Cash Waqf Auction for The Establishment of Islamic Institution on The Perspective of Islamic Law and Positive Law (A Case Study on Trensains Islamic Institution, Sragen, 2018-2019)

Mar’atus Shalihah¹
(Corresponding Author)
University of Darussalam (UNIDA) Gontor
Email: marahasholihah@gmail.com

Eko Nur Cahyo²
University of Darussalam (UNIDA) Gontor
Email: eko.nurcahyo@unida.gontor.ac.id

Abstract

Waqf (endowment) is one of Islamic philanthropy that offers the basics of justice and benefit. It should be managed with innovative management such as cash and productive waqf that can contribute a positive impact on the socio-economic of society. In the context of waqf fundraising, cash waqf auction is one strategy to accumulate the funding. Cash waqf auctions can be used as a supporting instrument to support and to enhance the general public need and education. Besides, waqf is not limited to the utilization as zakat, therefore the community development programs such as streamlining Islamic school can be carried out through waqf auctions funds. This study is an attempt to clarify the implementation of waqf auction to finance the establishment of an Islamic institution. Then, it discusses the concept and practice of this waqf auction on the perspective of Islamic law and positive law. The methodology used is qualitative research that is using legal sociology and critical legal analysis, data collected through field research, a document study, and in-depth interviews. The documents studied were journals, books, papers, and relevant documents for this study. The finding of research reveals that Trensains Islamic Institution is implementing a similar practice of waqf in general. The uniqueness is introducing to the community the development

¹Alumni of Undergraduate Student of The Law of Islamic Economics Department, University of Darussalam (UNIDA) Gontor.
²Lecturer of The Law of Islamic Economics Department, University of Darussalam (UNIDA) Gontor.
of the waqf system by opening a service office. In the practice of waqf, the Trensain Islamic Boarding School had previously purchased land using bank funds. While the repayment, Trensain auctioned waqf by publishing waqf certificates of 300 per meter and announced using several media. The system of waqf is carried out together. The practice of waqf in Islamic boarding schools is valid according to the provisions of Islamic law. However, based on positive law, they have not met all the requirements. The problem is that the Trensains Islamic Institution should immediately register the nadzir (manager) in the Minister of Religious Affairs and Indonesian Waqf Board.

Keywords: Waqf, Auction, Islamic Institution.

Introduction

Waqf or in another term is like philanthropy is one of the instruments in a modern economic system. It is one of the solutions to the issue of the inequitable of the social distribution of wealth which prevails due to the dominance of the doctrine of capitalism over the economic system in the national and global ranking, including the Islamic world. This sector is used by corporations, community institutions and individuals for handling various issues that involve the general benefit of society and the surrounding environment. Philanthropic practice in all its type illustrates Islamic civilization that teaches the fundamentals of justice and complete welfare. Islam recommends practicing the welfare of Muslim community is through waqf.

Basically, in the context of Indonesia, there have been many practices of waqf. However, the public’s understanding of waqf has been limited. Understanding of waqf is still interpreted as immovable objects such as land, therefore, the community is not so easy to rendering waqf. Because they assume that to rendering waqf they must have landed first and another immovable object. Besides, the form of utilization is still limited to mosques, prayer rooms, plantations, medical centers, and other physical buildings. Meanwhile, the current need of the community is so huge that they need cash/money to improve their welfare. Based on the waqf principle, a cash waqf innovation product was made, which is not only property but waqf

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3 Wan Mohd Yusof Wan Chik, et.al., “Filantropi: Satu Sorotan dari Sudut Hukum Taklifi,” Asian People Journal (APJ), Vol. 1 No. 1, 2018, 12-13.
4 Umi Chamidah, “Pengelolaan Aset Wakaf Tunai pada Lembaga Keuangan Syariah (Studi Pengelolaan Wakaf Tunai di Baitul Maal Hidayatullah Malang),” Skripsi (Malang: Universitas Islam Negeri (UIN), 2008), 19-20.
by funds (money) in cash. The effort to revitalize the element of waqf to provide various economic benefits requires a solution of thoughts about the concept which is following with the existing developments but does not contradict the element of sharia (Islamic laws).

