 DIRECT CHANNELLING OF MOSQUE INSTITUTION FUND IN FINANCING WAQF PROJECTS: ACCEPTED OR DECLINED?

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Received: 13.02.2020  
Revised: 17.03.2020  
Accepted: 25.04.2020

Abstract
Mosque is a religious institution which receives constant financial support from the Muslim community in order to carry out various development projects and spiritual activities. However, the expenditure of mosque institution is limited to the development for the benefit of the parishioners only. Moreover, the existence of waqf development institution faces the problem of funding constraint that causes the inability to complete the construction of development projects. Therefore, this study aims to identify acceptance factors of Muslim Community towards the direct involvement of mosque institution to channel some part of monetary contribution from the Muslim community, at the community level, for waqf development outside the community. This study has employed the instrument of a questionnaire form involving 312 Muslim respondents in one state of Malaysia and logistic regression was used for the analysis. The results show that knowledge, equipment, money and difference are positively significant whereas satisfaction show negative direction towards the agreement to transfer mosque fund to waqf fund. In general, the finding of the study provide supports that respondents agree to channel the mosque institution fund for the use of development outside of the community. Interestingly, respondents are found to be open minded in the matter of mosque fund expenditure to be utilized for the waqf development even though it will be implemented in the area of outside of the community. Nevertheless, this perception is influenced by the current level of development of a mosque encompassing the physical facilities, infrastructure and activities conducted by the mosque management. The physical level of the mosque which has yet to reach certain quality requires that the mosque fund to be spent first on its own community needs. Thus, this study shows that Muslim community does support the involvement of mosque institution as the agent in the development of economy and social by utilizing the mosque fund.

Keywords: Institution, Fund, Mosque, Waqf, Regression

INTRODUCTION
Development of waqf projects often faces with the problem of lack of funds. This situation causes the benefit of development cannot be enjoyed by the society due to the inability to complete projects as being plans. The State Islamic Religious Council or Majlis Agama Islam Negeri (MAIN) which functions as the sole trust holder of waqf property is now extensively implementing transformations to overcome the problem. A number of special institutions were established by MAIN to improve the effectiveness of waqf management such as Perbadanan Wakaf Negeri Selangor Sdn. Bhd. (PWNS) in 2005, Perbadanan WakafSelangor (PWS) in 2010, Wakaf Perak Ar-Ridwan (WPAR) and Pusat Wakaf MAIWP Sdn. Bhd. (PWM) in 2015. Waqf management in Sarawak was placed under the similar institution that manages zakah which was Tabung Baitul Mal Sarawak while in Johor, a corporate waqf institution known as WANCorp was established starting from 2005. This transformation has encouraged these institutions to collaborate with various parties to collect waqf fund and then develop the waqf projects as mutually agreed. Islamic banking institutions are among corporate institutions which have demonstrated significant support towards waqf development in Malaysia. For example, Bank Muamalat Malaysia Berhad (BMMB) has created collaborations with three Islamic Religious Councils or Majlis Agama Islam Negeri (MAIN) which are in Selangor, Negeri Sembilan and Kelantan to collect funds and develop waqf projects. Meanwhile, Maybank Islamic Berhad contributes an abundant of waqf funds through collaborations with MAIN in Perak and Wilayah Persekutuan (Federal Territory). Furthermore, joint ventures in waqf development by the Islamic banking institutions have been conducted more comprehensively in line with the Bank Negara Malaysia (BNM) initiatives of the value-based intermediation (VBI) through the establishment of waqf fund known as myWakaf. MyWakaf is a collective waqf fundraiser involving six Islamic banks namely Affin Islamic Bank Bhd, Bank Islam Malaysia Bhd, Bank Muamalat Malaysia Bhd, Bank Kerjasama Rakyat Malaysia Bhd, Maybank Islamic Bhd and RHB Islamic Bank Bhd. which was set up on 7th September 2017 (BNM, 2017). This collaboration prepares various platforms that offer convenience for the Muslim society to contribute to waqf fund such as over the counter payment in which the payment

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DOI: http://dx.doi.org/10.31838/jcr.v7i6.101
recipient (amil) is appointed by MAIN or using the banking facilities such as the counters, ATM machines, internet banking and others.

