of the fact, amount, and wakif;
  9. If there is a waqf through money, an explanation of the waqf through money that has not been realized into the waqf asset in question;
  10. If there are waqf assets that are exchanged for other waqf assets, an explanation regarding this includes the type of assets exchanged and substitute assets, reasons, and legal basis;
  11. If there is a related party relationship between wakif, nazhir, and/or mauquf alaih, it is disclosed:
    - i. The nature of the relationship;
    - ii. Number and type of permanent and/or temporary waqf assets;
    - iii. Percentage of distribution of waqf benefits from the total distribution of waqf benefits during the current period.

### **Financial Reporting**

Waqf funds are reporting entities in the form of waqf assets and related liabilities controlled and created by nazhir. The waqf fund reporting entity handled by nazhir provides separate financial statements that are not aggregated into the financial accounts of nazhir's organization or government entity.

### **RESEARCH METHODS**

This research applies descriptive qualitative approaches to describe existing social phenomena through the development of concepts and the collecting of evidence, but it does not test hypotheses. The researchers chose the Sabilillah Mosque Cooperative Malang City as the subject of their investigation because there are several cash waqf contracts in the cooperative, and for the existing cash waqf, the agency converted it into productive waqf in order to produce financial reports on the Sabilillah Mosque Cooperative Malang City.

In this study, data was collected by observation, interviews, and documentation. Direct observations were made by witnessing the use of waqf accounting based on PSAK 112 in the

Sabilillah Mosque Cooperative in Malang City. To obtain information about the application of PSAK 112 (measurement, recognition, presentation, and disclosure) in the preparation of financial statements, the researcher chose informants, namely the management of the Sabilillah Mosque Cooperative, more specifically the staff of the finance department. The documents utilized in this study include the history and profile of the Sabilillah Mosque Cooperative Malang City, as well as the management structure, job descriptions, and financial records. The data analysis process, which included identifying the financial accounts of the Sabilillah Mosque Cooperative Malang City, was carried out. Administering the identification, acceptance, and development of waqf funds handled by Malang City's Sabilillah Mosque Cooperative, The implementation of PSAK 112 in the preparation of the financial accounts of the Sabilillah Mosque Cooperative Malang City.

### **RESULTS AND DISCUSSION**

Waqf acceptance at the Sabilillah Mosque Cooperative in Malang City has increased from year to year, along with the cooperative's membership and the money that are cycled every year. With the understanding of cooperative members, a portion of income is set aside to waqf for the general welfare. Waqf funds in the Sabilillah Mosque Cooperative Malang City are obtained through collaborative partnerships who contribute to the development of the Sabilillah Mosque Cooperative Malang City, rather than from individual members.

Receipts of waqf funding in cooperatives have not employed Cash Waqf Certificates (SWU), but have continued to use invoices as proof of payment of waqf funds or loans, as well as other payments. As proof of cash waqf payment transactions, waqif will be provided a receipt. The receipt as proof of payment appears in two copies: the first is saved by the cooperative administration as proof of payment and will be used for proof of tracking waqf cash, and the second is given to the waqif as proof of cash waqf payment. The cooperative management inputs the first duplicate receipt into the computer as input data for a future report and then saves it as a data archive.

Waqf is reported to be on the growth in Indonesia. As a result, guidelines for the administration of waqf assets are essential. Waqf is the separation/handing over of one's property that is utilized in perpetuity or in line with the needs of the public. The people's urgency is as a charity of worship for the wakif and as a public facility for the people's wellbeing. In light of the urgency, waqf must be properly administered in compliance with appropriate requirements. However, there is the stumbling block: the method of accounting for waqf in the Sabilillah Mosque Cooperative Malang City has not been standardized in accordance with

PSAK 112 pertaining to waqf. Accounting treatment standardization is pivotal because it offers details to parties with an interest in waqf, allowing it to be used as a source of management and utilization of waqf intended for the wellbeing of the society, which can then be taken into account for or to all stakeholders with the waqf it manages. Standardization may also offer professionalism in the management of waqf assets, providing wakif and nazhir with a sense of security in the management of waqf assets (Hardianti Marsawal et al., 2021).

Report on the Performance of the Sabilillah Mosque Cooperative Malang City, submitted to the Sabilillah Foundation with tangible proof. While an annual performance report is used to report to members and the surrounding community for proof of cooperative performance each year, there is also information regarding cooperative performance in the Sabilillah Foundation magazine. Reports are still classified manually by the Sabilillah Mosque Cooperative in Malang City; the cooperative has not had an online profile such as Facebook, Twitter, blogs, or other online platforms. The Sabilillah Mosque Cooperative Malang City arranges its financial reports into three categories: BMT Financial Statements, Qardhul Hasan Financial Statements, and Consolidated Financial Statements. This would make it easier for stakeholders to comprehend the Sabilillah Mosque Cooperative Malang City's financial statements.

