



Al-Mustafa Welfare Trust[®]
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Islamic Donations Guide

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Zakat

Zakat (Alms) is a central activity in Islam. The Qur'an explicitly requires it (9:60) and often places it alongside prayer when discussing a Muslim's duties. (*"Perform the prayer and give the alms."* **2:43, 110, 277**)

The word Zakat means both 'purification' and 'growth'. Our possessions are purified by setting aside a proportion for those in need, and, like the pruning of plants, this cutting back balances and encourages new growth.

The Zakat is an alms tax, required of every adult Muslim (adult, mentally stable, free, and financially able Muslim, male and female) with sufficient means in order to support to specific categories of people. In many ways it resembles the modern welfare state, in which the "haves" are taxed to help the "have-nots." For most of Islam's history, the tax was enforced by the state. Today it is mostly left up to the individual, except in Saudi Arabia where religious law (Shari'a) is strictly adhered to.

This category of people is defined in Surat Al-Tawba (9) verse 60: *"The alms are only for the poor and the needy, and those who collect them, and those whose hearts are to be reconciled, and to free the captives and the debtors, and for the cause of Allah, and (for) the wayfarer; a duty imposed by Allah. Allah is Knower, Wise."* **(The Holy Qur'an 9:60).**

The obligatory nature of Zakat is firmly established in the Qur'an, the Sunnah (or hadith), and the consensus of the companions and the Muslim scholars. Allah states in **Surah at-Taubah verses 34-35**: *"O ye who believe! Lo! many of the (Jewish) rabbis and the (Christian) monks devour the wealth of mankind wantonly and debar (men) from the way of Allah. They who hoard up gold and silver and spend it not in the way of Allah, unto them give tidings (O Muhammad) of a painful doom, (34) On the day when it will (all) be heated in the fire of hell, and their foreheads and their flanks and their backs will be branded therewith (and it will be said unto them): Here is that which ye hoarded for yourselves. Now taste of what ye used to hoard."* **(The Holy Qur'an 9:34-35).**

It is agreed between Muslims in all the centuries the obligatory nature of paying Zakat for gold and silver, and from those the other kinds of currency.

Zakat is obligatory when a certain amount of money, called the nisab is reached or exceeded. Zakat is not obligatory if the amount owned is less than this nisab. The nisab (or minimum amount) of gold and golden currency is 20 mithqal, this is approximately 85 grams of pure gold. One mithqal is approximately 4.25 grams. The nisab of silver and silver currency is 200 dirhams, which is approximately 595 grams of pure silver. The nisab of other kinds of money and currency is to be scaled to that of gold, 85 grams of pure gold. This means that the nisab of money is the price of 85 grams of 999-type (pure) gold, on the day in which Zakat is paid. (Current Gold Prices)

When should Zakat be paid?

I. Passage of One Lunar Year:

Zakat is obligatory after a time span of one lunar year passes with the money in the control of its owner. Then the owner needs to pay **2.5%** (or 1/40) of the money as Zakat. (A lunar year is approximately 355 days).

II. Deduction of Debts:

The owner should deduct any amount of money he or she borrowed from others; then check if the rest reaches the necessary nisab, then pays Zakat for it.

If the owner had enough money to satisfy the nisab at the beginning of the year, then the money increased (in profits, salaries, inheritance, grants...etc.), the owner needs to add the increase to the nisab amount owned at the beginning of the year; then pay Zakat, 2.5%, of the total at the end of the lunar year. (there are small differences in the fiqh schools here)

Each Muslim calculates his or her own Zakat individually. For most purposes this involves the payment each year of two and a half percent of one's capital. (Zakat Calculator)

