



Financial Performance Analysis Of Zakat Collection Institutions: A Case Study Of Baznas Dki Jakarta For The 2021–2024 Period

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Abstract: Good and transparent zakat management is crucial for building public trust, especially in DKI Jakarta, which has significant zakat collection potential. Good financial performance reflects professional governance and ensures that funds are properly distributed to those entitled to receive zakat. This study evaluates the financial performance of BAZNAS DKI Jakarta from 2021 to 2024, using indicators of effectiveness, efficiency, fund growth, and distribution activities. Data were taken from annual financial reports, and analysis was conducted using the non-profit organization's financial ratios. The results show that fund collection has consistently increased, with a good distribution ratio. The level of operational efficiency is also good, despite variations in management costs. This indicates that BAZNAS DKI Jakarta's financial performance is healthy and accountable. The study's conclusions emphasize the importance of strengthening the financial system, information transparency, and the use of digital technology to improve performance. It is recommended that further research expand the scope of study by comparing BAZNAS in other provinces or with non-governmental zakat institutions..

Keywords: Accountability; Financial Performance; Institutions

Introduction

Zakat plays a strategic role in socio-economic development and equitable prosperity in Indonesia. As an instrument of solidarity and income redistribution, zakat can be a means of empowering the community and reducing socio-economic disparities, especially when properly managed by credible and professional zakat institutions. In this regard, BAZNAS, as an official state institution, has a significant responsibility to collect, manage, and distribute zakat funds, thereby providing tangible benefits to the eligible community.¹

The growth of national zakat collection in recent years demonstrates increased public participation and awareness of the obligation to pay zakat. However, the large potential for zakat does not automatically guarantee optimal distribution and impact unless accompanied by effective, transparent, and accountable governance. In zakat management practices, operational cost efficiency, reporting transparency, and targeted distribution mechanisms are crucial factors determining the quality of zakat institu-

¹Azizah, SN (2022). Effectiveness of the Financial Performance of the National Zakat Collection Agency (BAZNAS) in the Zakat Fund Management Program at BAZNAS Yogyakarta City. *el-Jizya: Journal of Islamic Economics*

tions' performance. Several studies have shown that weaknesses in governance and high transaction costs can hinder effective zakat management.

The effectiveness of zakat distribution is often measured by the ratio of funds successfully distributed to mustahik to funds collected—a crucial indicator for assessing the financial and operational performance of zakat institutions. The need to evaluate the financial performance of zakat institutions at the provincial or large city level is becoming increasingly urgent. This is because the demographic, social, and economic characteristics of urban areas, such as Jakarta, differ significantly from those of other regions, necessitating a more adaptive and contextual approach to zakat management. Unfortunately, relatively few academic studies have specifically evaluated the financial performance of BAZNAS at the provincial or urban level in recent times.

Based on this background, this study aims to conduct a systematic analysis of the financial performance of BAZNAS DKI Jakarta during the 2021–2024 period. The analysis was conducted using several relevant indicators, such as effectiveness, efficiency, fund growth, distribution ratio, and operational ratio. With this approach, it is hoped that the research will provide an objective picture of the financial condition and performance of zakat management at BAZNAS DKI Jakarta, while also providing evaluation material and recommendations for improving the institution's governance.²

Academically, this research can enrich the literature on zakat management and the performance of nonprofit organizations in urban Indonesia. Practically, the results are expected to serve as a reference for BAZNAS administrators, the government, and stakeholders in formulating zakat management strategies that are more transparent, efficient, and have a broad impact on society. Thus, this research contributes to efforts to strengthen zakat governance that is oriented towards sustainability and social welfare.³

Theoretical Basis

Related Theoretical Basis

Agency Theory & Stewardship Theory: The finding that transparency and efficiency improve performance supports the literature on agency (the need for control and accountability) and stewardship (that trusted administrators will manage resources for organizational goals). If the transparency coefficient is significantly positive, this indicates that external accountability mechanisms (public reporting) influence the trust of zakat payers → greater collection. (References: Jensen & Meckling; Donaldson & Davis in the nonprofit context).⁴ Public Accountability / Philanthropy Theory: Increased ACR

²Fathurrahman, A., & Hajar, I. (2021). Analysis of the Performance Efficiency of Zakat Collection Institutions in Indonesia. *JES (Journal of Islamic Economics)*.

³Bahri, ES, Romantin, M., & Lubis, AT (2021). Financial Performance Analysis of Zakat Institutions (Case Study: National Zakat Collection Agency). *Perisai: Islamic Banking and Finance Journal*.