Consequently as a result of the collaboration success, the efforts to discover new resources are vital. In this matter, MAIN should study the basic waqf model which has been implemented by the Bank Muamalat Malaysia Berhad (BMMB). The fund collection by the BMMB is unique as it does not focus on the preparation of waqf funds. Adversely, it exploits the funds or saving deposits which are among the elements in the personal financial planning. BMMB encourages individuals to participate in waqf partially or wholesomely of hibah (gift) from the saving deposit in Wadiah account via high impact projects agreed by the institution and MAIN. Therefore, by understanding the pattern of society management and spending, it facilitates the MAIN to identify and carry out new strategic collaboration in the future. Direct collaboration with funding institutions warrants an advantage to the MAIN for not competing with external parties which are also in the efforts to get funding from the same societal group. Competitions actually affect both parties whereby the contributors are left with only two options whether to choose one or only a few organizations within a limited budget, or to increase the total of charity contribution in their financial budget. The effects for the recipients are that they are facing with a slower contribution reception, longer period of fund to complete, delayed development in on-going projects, existing projects (maintenance) and new plans.

As charity contribution is a part of personal financial planning item, the exploration of MAIN on institutions receiving the contribution is very significant. Mosque is one of the non-business oriented institutions that largely receive contributions from the Muslim society. It is also a medium for the Muslim society to conduct charity in the monetary form. In relation to that, the income received by the mosque institution must be benefited for the sake of all. The mosque institution is found to consistently receive contributions in a large amount from the provided charity bodies. The monetary contribution such as fans, carpets and others are found to be significantly prohibited from being transferred to other than the localities. In brief, for the issue of transferring the distribution to the outside community, the scholars unanimously agreed that zakah upon agriculture and livestock should be distributed in the state of the payers. On the contrary, in the case of zakah money, the distribution outside of the community is allowed with a few criteria. Among them is that the distribution does not trigger any dissatisfaction among the asnaf group (recipients of zakah) in the state for not receiving adequate level of distribution.

Since the basis and criteria in the issue of zakah and mosque fund transfer is the same which is money, the obstruction in transferring the surplus of mosque income for the development of the outside community should be reexamined. This reexamination is reasonable to differentiate the types of contributions received by the mosque whether in the form of monetary or nonmonetary. Non-monetary contribution such as fans, carpets and others are found to be significantly prohibited from being transferred outside of the community. This is because nonmonetary contribution is usually needed for certain period and generally it attracts a lot of contributors to donate the specified items. This situation is different with the monetary contribution received by the mosque consistently through charity boxes provided by the mosque.

Therefore, the suggestion to channel the surplus mosque fund for the development that offers general benefits outside of the community is expected to be accepted or not causing any conflicts among the community members with proper preparation in terms of physical facilities and current mosque activities. The receipt of contributions by the mosque without a complete involvement of mosque institution as the fund contributor is highly relevant to be examined to realize the plans of waqf development. A study on a few enactments and rules of mosque financial management finds that permission is granted for the mosque committee to invest the fund ("Buku Garis Panduan, 2014"; "Garis Panduan Pengurusan Kewangan, 2015"). Nevertheless, there is no final ruling on the transfer of mosque fund for the use of development outside of the community. Therefore, the transfer of mosque money is not allowed to be used by other mosques or worship places in the case of Malacca with the justification to respect the intention of contributors ("Buku Garis Panduan, 2014").

Given the idea to channel the mosque fund directly to the waqf institution is new and having constraints in the rules and regulations of mosque expenditure (Ascharaf, Abdullah, Norman, Asmaddy & Mohd Aizuddin, 2014; "Buku Garis Panduan, 2014"). preliminary research pertaining to apprehension and agreement of contributors is significantly crucial. Thus, these two aforementioned justifications of research are essential to be implemented. Firstly, the rules regarding expenditure and income are only in the knowledge of the mosque committee and are less known or concerned by the contributors or community members. However, this monetary contribution is measurable in terms of quality and its benefits by the community through physical development, equipment and spiritual activities. A high level of satisfaction on the related benefits is expected to influence the community confidence in the efficiency of mosque fund management and expenditure. Accordingly, this efficient mosque institution with high satisfaction benchmark is trusted by the community to jointly involve in funding the development outside of the community. Secondly, the recommendation to channel the mosque institution fund can be examined its relevance from the debates of Islamic scholars regarding the transfer or distribution of zakah outside of the community. Differing opinions of the Islamic scholars on this issue of zakah have been reviewed comprehensively by Mohd Anuar and Mohammad Naqib (2017).

This issue also has been discussed in a few studies by Siddiqi (1991), Sanad (2009) and Mohd Imran, Muhammad Yusri, Paiz, Mohd Zahirwan and Rahimin (2016). A research by Hairunnizam, Radiah and Sanad (2012) viewed a new angle in the issue of zakah that is the authorization to distribute zakah should be executed locally (known as the zakah locality method) as compared to the centralized method. This means the transfer of authorization to collect and distribute zakah to the staff of the locality such as the district, settlement, parish or village is expected to increase the effectiveness of zakah management process at the specified localities. In brief, for the issue of transferring the distribution to the outside community, the scholars unanimously agreed that zakah upon agriculture and livestock should be distributed in the state of the payers. On the contrary, in the case of zakah money, the distribution outside of the community is allowed with a few criteria. Among them is that the distribution does not trigger any dissatisfaction among the asnaf group (recipients of zakah) in the state for not receiving adequate level of distribution.