Cash waqf for Muslims in Indonesia is something new. The Indonesian Ulama Council (MUI) published a fatwa about halal cash waqf in mid-May 2002. While the legal foundation regarding the development of waqf in the form of legislation was published in 2004. Namely Law No: 41 of 2004 concerning Waqf and RI Government Regulation No: 42 of 2006 is concerning The Implementation and Regulation of The Minister of Religious Affairs No: 4 of 2009 is concerning The Administration of (Cash) Money Waqf Registration.

Understanding the high potential of cash waqf, some foundations such as pesantren (Islamic institution) is benefitted by cash waqf funds to develop its institution. Accordingly, it should be in line with the statement of the intention of waqif (endower) in its utilization and it should be recorded transparently in accordance with the provision of Indonesian Republic Law No: 41 of 2004 concerning Waqf in an article 29.

The cash waqf which is implemented by Islamic education institutions such should be managed professionally and productively to enhance its institution’s sustainability and to educate the Muslim scholars in the future. Some of the Islamic educational institutions that can survive and to provide the best educational services even scholarships to their students with professional management of waqf such as al-Azhar University in Egypt, Zaituniah University in Tunis, University of Darussalam Gontor in Indonesia, and several other universities. This waqf movement has inspired many pesantren (Islamic education institutions) in Indonesia to try their best to manage such this system, waqf based education.

One of the waqf fundraising innovation is cash waqf auction. In the context of Indonesia, waqf auction is widely used by Islamic education institutions such as the Tazaka Islamic Boarding School, Al-Isyraaq Islamic Boarding School, and other Islamic institutions to

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5Setiawan Budi Utomo, Fiqih Aktual (Jakarta: Gema Insani Press, 2003), 155.
6M. A. Mannan, Sertifikat Wakaf Tunai Sebuah Inovasi Instrumen Keuangan Islam (Jakarta: CIBER-PKTI-UI, t.t.h), 94.
7Muhammad Ahsanul Arifin, Analisis Pengelolaan Wakaf Tunai pada Yayasan Wakaf al-Kaff Ninjai dengan Pendekatan Swot, Krips (Medan: Universitas Sumatra Utara, 2017), 18.
support the development and construction of Islamic educational institution. This is because cash waqf auction can be carried out by all Muslims who possess money without waiting to become landlords. In addition, the implementation of waqf funds is more flexible than zakat funds, so that community development programs can be carried out using cash waqf auction funds.

Trensains Islamic Institution in Sragen, Indonesia, is one of the Islamic institutions which is built by the professional management of waqf fund. Trensains is an Islamic institution which is teaching the general sciences and charity that focus on aspects of understanding the Qur’an, natural science, and the interaction of religion and sciences. Trensain collaborates with Lazizmu in managing waqf fund professionally. In practice, Trensains Islamic Institution announces cash waqf auction through verbal announcements, banners, and official websites. The funding can be distributed through Islamic institution accounts or done directly. The fund is planned to be used to purchase land that will be used for the construction of the Trensains Islamic institution.

Research Method

A qualitative research, this study is examined the management of fundraising program of Trensains Islamic institution with waqf auction under the foundation Islamic law and legal structure in central Java. Using Islamic law and legal positive law to analyze methods, this study discussed the implementation of waqf auction program in Trensains Islamic institution through field research, a document study, and in depth-interview. The documents studied were laws, books, papers, and other relevant data to this research. Interviews were conducted with the informant obtained from the person in charge of this institution.