### **Treatment**

Waqf receipts from members and/or temporary waqf shall be acknowledged for the amount received. The waqf will be completely recognized as waqf money and recorded as a cash book in the debit position, while it will be acknowledged and recorded as waqf/donation in the credit position. Meanwhile, temporary waqf will be recorded as cash in the debit position, and as a reserve fund in the credit position if the funds are from the remaining budget, and as Masjid Cooperative deposits if they are from the allowance for BMT earnings.

Infaq or profit sharing on waqf fund management shall be assessed as an increase to cash in the debit position. After operating expenditures, social activities, and/or other costs have been deducted, the remaining infaq will be assigned or acknowledged in the credit session as waqf (rewaqf) up to 10% of net infaq revenues, and the remaining will be recognized and recorded as da'wah funds.

### **Measurement**

Waqf funds received in cash will be measured in rupiahs. Waqf measurement does not depreciate the value of waqf assets because the value or quantity of waqf received in the form

of money must not depreciate and must remain intact. Meanwhile, the regulated cash waqf will be assessed based on the quantity of infaq received.

### **Presentation**

Waqf assets are provided independently from the BMT financial report; this report is termed as the *Qordul Hasan*. The Sabilillah Mosque Cooperative offers a wide range of financial reports, including profit and loss accounts, statements of financial condition, reports on changes in resources, and cash flow statements. However, *Qordul Hasan's* annual performance report will be integrated with the BMT report, but the sources of financing will continue to appear in the cooperative's consolidated report. In terms of reporting, the cooperative will submit an annual cooperative performance report to the Sabilillah Foundation. Meanwhile, members and the general public can read about it in the Sabilillah Foundation's yearly magazine or visit the cooperative.

### **Disclosure**

Matters not provided in the financial statements will be reported in the annual performance report. The members of the cooperative, the amount of waqf for each balance, the highs and lows of infaq on waqf fund management, and the annual performance of the board will all be included in the annual performance report. Waqf funds obtained will be regarded as cash and ready to be distributed to members who would borrow the amounts. Meanwhile, infaq or profit sharing from the administration of waqf funds would be shown in the revenue statement in detail.

The findings of a study of the financial accounts of the Sabilillah Mosque Cooperative by researchers did not fulfill the accounting criteria of PSAK 112 for waqf accounting. As a result, the researcher creates the waqf funds' financial accounts as follows:

a. Report of Financial Position of Waqf

**Table 1. Construction of the Financial Report Position**

<b>SABILILLAH MOSQUE COOPERATIVE</b>			
<b>Report of Financial Position</b>			
<b>Period: January 01 – December 31, 2019</b>			
<b>Description</b>	<b>Balance</b>	<b>Description</b>	<b>Balance</b>
<b>Assets</b>		<b>Liability</b>	
<b>Current assets</b>		Kopmas Fund	154.154.000
Cash	323.726.000	Reserve Fund	194.200.000
Receivables	1.537.109.000	Other Funds	-
Investment	-	Debt	-
<b>Total Current Assets</b>	<b>1.860.835.000</b>	<b>Total Liabilities</b>	<b>348.354.000</b>
<b>Fixed Assets</b>	<b>-</b>	<b>Equity</b>	
		Waqf/Donation	1.512.481.000
<b>Total Assets</b>	<b>1.860.835.000</b>	<b>Total Liabilities &amp; Equity</b>	<b>1.860.835.000</b>

Source: analyzed by researchers (2020)

The statement of financial position comprises various accounts that must be re-recorded, including those pertaining to current waqf monies. Contemporary waqf is waqf with a time frame that is carried out in accordance with the agreement reached at the commencement of the contract. Reserve fund accounts and Kopmas funds are examples of modern waqf at the Sabilillah Mosque Cooperative. Both accounts are reclassified from equity to liabilities. While there is a waqf/donation account in equity (net assets), like in waqf collection, waqf/donation comprises waqf money and da'wah funds. Waqf funds are waqf receipts from current members, whereas da'wah funds are waqf revenue from waqf fund management.

b. Report Details of Waqf Assets Detailed

A report on waqf assets will indicate cooperatively managed waqf assets. The addition of these assets from members who give permanent or contemporary waqf, as well as the management's performance each year, will be published in the annual report on changes in waqf assets. While the only account that will be exposed is the one that is required. The report of modifications in assets must be separated from the company's balance sheet in order enabling readers of financial statements to understand which endowment assets are permanent and which are temporary.