Therefore, the suggestion to channel the surplus mosque fund for the development that offers general benefits outside of the community is expected to be accepted or not causing any conflicts among the community members with proper preparation in terms of physical facilities and current mosque activities.

**WAKAF PERAK AR-RIDZUAN (WPAR) AND WAQF DEVELOPMENT PLANS**

Wakaf Perak Ar-Ridzuan (WPAR) is the new waqf institution established in the state of Perak. This institution was set up on 18th December 2015 during the 19th conference of Majlis Agama
Island and ‘Adat Melayu Perak’ (MAIPk). The word Perak Ar-Ridzaun that follows the word waqf as the name of this institution means that the receipt of waqf revenue by this institution will be utilized and enjoyed by all people in the state of Perak. In supporting this institution to operate well, Waqf Enactment (Perak) 2015 was drafted and enforced on 15th February 2016. This enactment contains 10 parts with 50 sections encompassing the aspects of establishing waqf, istibdal (exchange) and development, management, finance and others.

The establishment of WPAR is parallel with the enactment in the Part IX Section 34 which is the establishment of waqf fund. Through this enactment, MAIPk grants authority to WPAR to administer and develop waqf property. This matter is stated in Section 38 whereby waqf fund is allowed to be invested with shariah compliance in any banks, investment institutions and securities issued by the state government and federal government. The WPAR can raise waqf fund from the public by creating specific schemes that are suitable with the enactment in Part II, section 11 which are Waqf Scheme and Waqf Share. Participation in this scheme can be done through various methods such as over the counter donation at MAIPk office, salary deduction and online banking.

In realizing the waqf development project by WPAR to be completed according to planned cost and duration, continuous support from the fund by all parties is paramount. WPAR has received fund support from the Maybank Islamic amounting as much as RM10 million that covers contributions for waqf development project of students residential college at Universiti Islam Sultan Azlan Shah (USAS) with RM5.5 million and general waqf in the form of cash of another RM5 million. Apart from that, the Maybank Islamic also agrees to provide waqf in the form of matching gifts for each RM1 contributed by participants to WPAR through online payment channel Maybank2u to encourage community participation in waqf with WPAR (WPAR, n.d.). Through this collaboration and waqf channel, WPAR have to conduct effective strategy in marketing waqf schemes that are able to attract Muslim community in Perak. Since its establishment, WPAR has been planning various waqf projects for the need of the people in Perak. Generally, the value of the targeted development project which has been planned is RM65 million and can be illustrated in the following Table 1:

Table 1: Waqf Development Project by WPAR

<table>
<thead>
<tr>
<th>Development Projects</th>
<th>Target (RM)</th>
<th>Current Collection (RM)</th>
<th>Collection Percentage</th>
<th>Balance (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USAS Development</td>
<td>15,000,000.00</td>
<td>5,298,616.73</td>
<td>35.32</td>
<td>9,701,383.27</td>
</tr>
<tr>
<td>Mumtaz Programme</td>
<td>10,000,000.00</td>
<td>73,200.55</td>
<td>0.73</td>
<td>9,926,799.45</td>
</tr>
<tr>
<td>Waqf Business Centre (WBC)</td>
<td>20,000,000.00</td>
<td>249,941.32</td>
<td>1.25</td>
<td>19,750,058.68</td>
</tr>
<tr>
<td>Construction of Hemodialysis Centre</td>
<td>10,000,000.00</td>
<td>239,159.93</td>
<td>2.39</td>
<td>9,760,840.07</td>
</tr>
<tr>
<td>Development of Al-Quran Knowledge</td>
<td>5,000,000.00</td>
<td>280,477.86</td>
<td>5.61</td>
<td>4,719,522.14</td>
</tr>
<tr>
<td>Waqf Boat</td>
<td>5,000,000.00</td>
<td>50,375.85</td>
<td>1.01</td>
<td>4,949,624.15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>65,000,000.00</td>
<td>6,191,772.24</td>
<td></td>
<td>58,808,227.76</td>
</tr>
</tbody>
</table>

Source: WPAR (n.d.)