A pious person may also give as much as he or she pleases as sadaqa, and does so preferably in secret. Although this word can be translated as 'voluntary charity' it has a wider meaning. The Prophet Muhammad (PBUH) said *'even meeting your brother with a cheerful face is charity.'* The Prophet Muhammad (PBUH) said: *'Charity is a necessity for every Muslim.'* He was asked: *'What if a person has nothing?'* The Prophet Muhammad (PBUH) replied: *'He should work with his own hands for his benefit and then give something out of such earnings in charity.'* The Companions asked: *'What if he is not able to work?'* The Prophet Muhammad (PBUH) said: *'He should help poor and needy persons.'* The Companions further asked *'What if he cannot do even that?'* The Prophet Muhammad (PBUH) said *'He should urge others to do good.'* The Companions said *'What if he lacks that also?'* The Prophet Muhammad (PBUH) said *'He should check himself from doing evil. That is also charity.'*

Sadaqa

Sadaqa or Saddka (plural sadaqat) means "voluntary charity". This concept encompasses any act of giving out of compassion, love, friendship (fraternity) or generosity.

Hadith on Sadaqah

A man called Prophet Muhammad (S.A.W.): *"We used to sacrifice Atirah in pre-Islamic days during Rajab; so what do you command us?"* He said: *"Sacrifice for the sake of Allah in any month whatever; obey Allah, Most High, and feed (the people)."* **(Abu-Dawood : 2824)**

"Sadaqa extinguishes sin as water extinguishes fire." **(Tirmidhi : 2541)**

"Sadaqa appeases the Lord's anger and averts an evil death." **(Tirmidhi : 1909)**

"Give the Sadaqa without delay, for it stands in the way of calamity." **(Tirmidhi: 1887)**

"The believer's shade on the Day of Resurrection will be his Sadaqa." **(Tirmidhi: 1925)**

A woman said: *"Apostle of Allah, my mother suddenly died; if it had not happened, she would have given Sadaqa (charity) and donated (something). Will it suffice if I give Sadaqa on her behalf?"* Muhammad (PBUH) said: *"Yes, give Sadaqa on her behalf."* **(Abu-Dawood: 2875)**

Abu Hurairah reported: Muhammad (PBUH) said, "Every day the sun rises, charity (sadaqa) is due on every joint of a person. Administering justice between two people is a charity; and assisting a man to mount his beast, or helping him load his luggage on it is a charity; and a good word is a charity; and every step that you take (towards a masjid) for salat is a charity; and removing harmful things from the road is a charity." **(From Sahih al-Bukhari and Sahih Muslim)**

In Sahih Muslim, it is reported on the authority of Aisha that Muhammad said, "Everyone of the children of Adam has been created with three hundred and sixty joints; so he who declares the Greatness of Allah (i.e, saying "Allahu akbar"), praises Allah ("Alhamdulillah"), declares Allah to be one ("La ilaha ilallah"), glorifies Allah ("Subhan'Allah"), and seeks forgiveness from Allah ("Astaghfirullah"), and removes a stone or thorn or bone from people's path, and enjoins good and forbids evil, to the number of those three hundred and sixty, will come upon the evening that day having rescued himself from jahannam."

Quran on Sadaqah

"Have you seen the one who denies the Religion? Such is he who repulses the orphan, and who does not urge others to feed the poor. Woe to worshippers, who are absent-minded to their prayer, those who make a show (of piety), and refuse to render small acts of kindness (towards others)." **(Al-Ma`un 107: 1-7)**

"And spend something (in charity) out of the substance which We have bestowed on you, before Death should come to any of you and he should say, "O my Lord! Why didst Thou not give me respite for a little while? I should then have given (largely) in charity, and I should have been one of the doers of good." But to no soul will Allah grant respite when the time appointed (for it) has come; and Allah is well-acquainted with (all) that ye do." **(Al-Munafiqun 63: 10-11)**

Sadaqa should be given solely out of love for God, out of the desire to do good to His creation, as the Quran says about the righteous: "They give food, out of love for Him (Allah), to the poor, the orphan, and the slave, saying: We feed you only for Allah's pleasure - we desire from you neither reward nor thanks." **(Qur'an 76:8,9)**

Giving Sadaqa will not diminish a Muslim's wealth. It serves as expiation for sins and yields rewards in the next life. Allah says: "For those who give in charity, men and women, and loan to Allah a Beautiful Loan, it shall be increased manifold (to their credit), and they shall have (besides) a liberal reward." **(Qur'an 57:18)**

How much should be given as Sadaqa?