**Tabel 2. Construction of the Report Details of Waqf Assets**

<b>DETAILED REPORT OF NAZHIR'S WAKAF ASSETS</b>			
<b>As of December 31, 2019</b>			
	<b>December 31, 2019</b>		
	<b>Wakif</b>	<b>Result of Management &amp; Development</b>	<b>Total</b>
Cash and cash equivalents	312.785.000	170.000.000	482.785.000
Accounts Receivable	-	74.310.000	74.310.000
<b>Total</b>	<b>312.785.000</b>	<b>244.310.000</b>	<b>557.095.000</b>

Source: analyzed by researchers (2020)

c. Activity Report

The Sabilillah Mosque Cooperative has yet to release a report on the activity of waqf assets. However, an income statement is included in the presentation of financial statements. There is an Infaq account (revenue from waqf management), Administrative Income as an increase to waqf management income, Qordul Hasan as a decrease in waqf income, and Social Activities as a deduction from waqf income on the income statement. As a result, the revenue statement has been renamed to include a report on waqf activities. However, because the accounts for profit sharing and running expenditures are so minimal, the activity report simply includes the essential accounts. The following are the outcomes of the profit and loss report construction.

**Table 3. Construction of the Activity Report**

<b>SABILILLAH MOSQUE COOPERATIVE</b>	
<b>Activity Report</b>	
<b>Period: January 01 – December 31, 2019</b>	
<b>Information</b>	<b>Qordul Hasan</b>
<b>Revenue</b>	
Infaq	166.671.000
Financing Admin	16.989.000
Other Receipts	
<b>Total Income</b>	<b>183.660.000</b>
<b>Expenditure</b>	
Qordul Hasan Operations	(13.660.000)
Worship Activities	
<b>Total Expenditure</b>	<b>(13.660.000)</b>
<b>Profit (Loss)</b>	<b>170.000.000</b>

Source: analyzed by researchers (2020)

d. Cash Flow Report

The Sabilillah Mosque Cooperative's financial flow statement includes three operations: operational activities, investment activities, and funding activities. The cooperative's cash flow statements are in compliance with PSAK 02 accounting rules for cash flow statements. Despite the fact that there are no investment transactions in the investing activity.

e. Notes to Financial Report

The Sabilillah Mosque Cooperative's financial statement notes have not been gathered. Financial statement notes must be created in connection with the associated accounts. While the net assets of the waqf must be disclosed, information on the waqf funder or the source of waqf cash receipts must also be disclosed.

**Table 4. Notes Construction on Financial Report**

<b>SABILILAH MOSQUE COOPERATIVE</b> <b>Report of Financial Position</b> <b>Period: January 01 – December 31, 2019</b>	
<b>1. General</b>	
<b>a. Establishment and General Information</b>	
<p>The Sabilillah Mosque Cooperative (KOPMAS) was founded in 1999 until now 2019 KOPMAS is 20 years old. KOPMAS Sabilillah is under the auspices of the Sabilillah Foundation, Malang City. The Sabilillah Foundation has 3 fields under it, namely Education, Religion and Social Affairs. KOPMAS is in the social field of society.</p> <p>KOPMAS Sabilillah was formed in order to maximize the function of the mosque in fostering and empowering the congregation of the Sabilillah mosque in particular and the general public around the Sabilillah Mosque in order to improve the economy of the congregation (KOPMAS members) KOPMAS collects investment money (savings) from the congregation (members) and distributes them to the congregation (members) for business capital financing in order to promote the welfare of the Sabilillah Mosque congregation (KOPMAS Members). KOPMAS has seen significant changes in service delivery and management throughout its 20-year history. The trials of moderate to severe problems and barriers have been able to convey the manager's commitment to continue developing KOPMAS Sabilillah in accordance with the vision and purpose that was intended since its foundation. KOPMAS has been able to endure until this 20th year, 2019, by continually contributing to the growth of the Sabilillah Foundation in terms of increasing the economics and welfare of the Sabilillah mosque congregation in particular. The Sabilillah Mosque has been able to carry out a vision of "Building the Economy of the Ummah" based on the mosque till now, it's already 20th year. Despite all of the limits and weaknesses in its execution, as well as a lack of management and management competencies in managing existing financial institutions, they are nevertheless able to demonstrate progress in increasing financial performance in KOPMAS financial management each year.</p> <p>The Sabilillah Mosque Cooperative Development and Performance Report until the end of December 2018 can be briefly reported as follows:</p>	
<ul style="list-style-type: none"> <li>a. The number of members is 1087 people</li> <li>b. Total Assets of Rp. 3,748,5190,000.00</li> <li>c. Total Member Savings/Savings (Mandatory and Voluntary) of Rp. 1,592,108,000.00</li> <li>d. The total distribution of financing to Members in 2018 is IDR 4,200,000,000.00</li> <li>e. The number of borrowers in 2018 was 467 people</li> <li>f. The total amount of SHU in 2018 is IDR 300,000,000 from the two existing management</li> </ul>	

scheme units and which is redistributed to KOPMAS members according to the portion of the KOPMAS articles of association