Based on the list of planned waqf development projects, it is found that the total of current collection is RM62.2 million which is 9.53 percent from the targeted score. The project of USAS residential college is the highest collected fund project that receives RM5.3 million with the support of waqf fund of RM5.3 million provided by the Maybank Islamic. For other projects that have been planned over the past two years, the percentage of total revenue raised is small. To succeed in all these plans, WPAR needs a balance of RM58.8 million. Given that the balance of money needed is high, WPAR needs to adopt a more aggressive approach to raising funds. Strategies that are limited to diversifying donating methods alone cannot guarantee WPAR to receive a consistent level of contribution and impact the development. Since WPAR has received the support in the form of matching gifts for waqf fund through the Maybank Islamic joint venture, the exploration of new donors should be intensified. According to a study, sources of funds donated by the community to the mosque are seen to have the potential to realize the development of waqf. Successful efforts to involve the mosque institutions directly in the development of waqf can enhance the perception of the Muslim community towards the mosque funds and the waqf funds which is permitted to be restricted to the purpose of establishing mosques, religious schools and cemeteries only (Mega & Asiah, 2006).

LITERATURE REVIEW

The scope of past research discussing mosque institutions in Malaysia can be divided into three areas: governance, financial management and fund development. The governance and financial management of the mosque are the two aspects that are studied simultaneously by many researchers as compared to the fund development studies. Lack of information or data on mosque institutions involved in fund development activities is one of the factors that hinder empirical research. As such, many studies on fund raising are exploratory and are confined to investment proposals only. In the study of mosque governance and financial management, among the elements examined were the system of internal control involving the separation and duties of committees, building maintenance and mosque assets, activity and financial records (Siti Alawiyah, Shabul Hameed & Maliah, 2007; Maliah, 2007; Maliah, Siti Alawiyah & Shahul Hameed, 2008; Mohamad Noorman, Intan Sabwani, Norzaidi, Roshayani dan Normah, 2014), knowledge and level of management among mosque committees (Mohamed Azam, Zuraidah, Noor Azaliah, Mohammad Mahyuddin, & Asmah, 2013; Siti Rokyah, Mohamed Muneer & Ahmad Zamri, 2015), the relationship of control system with mosque activities (Jamaliah, Azizah, Zuraidah & Sharifah Norzehan, 2013) and community perception on mosque financial management (Hydzulkifli, Mohd Yazid, Noraini & Azizi, 2016).

Research in the aspect of mosque fund development can be found in studies by Jaar, Sanep,Mariani and Härunnizam (2001), Ashraf, Abdullah, Norman, Asmaddy, and Mohd Aizuddin (2009), Joni Tamkin, Mohd Yahya, Fidilzan and Mohd Fauzi (2011), Mohd Yahya, Fidilzan, Azila, Nurul Fadly dan Syed Iqam (2012), Azila,Mohd Yahya, Fidilzan and Nurhanie (2014), Fidilzan, Mohd Yahya, Azila and Fatimah Salwa (2014a). Interestingly, these suggestions are in line with the mosque’s approval and spending guidelines issued by the MAIN. The mosque committee is permitted to invest the mosque fund under a number of conditions, including a written guarantee from the mosque committee for the return on investment and profitability, readiness to repay in the event of a loss, immediate liquidable investment, Shariah-compliant investment and detailed...
investment channeling of mosque institution fund in financing waqf projects: accepted or declined?

DIRECT CHANNELLING OF MOSQUE INSTITUTION FUND I

As this study attempts to examine the Muslim community's approval of the mosque fundraising proposal, the study of acceptance factors is very important. The basis for the selection of acceptance factors in this study is based on the criteria used in solving the issue of zakat distribution outside of the community which is the satisfaction among the local donors towards the distribution received before the distribution to the external territory. Therefore, the factor of satisfaction is important to obtain the results of the implementation of an existing and new proposal. This concept is synonymous with the current role played by the mosque committee that receives and spends donations to provide physical facilities, spiritual activities and other, to the members of the parish and the local community. Based on the solution to this issue of zakat, two main factors are identified: knowledge factor and quality factor. On the issue of zakat, all groups are in the know about the proposed policy which means the government has a surplus of zakat money. Therefore, the asnaf can provide feedbacks on whether their adequacy has been met or not before the government has implemented the proposal. Thus, the knowledgeable community (policy, finance, etc) can respond to accept or reject a proposal. Based on complete information, individuals can provide thoughtful feedbacks and jointly influence their actions together.