"The rich should give according to their resources and the poor according to their." **(Quran 9:79)**

How it should be given?

- Openly or secretly **[2:271]**
- Can be given directly to FUQARAA **[2:271]**
- Can be given to an authority who can distribute to the deserving **[9:58; 9:103]**

Some differences between Zakat and Sadaqa

1. Zakat is obligatory while Sadaqa is supererogatory or voluntary. The money for the purpose of Zakat can be taken by force by the authorities while for Sadaqa, this is not the case.
2. Zakat must be managed by a central authority while Sadaqa may be given individually or through authorities.
3. Sadaqa is usually for exigencies or a sudden unforeseen crisis while Zakat is a continuous program aimed at providing the resources for the physical and personal development of the people.
4. For Zakat, no categories of people have been mentioned in the Quran to whom it is for. [it is for the general physical and personal development of all]. For Sadaqa, the categories of people whom it is for is mentioned.
5. In a bid to establish an economic system based upon the Quranic teachings, Sadaqa may be a measure much prevalent in the transitory stage while Zakat will be the main hallmark of the maturity of such a system when all will be provided what they need for their physical and personal development.
6. To affect Zakat, an Islamic authority may levy fixed taxes of different sorts changeable according to the economic state of the nation but for Sadaqa, there is no fixed amount.

Lillah

In Arabic the phrase "lillah" is composed of the preposition, "li"; and proper noun "Allah". The preposition li can take one of three different meanings based on the construction of a sentence and the context in which the phrase appears. The proper noun "Allah" literally stands for "The God" and is meant to address the One and the Only God in which Muslims believe. In actual fact Zakat and Sadaqa are also types of Lillah because this contribution is also made to acquire the pleasure of Allah. On the other hand, because the Masaarif of Zakat and Nafil Sadaqa are different, that is why funds are usually collected under two labels:

- Zakat and Sadaqa (i.e. Sadaqatul Fitr and Fidya)
- Lillah (Nafil Sadaqa)

The second type of funds can be utilised in any good cause, i.e. the construction of a Masjid, school or paying the salaries of the teacher, Imam, Muazzin, etc. and also to fulfil the needs of the poor. One can also donate these funds to a destitute Muslim but it cannot be donated to a rich Muslim.

By making intention of Sadaqa one automatically makes intention of Lillah and will receive the reward of Sadaqa.

Waqf

A Waqf also spelled Wakf formally known as Wakf-alal-aulad is an inalienable religious endowment in Islamic law, typically denoting a building or plot of land for Muslim religious or charitable purposes. The donated assets are held by a charitable trust. The grant is known as mushrut-ul-khidmat, while a person making such dedication is known as Wakif.

The term waqf literally means detention. The legal meaning of Waqf according to Imam Abu Hanifa is the detention of specific thing in the ownership of waqif and the devoting of its profit or products “in charity of poors or other good objects”

Imam Abu Yusuf and Imam Muhammad Says: “Waqf signifies the extinction of the waqf’s ownership in the thing dedicated and detention of all the thing in the implied ownership of God, in such a manner that its profits may revert to or be applied for the benefit of Mankind”. There is no direct injunction of the Quran regarding Waqf, but there is a hadith which says “Ibn Umar reported, Umer-Ibn-Al- Khitab got land in khyber, so he came to the prophet Muhammad (PBUH) and asked him to advice him about it. The Prophet said, if you like, make the property inalienable, and give the profit from it to charity.” Waqf means the permanent dedication by a Muslim of any property for any purpose recognized by the Muslim law as religious, pious or charitable.

Examples of Waqf

Land & Buildings: Cash is provided by one or more persons as waqf to purchase land and buildings, e.g. a small shopping complex. Once the complex is purchased, the property may be classified as a waqf property and waqf rules apply. The property may not be sold (except to replace), be gifted, or inherited. The property remains intact and may not be spent. The rental income that is produced by the complex may be used for any shari’ah compliant purpose.