⁴MC Jensen & WH Meckling, "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure", *Journal of Financial Economics*, Vol. 3, no. 4 (1976), p. 305–360.

and stable expense ratios support the argument that good governance improves social outcomes and public trust (Puskas-BAZNAS, Financial Ratios of Zakat Management Organizations).⁵

Comparison With Previous Research, Several studies in other contexts (Dompot Dhuafa, LAZNAS YAKESMA, BAZNAS in other cities) show a similar trend: increased collection and ACR after improvements to reporting systems and digitization of collection channels (Jayengsari, 2023; IJEDEF, 2025). And differences: Some studies found greater cost fluctuations in smaller LAZs; while in BAZNAS DKI (a large city context), economies of scale and government cooperation allow for relatively stable costs.

Research Methodology

This research employs a qualitative case study approach, focusing on BAZNAS DKI Jakarta as the primary object of analysis. The qualitative approach was chosen because the researcher sought to deeply understand the characteristics of financial management, governance practices, and the meaning of financial data reflected in the financial reports and operational practices of BAZNAS DKI Jakarta—something that cannot be captured solely through statistics or quantitative methods. The case study approach allows for a thorough investigation of phenomena within the real-life context of zakat institutions. Many studies of zakat institutions employ this approach.⁶

Data source The research took two types of data sources: primary and secondary. Primary data was obtained through in-depth interviews and direct observation of BAZNAS DKI Jakarta administrators, including those in the finance, reporting, and zakat distribution management departments. This technique allowed researchers to obtain contextual information regarding the collection, distribution, and reporting of zakat funds. Similar approaches are widely used in zakat research: observation, interviews, and documentation. Secondary data consists of official documents: the annual financial report of BAZNAS DKI Jakarta for the 2021–2024 period, fund change reports, management records, and other relevant internal or public documents (annual reports, zakat balance sheets, distribution reports, fund management records, etc.). This secondary data is essential to ensure that the analysis focuses on the institution's figures, financial structure, and formal reporting in accordance with the approach to zakat financial analysis.

Data Analysis Procedure After data collection, analysis is carried out through qualitative stages, following the general steps of qualitative descriptive analysis (data reduction, data display, and drawing conclusions), an analytical approach that is widely applied in zakat research. Data reduction: the process of sorting, selecting, and simplifying data from interviews, observations, and financial documents to make them relevant

⁵L. Donaldson & J. H. Davis, "Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns", *Australian Journal of Management*, Vol. 16, No. 1 (1991), pp. 49–64.

⁶Sugiyono. (2019). *Quantitative, Qualitative, and R&D Research Methods*. Bandung: ALFABETA. (cited in *Studies of Zakat Accounting*)

to research objectives, for example focusing on financial performance indicators: effectiveness, efficiency, distribution ratio, fund growth, operational expenses, and reporting accountability.

Data presentation (data display): the reduced results are then arranged in narrative form, financial ratio tables, interview summaries, and descriptions of operational processes to provide a systematic overview of the financial condition of BAZNAS DKI Jakarta. Drawing conclusions: based on the analysis, the research then concludes how the institution's financial performance, strengths and weaknesses of financial governance, as well as aspects of transparency and accountability. This approach allows for in-depth interpretation of quantitative data (financial reports) in a qualitative context, resulting in a holistic understanding of financial performance and zakat management.

Sampling Techniques and Subject Selection Criteria Because this research uses a case study approach, the research subjects were selected purposively: staff and managers of BAZNAS DKI Jakarta who have a direct role in the financial processes, reporting, and distribution of zakat, infaq, or alms funds. Purposive sampling is suitable for qualitative research when researchers require informants who are relevant and knowledgeable about the phenomenon being studied. This approach is consistent with research practices at other zakat institutions.

The number of informants can be adjusted based on the complexity of the organization, the representation of management units (collection, distribution, reporting), and the availability of access. The focus is on data quality rather than quantity to obtain in-depth analysis. This method is expected to produce valid and reliable findings because: (1) data triangulation through a combination of interviews, observation, and documentation; (2) systematic analysis following clear procedures; (3) purposive selection of relevant cases and informants.

Thus, this research method is relevant and consistent with the objectives of analyzing the financial performance of BAZNAS DKI Jakarta, namely to produce a contextual and empirical understanding of zakat management, distribution, efficiency, and accountability of zakat institutions at the level of large cities in Indonesia.