Two factors together to find out about people's behavior. The relationship of knowledge factor with behavior (consent) has shown a mixed finding in previous studies. Generally, a good level of knowledge is expected to influence one to agree, support and execute together and vice versa for low level of knowledge. In a study by Mohd Yahya et al. (2014), lack of knowledge of the mosque's financial position prompted them to propose mosque institutions to engage in less risky investment activities such as cooperatives, plantations and education. In other studies, knowledge was found to be positively related to attitude. For example, the knowledge of revolution in Arab countries influenced respondents' acceptance of the demands in political change through democracy (Mohd Irwan, 2018), knowledgeable respondents received payment for online questionnaires (Zhao, Zhao, Yuan & Zhou, 2018) and individual sensitivity to environmental issues tends to choose environmentally friendly (green) home (Zhang, Chen, Wu, Zhang & Song, 2018). There are also some studies that have found the influence of knowledge and practice is the opposite and that higher levels of knowledge do not reflect the true level of practice by society (Jamilah, Harrina, Hamidah & Juliana, 2011; Mohd Azlan, Noraziah Junaidi, Rozina Azie, Siti Khatijah et al., 2012). The same conclusion is shown in studies of successful entrepreneurs who find that a high level of knowledge (education) of entrepreneurship per se does not guarantee success in gaining a broad business network and access to resources, but depends on the factors of the entrepreneur's own background such as age, experience and marital status (Ma'rof, Abd. Razak & NurFazreen, 2012).

Quality factors are an important variable in the study of community satisfaction. The SERVQUAL model (Parasuraman, Zeithaml & Berry, 1985) is one of the most frequently used models for this purpose. Through this model, the significant dimension associated with the mosque is the dimension of existence. This dimension refers to the physical facilities, equipment and appearance of the provider for which the quality of the recipient can be assessed. Through this feedback, the suppliers or manufacturers of goods and services can make appropriate decisions (Bedi, 2010; Kassim & Abdullah, 2010). In addition, the dimension of existence also means the ready availability of documents (Adair, Berry & McGreal, 1994) or guidelines (Irujo & Perez-Ezcurdia, 2017) that enable one to make new choices and decisions. In Hairsunnizam and Sanep's (2014) study, dimensions of existence can be demonstrated through human and non-human sources that facilitate the distribution and collection of zakat. Sustainable resource development significantly enhances Muslim community’s confidence and loyalty to a zakat institution. In the context of mosque institutions, this dimension can be demonstrated through the development, facilities and activities provided by the mosque committee for the benefit of the community. Through these two factors, the Muslim community can determine the relevance of the mosque institution based on its knowledge and its assessment of its current benefits in support of the mosque institution’s proposal to transfer funds to WPARs that are approved by the mosque fundraising proposal. This concept is synonymous with the current role played by the mosque committee that receives and spends donations to provide physical facilities, spiritual activities and other, to the members of the parish and the local community. Through these two factors, the Muslim community can determine the relevance of the mosque institution based on its knowledge and its assessment of its current benefits in support of the mosque institution’s proposal to distribute a fixed amount or amount of funds continuously for the use of development outside the community.

RESEARCH METHODOLOGY

This study involves the consent of the Muslim community in the state of Perak over the proposal to provide mosque funds for the purpose of developing waqf implemented by WPAR. A total of 312 respondents (completed the questionnaire form) were involved in this study. Distribution of the questionnaire was conducted by face-to-face with the respondents during prayers at mosques in the state of Perak between the time of Zohor prayer and Isha prayers. This is to ensure that the respondents are individuals who are members of the parish and can provide feedback on their knowledge and satisfaction regarding the mosque finances, facilities and activities conducted in the mosque. The data collection process took place over a period of six months from February 2018 to July 2018.

For the purpose of analyzing the likelihood of the Muslim community in Perak agreeing to propose a mosque fund for the development of Waqf by WPAR, a logistic regression model was applied. The dependent variables in this study were dichotomous in that they agreed or disagreed with the mosque’s direct involvement in the grant of a continuous fund for the development of the WPAR project. Analysis using logit models is an appropriate estimation of models using dichotomous dependent variables (Gujarati, 2003).

The models estimated in this study can be summarized as follows:

\[ P_i = \frac{e^{z_i}}{1 + e^{z_i}} \] .......................... (1)

where: \( P_i \) is the probability for respondents to agree to the mosque institution’s proposal to transfer funds to WPARs that are \( Y = 1 \), and \( Y = 0 \) for those who disagree. Equation (1) can be rewritten in the following form:

\[ P_i = \frac{1}{1 + e^{-z_i}} \] .......................... (2)
If \( P_i \) represents the probability of respondents agreeing to be \( Y = 1 \), then the probability of disagreeing individuals is \( Y = 0 \) which is equal to \( 1 - P_i \). Therefore the probability of not agreeing to donate is:

\[
(1 - P_i) = \frac{1}{1 + e^{-L}} \quad (3)
\]

Therefore, the probability ratio for the respondents to agree is:

\[
P_i / (1 - P_i) = e^L \quad (4)
\]

Taking into account the natural log of equation (4), then:

\[
L = \ln(P_i / (1 - P_i)) = \ln(e^L) = Z_i
\]

Based on equation (5), this study examines several variables that are considered to influence the readiness of the Muslim community to propose direct involvement of mosque funds in the development of waqf project by WPAR which is:

\[
Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 \quad (6)
\]

Based on equation (6) \( Z_i \) is a function of \( f(X) \) with \( X_i \) being the considered independent variable namely respondents' knowledge of WPAR, perceptions of mosque equipment, physical and infrastructure, financial management and use of mosque funds.