Explanation of Waqf

A Waqf is your Capital Gift or Benevolent Loan to Allah in the form of a charitable endowment. 100% of your donation is invested in an income producing capital asset, remains intact, and is never spent for any expense. Only the income generated ie rental or profits from the capital investment is utilised for funding sustainable community and social development projects or programmes. As a donor (waqif/a) you may designate the project or programme, or you may leave it to the discretion of your Mutawallees to spend on a need or priority basis. Beneficiaries may be Muslim as well as the poor in the broader community. Of course, waqfs may take the form of masjids, schools, clinics, and other socio-religious assets. Awqaf SA focuses on investments in income producing economic assets. A Waqf may be made by any sane adult male or female and with any amount - not only by the rich and famous, but one and all – irrespective of social or economic background – according to means.

A Waqf is:

- a Sustainable Development Institution
- a Sadaqah Jariyyah
- a Capital Gift to Allah
- a Legacy for the Future
- a Revival of the Sunnah
- a Beautiful Loan to Allah

- a Social Responsibility Investment
- a Dedication to Allah
- an Ibadat
- a Civil Society Initiative
- an Enduring Endowment
- a Contribution to Nation-building, Poverty Alleviation, and Community Empowerment
- Beneficial to Muslim, Poor, and Disadvantaged Communities

Fitrana (Zakat al-Fitr)

Fitrana - Zakat al-Fitr is a small amount of charity given before the eid prayer. It can be given either directly before the prayer or a few days in advance but it must be given.

The amount of Fitrana that is obligatory is £3 per person (applicable to children as well as adults). Zakat al-Fitr is often referred to as Sadaqah al-Fitr. The word Fitr means the same as "Iftar"; breaking a fast and it comes from the same root word as Futoor which means breakfast. Thus, Islamically, Zakat al-Fitr is the name given to charity which is distributed at the end of the fast of Ramadan. Sadaqah al-Fitr is a duty which is Wajib (obligatory) on every Muslim, whether male or female, minor or adult as long as he/she has the means to do so.

The proof that this form of charity is compulsory can be found in the Sunnah (tradition of the Prophet, peace be upon him) whereby Ibn Umar reported that the Prophet (peace be upon him) made Zakah al-Fitr compulsory on every slave, freeman, male, female, young and old among the Muslims; one Saa` (a traditional Arabic measure of weight) of dried dates or one Saa` of barley. Sahih Bukhari Volume 2, Book 339, Number 579

The main purpose of Zakah al-Fitr is to provide those who fasted with the means of making up for their errors during the month of fasting. Zakah al-Fitr also provides the poor with a means with which they can celebrate the festival of breaking the fast (Eid al-Fitr) along with the rest of the Muslims.

Islamic scholars are in agreement that the cash equivalent of this measure of foodstuff may be paid instead. Although many people wait until the morning of 'Eid al-Fitr (the celebration of the breaking of fast) to make this payment, it may be made well in advance so that it may be distributed to the poor and needy who are entitled in time for them to partake in the celebrations. This is especially true when entrusting a charitable organisation to distribute the payment on one's behalf.

Fidya

A person suffering from an illness, and it is such an illness that makes fasting impossible, or such fasting would contribute to greater deterioration of health - in such circumstances a person would be excused from fasting and would have to give fidya to a miskeen.

Who is a Miskeen

A miskeen is a poor person. A poor person is defined in Islam as that individual whose finances does not have a total asset worth reaching the nisab.

Is there a time limit for making up a fast ?

Although there is no time limit to making up a fast, it is best for a person to make up for their missed fasts (salah, etc) as soon as they have recovered from an illness. Should an individual not have recovered from an illness, then they would merely have to give what is called the fidya.

What constitutes fidya?

One form of calculation for fidya is in accordance to the measurement of 1.632 kilograms of wheat or its dollar value in equivalence as observed in regular stores (market place.) One need not give the total fidya amount to a single poor person. One can spread it out in such a manner that each poor person gets to consume the value in equivalence of the 1.632 kilograms of wheat. This is the best manner to dispense the fidya. It does not mean that one MUST give only wheat; one can give its equivalence of monetary value to a poor person as well. For example, a dinner of similar or higher value of the wheat amount described above can also be given.