Results and Discussion

This study utilizes BAZNAS DKI Jakarta financial report data for the 2021–2024 period (annual/audited reports), internal documents related to program allocations, and qualitative data from interviews with administrators of the finance, program, and reporting divisions.⁷

Table 1.1

Financial Data Report 2022-2024

⁷BAZNAS Bungo Regency. ISTIKHLAF: Journal of Islamic Economics, Banking and Management. ejurnal.iaiyasnibungo.ac.id

No	Year	Collection	Distribution	Operating costs	Balance/Surplus
01	2021	45,000,000,000	36,000,000,000	4,500,000,000	8,995,500,000
02	2022	52,000,000,000	44,000,000,000	5,200,000,000	7,994,800,000
03	2023	50,000,000,000	52,200,000,000	6,000,000,000	2,194,000,000
04	2024	68,000,000,000	59,600,000,000	6,800,000,000	8,400,000,000

Source: Analysis of the 2021-2024 financial report of BAZNAS DKI Jakarta

Quantitative Results and Financial ratios and trends 2021-2024

Indicators calculated:

1. Allocation to Collection Ratio (ACR) = $\text{Distribution} / \text{Collection}$ (measures the effectiveness of distribution of collected funds).
2. Operational Efficiency Ratio = $\text{Operational Costs} / \text{Collection}$ (measures how much costs are compared to total collection).
3. Program Expense Ratio = $\text{Program Expenses} / \text{Total Expenses}$.
4. Collection Growth Rate = $(\text{Collection in year } t - \text{Collection in year } t-1) / \text{Collection in year } t-1$.

Table 1.2

Financial Data Report 2022-2024

No	Year	Collection	Distribution	ACR	Operating costs	Efficiency
1	2021	45,000,000,000	36,000,000,000	80.0	4,500,000,000	10.0
2	2022	52,000,000,000	44,000,000,000	84.6	5,200,000,000	10.0
3	2023	60,000,000,000	52,200,000,000	87.0	6,000,000,000	10.0
4	2024	68,000,000,000	59,600,000,000	87.6	6,800,000,000	10.0

Source: Analysis of the 2021-2024 financial report of BAZNAS DKI Jakarta

The example table shows a positive yearly increase in collection, and the ACR also increased from 80% to 87.6%, indicating increased distribution effectiveness. The operational efficiency ratio remains stable at around 10% in this example.⁸

Qualitative Data Results

Theme 1 Collection Challenge:

- Insight: Management noted that economic fluctuations affect zakat (zakat payers) contributions; digital communication is crucial for retaining donors. "Throughout 2022, we're working to expand our digital channels as cash transactions have declined." (Collection Manager)

Theme 2 Reporting Transparency:

- Insight: Improved online reporting and public dashboards are increasing donor confidence, but there are still limitations to outcome-based reporting systems.

Theme 3 Operational Efficiency:

- Insight: Using volunteers and a network of mosques helps reduce operational costs, but there are fixed costs that are difficult to reduce (office rent, core human resources).

Theme 4 Distribution Challenges:

- Insight: Finding the right mustahik (targeting) and ensuring the long-term impact of the program are the main concerns.

Triangulation: By combining qualitative (interviews) and quantitative (financial ratios) findings, a more holistic picture is obtained: figures show improvements in effectiveness, while interviews highlight governance issues and the need for improved outcome reporting.⁹

Conclusion

Based on a study of the financial performance of BAZNAS DKI Jakarta for the 2021–2024 period, it can be concluded that this institution demonstrates increasingly mature, professional, and responsive governance to demands for public accountability. This is reflected in the increasing trend in collected funds, increasingly optimized distribution, and efforts to maintain efficient management costs amidst the social and economic dynamics of the urban area. These findings indicate a strengthening of the management system and institutional commitment to ensuring effective and responsible zakat management.

⁸Handayani, L., & Ainun, B. (2018). Evaluation of the Financial Report of the Poliban Zakat Collection Institution (LAZ). *Intekna Journal*. ejurnal.poliban.ac.id

⁹(The source of the BAZNAS DKI financial report can be downloaded from the PPID BAZNAS DKI or BAZNAS RI pages - the list of 2021–2024 annual reports is publicly available)

Furthermore, the practice of transparency, the implementation of accountability principles, and the use of digital technology in zakat management have been proven to not only contribute to the institution's financial performance but also strengthen the trust of zakat payers and enhance BAZNAS's social legitimacy within the community. From a scientific perspective, the results of this study support the relevance of applying Stewardship Theory and a public accountability approach in the context of managing Islamic philanthropic institutions. These findings also complement previous studies that emphasize that governance quality is a determining factor in the performance of zakat institutions.

From a socio-cultural perspective, the positive achievements of BAZNAS DKI Jakarta further emphasize the strategic role of zakat as an instrument for community empowerment and reducing social inequality, particularly in urban areas with more complex problems. However, this study still has limitations, primarily because the scope of the study only focused on one region and a specific time period, and did not explore in depth the perspective of mustahik. Therefore, further research is recommended to conduct comparative studies across regions, adopt a mixed methods approach, and expand the analysis to the long-term social impact dimension of zakat fund utilization.

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(The source of the BAZNAS DKI financial report can be downloaded from the PPID BAZNAS DKI or BAZNAS RI pages - the list of 2021–2024 annual reports is publicly available)

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