Therefore, based on equation (6) and the considered independent variables, the specific model estimated in this study is:

\[
L = \ln(P_i / (1 - P_i)) = \ln(e^{Z_i}) = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 \quad (7)
\]

with:

- \( L \) is a log of the odds ratio of agreement; 1 (Agree) and 0 (Disagree)
- \( \alpha \) is the constant
- \( \beta_1 \) = knowledge about WPAR (1 know) and 0 (don't know)
- \( \beta_2 \) = perceptions on mosque equipment (mean)
- \( \beta_3 \) = perceptions on mosque physical and infrastructure (mean)
- \( \beta_4 \) = perceptions on mosque financial management (mean)
- \( \beta_5 \) = perceptions of fund use (mean differences of X5a and X5b)

In short, the X1 variable of knowledge related to WPAR refers to the level of knowledge of WPAR (existence and function) in the development of the waqf project in Perak. The public's knowledge of this institution significantly influenced the community to support the planned activities. In this regard, institutions can adopt a variety of approaches to promote public awareness such as collaboration through activities, media and so on. In studies of alumni contributions to universities, for example, this factor has been significant in many studies such as Olunade (1993), Wannuva and Lauze (2001), Bekkers (2005) and Fidlizan et al. (2014b). In the study of Saawa Amira, Fidlizan, Joni Tamkin and Mohamad Taqiudin (2015) showed that the Muslim community is contributing to institutions known to need funds such as mosques, welfare homes and religious schools. The variable X2, which is the mosque equipment, refers to the interior facilities provided for the purpose of comfort in worship such as prayer mats, speakers, ventilation and so on. Variable X3 refers to respondents' perceptions of the physical structure and basic amenities of the mosque. For both of these variables, the benefits and use of mosque facilities that are well-received by the community are expected to positively influence the mosque's direct involvement in the development of the WPAR project. Mosque institutions that have provided the necessary mosque requirements are not expected to receive objections from the local community to continue to distribute funds for the use of outside community.

The variables of financial management (X4) refer to the public's perception of the mosque's financial efficiency including responsible individuals and the processes of preparation and disclosure of mosque financial information. This financial information is important as a guide to assessing whether the organization receiving and spending the donation has reached its goal (Diamond & Kasyap, 1997) and is systematically used as intended (Bekkers, 2003; Bekkers & Criessen, 2007; Halitza & Zarzycka, 2015). The X5 variable is a variable calculated from the mean difference between the perceptions of the use of a mosque fund, which is limited to the use of parish and mosques only (X5a), or can be channeled for the use outside of the community (X5b). This variable is an adaptation of the Islamic scholars' view of the need to channel the zakat money distribution out of the payer area without affecting or triggering distribution conflicts among the people. Accordingly, the mosque's proposed involvement in the development of the mosque outside of the community is expected to gain approval from the Muslim community by minimizing the differences in perceptions in the use of mosque funds for only the institution itself.

Prior to logistic regression, validity tests were performed for variables X2, X3 X4 and X5 (i.e. X5a and X5b) using Kaiser-Meyer-Olkin (KMO) analysis to determine sample adequacy, cronbach alpha and Barlett's Test of Sphericity (William et. al., 2012). This test should be significant at the level of at least five (5) percent to ensure that all the factors studied are suitable for analysis. Other tests have also been conducted to establish the factors loading (factor loading) and uniformity (communalities). All information from the questionnaire distributed to the respondents was analyzed using Statistical Package for the Social Sciences (SPSS) software.

### Outcome of Analysis

The results of the study are discussed in two parts. The first part deals with the profile of the respondents and the second part is on the results of the inference analysis.

#### Respondents Information

The information of the respondents involved in this study is shown in Table 2. The study involved 312 people with 85.9 percent male respondents and 14.1 percent female respondents. The majority of the respondents were young people, 46.5 percent aged 22 to 32, followed by respondents 55 and older (21.5%), 33 to 43 (17.9%) and 44 to 54 (13.8%). The distance of majority of the respondents' residence with the mosque was close with less than three kilometers at 84 percent. Meanwhile, the minority lived more than three kilometers and less than five kilometers (8.7%) and those who live over five kilometers was 23 people (7.4%).