- g. Cash Waqf Trust Funds collected from members until 2018 amounted to IDR 1,030,000,000,-
- h. In order to support the Sabilillah Mecal Service (SMS) Polyclinic, KOPMAS Coordinates and includes KOPMAS members to have BPJS membership as many as 1039 people.

**b. Management of Sabilillah Mosque Cooperative**

Advocate : Yayasan Sabilillah Malang  
 Chairman : Sulaiman, AP  
 Vice Chairman : Moch. Khasan, AP  
 Secretary : Heru Pratikno, ST  
 Exchequer I : Ahmad Farhan H, ST  
 Exchequer II : Nugroho Edi Swasono  
 Supervisor 1 : Hindra Wahyu Jaya , SE  
 Supervisor 2 : Arif Kamal Bafadal, S

**2. Cash and Cash Equivalent Cash**

Cash balances are made up of cash and cash equivalents. Cash is received by a variety of receipts, including receipts from permanent waqf funds, receipts from modern waqf funds, infaq on the outcomes of waqf fund management, and other revenues.

Cash and cash equivalents are detailed in and out of cash in the statement of cash flows. And cash is assessed in Indonesian currency at its fair value. The following are the cash details:

Initial Balance	Changes	Final Balance
Rp. 228.768.000	Rp. 94.958.000	Rp. 323.726.000

**3. Accounts Receivable**

Trade receivables are recorded and reported at their net realizable value. An allowance for doubtful accounts is made when there is objective proof that the outstanding receivables are uncollectible. When doubtful accounts become uncollectible, they are then written off. The following are the modifications in Receivables:

Initial Balance	Changes	Final Balance
Rp. 1.462.799.000	Rp. 74.310.000	Rp. 1.537.109.000

**4. Liabilitas (Wakaf Kontemporer)**

A modern waqf account is given in the liability. According to PSAK No. 112, a waqf has a time period, which is carried out according to the agreement signed at the commencement of the contract. Reserve fund accounts and Kopmas funds are examples of modern waqf at the Sabilillah Mosque Cooperative. As an example of modern Waqf:

	Initial Balance	Changes	Final Balance
<b>Reserved Funds</b>			
Kopmas Reserved Funds	Rp. 156.700.000	Rp. 37.500.000	Rp. 194.200.000
<b>Kopmas Reserve</b>			
THR Funds	Rp. 3.000.000	-	Rp. 3.000.000
RAT/RAPB Funds	Rp. 14.250.000	Rp. 2.400.000	Rp. 16.650.000
ATK Funds	Rp. 2.815.000	Rp. 350.000	Rp. 3.165.000
Administrator Funds	Rp. 50.700.000	Rp. 9.500.000	Rp. 60.200.000

Training Funds	Rp. 14.649.000	(Rp. 2.170.000)	Rp. 12.479.000
Social Reserved Funds	Rp. 31.460.000	(Rp. 800.000)	Rp. 30.660.000
Administrator Inauguration	Rp. 28.000.000	-	Rp. 28.000.000
<b>Jumlah</b>	<b>Rp. 144.974.000</b>	<b>Rp. 9.280.000</b>	<b>Rp. 154.154.000</b>

#### 5. Equity (Nota Assets)

As in waqf collection, **equity** (net assets) is a waqf/donation account. Waqf/donation funds included waqf dna and da'wah funds. Waqf funds are waqf receipts from permanent members, whereas da'wah funds are waqf receipts from waqf fund management. The following are the specifics of waqf funds:

	Initial Balance	Changes	Final Balance
<b>Waqf/Donation</b>			
Waqf Funds	Rp. 303.611.000	Rp. 339.785.000	Rp. 643.396.000
Da'wah Funds	Rp. 572.500.000	Rp. 143.000.000	Rp. 715.000.000
Rolling Lazis Funds	Rp. 3.435.000	-	Rp. 3.435.000
Mosque Endowment	Rp. 38.500.000	-	Rp. 38.500.000
BMI Qord Funds	Rp. 15.000.000	-	Rp. 15.000.000
KUM3 GMM Funds	Rp. 24.150.000	-	Rp. 24.150.000
Monthly Waqf	Rp. 9.950.000	-	Rp. 9.950.000
Building Waqf	Rp. 2.300.000	-	Rp. 2.300.000
Waqf for Study	Rp. 42.250.000	-	Rp. 42.250.000
Investment KJKS Funds	Rp. 15.000.000	-	Rp. 15.000.000
<b>Total</b>	<b>Rp. 1.026.696.000</b>	<b>Rp. 482.785.000</b>	<b>Rp. 1.509.481.000</b>

#### 6. Management of Waqf Funds

Dana wakaf yang telah terkumpul akan dikelola untuk anggota yang membutuhkan dana tersebut. Setiap anggota yang meminjam akan dikenakan wakaf 0,5% dari besar nominal peminjaman. Rincian anggota yang meminjam dana di koperasi:

Year	Borrower	Year	Borrower
2004	105	2012	364
2005	241	2013	392
2006	309	2014	450
2007	405	2015	456
2008	419	2016	425
2009	427	2017	515
2010	332	2018	467
2011	317	2019	521

#### 7. Revenue from Management

Management revenue will be recognized and reported as infaq. The notion of separating infaq as money for the general benefit and also as social funds. Furthermore, the administrative account of waqf finance will boost management income. The following is a breakdown of management income:

Description	Total
Infaq	Rp. 166.671.000
Financing Administration	Rp. 16.989.000
Others	-

<b>Total</b>	Rp. 183.660.000
<b>8. Costs for Management</b>	
Management expenses will be reported as operational costs, as there are costs that will lower management revenue. The following are the details of the management costs:	
<b>Description</b>	<b>Total</b>
Operational Expenses	Rp. 13.660.000
Social Expenses	-
Others	-
<b>Total</b>	Rp. 13.660.000
<b>9. Distribution of Waqf Fund Management</b>	
The management of waqf funds will be divided into two accounts. Profit on management shall be recognized and recorded as 10% of net profit for the waqf fund, and the remainder will be recognized and recorded as da'wah fund. However, it will be reported as a waqf/donation in the statement of financial position.	

## CONCLUSIONS

### Conclusions

The Sabilillah Mosque Cooperative's approach to waqf accounting is commendable in terms of initial recognition, measurement, presentation, and disclosure. However, there are still some accounts and reports that are not in conformity with PSAK 112 concerning Waqf Accounting. The following are the specifics of the research findings:

1. The waqf will be recognized totally as waqf funds and recorded as a cash account in the debit position, while it will be recognized and recorded as waqf/donation in the credit position. Meanwhile, temporary waqf will be recorded as cash in the debit position and as a reserve fund in the credit position if the monies come from the mosque cooperative's remaining budget and reserves.
2. Waqf measurement does not reduce the value of waqf assets because the value or quantity of waqf received in the form of money must not diminish and must remain unchanged. Meanwhile, the managed cash waqf will be calculated based on the quantity of infaq received.
3. The presentation of waqf money is distinct from the presentation of the BMT financial report; the waqf fund report is known as the Qordul Hasan. The Sabilillah Mosque Cooperative provides a variety of financial reports, including profit and loss accounts, statements of financial condition, reports on changes in assets, and cash flow statements.
4. The annual performance report will include information that was not included in the financial statements. The members of the cooperative, the amount of waqf for each

balance, the ups and downs of infaq on the management of waqf funds, and the yearly performance of the board will all be included in the annual performance report.

5. Construction of Financial Statements Based on In the study of financial statements, there are reports that must change the title of the amount, such as the income statement, into an activity report. On the balance sheet, there are accounts that are not in the correct position, such as reserve money and the Sabilillah Mosque Cooperative Fund, Malang City. Furthermore, waqf/donations with da'wah money must be separated in order to determine the quantity of eternal waqf funds with the results of waqf fund management. Meanwhile, reports on changes in assets and notes to financial statements must be issued so that readers of financial statements have a better grasp of the information in the financial statements.

### **Suggestions**

Sabilillah Mosque Cooperative, Malang City, must complete unfinished financial reports such as comments to financial statements and reports on specifics of waqf assets that are given separately. This makes it easier for financial statement readers or users to interpret the information. Waqf financial reports for members, the general public, and other users can be made available through social media platforms such as websites or other media. As a result, the institution, as the cooperative's administration, will be more open and accountable in terms of cash waqf management. This can enhance members' or the general public's trust.

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