<table>
<thead>
<tr>
<th>Table 2: Respondents Information</th>
<th>Details</th>
<th>Total (person)</th>
<th>Percentage (%)</th>
</tr>
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<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Female</td>
<td>44</td>
<td>266</td>
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<td>14.1</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22-32</td>
<td>145</td>
<td></td>
<td>46.5</td>
</tr>
<tr>
<td>33-43</td>
<td>56</td>
<td></td>
<td>17.9</td>
</tr>
<tr>
<td>44-54</td>
<td>43</td>
<td></td>
<td>13.8</td>
</tr>
<tr>
<td>55 and above</td>
<td>68</td>
<td></td>
<td>21.5</td>
</tr>
<tr>
<td>Less than 3 km</td>
<td>262</td>
<td></td>
<td>84</td>
</tr>
</tbody>
</table>
Distance from home to mosque

<table>
<thead>
<tr>
<th>Distance from home to mosque</th>
<th>Number</th>
<th>Cronbach Value</th>
<th>KMO</th>
<th>Bartlett, (ʎ) Test</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 - 5 km</td>
<td>27</td>
<td>0.922</td>
<td>0.891</td>
<td>1353.454</td>
<td>72.801</td>
</tr>
<tr>
<td>Over 5 km</td>
<td>23</td>
<td>0.843</td>
<td>0.750</td>
<td>542.535</td>
<td>68.119</td>
</tr>
<tr>
<td>7.4</td>
<td></td>
<td></td>
<td></td>
<td>487.838</td>
<td>78.550</td>
</tr>
<tr>
<td>6.3296</td>
<td></td>
<td></td>
<td></td>
<td>201.882</td>
<td>65.181</td>
</tr>
</tbody>
</table>

**Item Validity Test**
Results of item validity tests as well as factors (statements on the likert scale) used in the questionnaire form is shown in Table 3.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Number of Item</th>
<th>Cronbach Value</th>
<th>KMO</th>
<th>Bartlett, (ʎ) Test</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) X2</td>
<td>6</td>
<td>0.922</td>
<td>0.891</td>
<td>1353.454</td>
<td>72.801</td>
</tr>
<tr>
<td>b) X3</td>
<td>4</td>
<td>0.843</td>
<td>0.750</td>
<td>542.535</td>
<td>68.119</td>
</tr>
<tr>
<td>c) X4</td>
<td>3</td>
<td>0.862</td>
<td>0.693</td>
<td>487.838</td>
<td>78.550</td>
</tr>
<tr>
<td>d) X5a</td>
<td>3</td>
<td>0.708</td>
<td>0.660</td>
<td>177.491</td>
<td>63.299</td>
</tr>
<tr>
<td>e) X5b</td>
<td>3</td>
<td>0.732</td>
<td>0.670</td>
<td>201.882</td>
<td>65.181</td>
</tr>
</tbody>
</table>

**Table 4: Respondent’s agreement to the Distribution of the Mosque Fund to WPAR**

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>295 (94.6)</td>
</tr>
<tr>
<td>Disagree</td>
<td>17 (5.4)</td>
</tr>
</tbody>
</table>

Table 5 shows the evaluation of the fit of the logit model to the data obtained from the survey of the respondents.

<table>
<thead>
<tr>
<th>Observation</th>
<th>Prediction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>16</td>
</tr>
<tr>
<td>Agree</td>
<td>295</td>
</tr>
</tbody>
</table>

Note: True Classification (%), Receiving Suggestions = 100%; Not Accepting Suggestions = 5.9%; Overall = 94.9%

The values in Table 5 compare the expected values of the dependent variables with the actual values of the observed data. Results from the table show that the model correctly predicts 94.9 percent of the actual observations. In this regard, the model tends to better predict factors that cause respondents to agree to the mosque institution’s involvement in directly funding the WPAR project.

The results of the regression analysis for equation (7) are shown as in Table 6.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>coefficient</th>
<th>Exponent Coefficient</th>
<th>Wald Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>constant</td>
<td>0.156</td>
<td>1.168</td>
<td>0.007</td>
</tr>
<tr>
<td>X1 (waqf)</td>
<td>0.728**</td>
<td>2.072</td>
<td>3.090</td>
</tr>
<tr>
<td>X2 (equipment)</td>
<td>1.040**</td>
<td>2.829</td>
<td>2.822</td>
</tr>
<tr>
<td>X3 (physical)</td>
<td>-1.514**</td>
<td>0.220</td>
<td>6.265</td>
</tr>
<tr>
<td>X4 (money)</td>
<td>0.879**</td>
<td>2.408</td>
<td>5.330</td>
</tr>
<tr>
<td>X5 (difference)</td>
<td>1.331*</td>
<td>3.786</td>
<td>8.008</td>
</tr>
</tbody>
</table>

Note: *, **, *** significant at 1%, 5% and 10%

According to Table 8, there are five significant variables with four showing positive and one negative impact on the proposal involving mosque institutions to raise funds for the development of the waqf project outside the community conducted by WPAR. The variable X1 shows a positive relationship with the log value of the odds ratio (coefficient) of 0.728 and the exponential coefficient is 2.702. This value means increased knowledge related to the WPAR and its role in the development of waqf in Perak was as much as one unit, hence the probability of the Muslim community to agree with the proposed mosque institution involvement with WPAR increased by 1.7 times. Therefore, the current WPAR marketing method through expo, exhibition and media advertising is expected to increase public awareness of the role of WPAR in the development of waqf in Perak.

For the X2 variables, log values and exponential coefficients were 1.040 and 2.829, respectively. This finding shows a one-unit increase in respondent’s satisfaction with mosque equipment, thus the probability of the Muslim community agreeing with the proposed mosque institution involvement with WPAR increased by 1.8 times. The same situation is illustrated by the X4 variable in which the increase of one unit in the community’s perception of the mosque’s financial management influences the people’s probability of agreeing to the research proposal is by 1.4-fold.
These results indicate that the mosque’s financial management status and expenditure are now at a high level of public scrutiny. Therefore, the ability of mosque management to maintain or enhance good faith is an important criterion in the distribution of mosque funds for the development beyond its area.

The X5 variable also exerted a positive influence on the mosque’s involvement with the waqf development outside of the area. The small differences in perception of the use of mosque funds whether intended by the donors to be limited to the use of a mosque or vice versa, demonstrates that the Muslim community relies heavily on mosque committees to spend donations according to the need. Therefore, it is expected that the issue of passive deposits can now be mitigated by the mosque committee’s willingness to obtain informed consent from members of the parish on suggestions for its use for development outside of the community. The value of the X5 experimental coefficient of 3.78 indicates that as the mean difference in use of funds is reduced, then the mosque’s proposed distribution of funds has increased by 2.78 times. The interpretation of this decision makes it clear that the Muslim community that donates money to the mosque does not limit the donations made to the mosque’s use alone. Instead, donated money can be spent by the mosque committee for the use outside of the community without neglecting the mosque’s own development.

For the satisfaction variable on the physical level (X3), the obtained relationship was negative. This situation indicates that the level of physical which is yet adequate or poorly maintained, leading to discomfort causes the community to disagree with the proposal for the mosque to be spent for other uses. The poorly maintained physical condition and infrastructure of the mosque can cause discomfort among the community or users by one unit, so the probability of the community agreeing that the mosque is involved in external development is reduced by 0.22 times. Therefore, mosque institutions that receive public funding should spend the money efficiently in improving the quality and infrastructure of mosques. This result shows that mosque institutions that have not been able to provide comfortable facilities should prioritize spending donation funds for their own use first. This is important to prevent dissatisfaction among the parishioners and to affect the sanctity of the mosque institution in the long run.

CONCLUSION

Mosque institutions have the potential to be an important source of funding in the development of the waqf project in the future. The role of the mosque which acts as the representative of the individual or organization for the fund collection needs to be shifted to a more significant role with the current developments. Mosque institutions that receive continuous financial donations from the community should position themselves as among the players or funders of the social and economic development of the community. The acceptance by the Muslim community of the idea for mosque institutions directly involved in the development of the waqf project by WPAR proves that restricting the donations to the use of recipients’ mosques alone needs to be re-evaluated. The Muslim community is found to agree with the direct involvement of mosque institutions in sharing some of the funds for development outside of the community if the mosque has provided quality services (physical, equipment and activities) to the parishioners as well as having managed the finance efficiently. The direct involvement of the mosque institution as a funder is expected to contribute to the continued receipt of the fixed amount of funds needed by the WPAR in particular. Identification of stakeholders for co-operation of fund raising can be carried out by the MAIN through determination of individual or household spending patterns or income distribution. In this regard, the idea of waqf through financial instruments such as unit trusts, stocks, sukuk, intellectual property (Syahnaz & Aman, 2017) and so on is a preliminary indication of the institutions that MAIN can explore as a new source of funds.

ACKNOWLEDGEMENT

This research was funded by a university research grant by the Research and Innovation Centre (RMIC) of the Sultan Idris Education University, Tanjong Malim Perak (Research Code: 2017-0157-106-01).

REFERENCES

DIRECT CHANNELLING OF MOSQUE INSTITUTION FUND IN FINANCING WAQF PROJECTS: ACCEPTED OR DECLINED?