Waqf in Islamic Fiqh (Islamic Jurisprudence)

A. Definition of Waqf

Waqf (plural: awqaf) could be defined as a perpetual endowment. The literal translation of the word is “to hold”. The institution of waqf or awqaf, therefore, implies holding or setting aside certain

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8https://trensains.sch.id/ Accessed on March 29, 2019, at 16.12 am.
physical assets by the donor (waqif) and preserving it so that benefits continuously flow to a specified group of beneficiaries or community.\(^9\)

In syara’ terminology, waqf is a kind of distribution which is carried out by holding back (ownership) of origin (حِبْسُ الأَصْلِ), then making the benefits generally accepted. The intended of (حِبْسُ الأَصْلِ) is the one who holds the waqf goods, so it was not to be inherited, used in the form of being sold, donated, mortgaged, leased, lent, and so on. While the way of utilization was benefitted it in accordance with the wishes of the (waqif) waqf giver without compensation.\(^10\)

The term, waqf (plural ahbas) and habs (plural ahbas), are masdar (verbal noun in Arabic), and literally, they both mean (al-habs wa al-man); to stop and to prevent. The word tasbil is also used in the same sense, (fi sabil Allah)”devoting to the way of Allah.” In English, the term waqf is translated as “religious endowment,” but this translation may not convey the sense of devotion and blessing that is associated with Islamic teaching. Although the terms of waqf, habs, and tasbil provide the same meaning, but several countries have used waqf as the term such as Lebanon, Israel, and The United Arab Emirates, while the term habs are more commonly used in North Africa. In Turkey, the term vakif (plural evkaf) is used, and in Malaysia, the term waqf is spelled as wakaf (plural awkaf). All these terms have the same meaning, which is the holding and preservation of a certain sadaqah jariah, a continuous charity with the intention of prohibiting any use or disposition of the property outside the specific purposes to which the property is dedicated and in a way that it cannot be bequeathed or sold (al-Zubidi).\(^11\)

B. Legal Basis of Waqf

The following are the verses of Qur’an that explain the waqf:

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\text{“Never will you attain the good (reward) until you spend (in the way of Allah) from that which you love. And whatever you spend—indeed, Allah is knowing of it.”}
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\(^9\)Muhammed Obaidullah, Awqaf Development and Management (Jeddah: t.p.: t.th.), 13.

\(^10\)Muhammad Jawad Mughniyah, Fiqih Lima Mazhab (Jakarta: Lentera, 2011), 673.

\(^11\)Maghda Ismail Abdel Mohsin, INCEIF (New York: Palgrave, 2016).

\(^{12}\)QS. al-Imran: 92
The two verses above suggest the Muslim spend some of their effort to proceed with the goods and some of what was provided by Allah the almighty from the earth. Among the good deeds which were conducted by Muslim regarded as good is waqf. Furthermore, Dr. Hamka explained that Allah is the richest, remember this when you give anything to others, so that the Muslims should choose the good ones to be given to those who deserve to be given or the poor. Allah is the most praised because He always helps you by giving good fortune. The perfect praise to Allah, choose the best one and give it to those who deserve to be given. Therefore when you give the needy one they will praise Allah and pray for you, may you be given more fortune from Allah. In addition, the verse generally explains us the meaning of infaq for the purpose of goodness. Waqf is spending the wealth for good purpose.

١٣QS. al-Baqarah: 267
١٤Abdurrohman Kasdi, Fiqih Waqaf (dari Waqaf Klasik hingga Waqaf Produktif) (Yogyakarta: Idea Press, 2017), 22-23.
١٥Hamka, Tafsir al-Azhar, Juz 1 (Jakarta: Gema Insani, 2015), 538.
١٦Ibid., 273.

"O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth. And do not aim toward the defective therefrom, spending (from that) while you would not take it (yourself) except with closed eyes. And know that Allah is free of need and praiseworthy."

"Narrated Ibn ‘Ummar Umar bin Al-Khattab got some lands in Khaibar and he went to the Prophet صلى الله عليه وسلم to consult him…”
about it, saying, “O Allah’s Messenger I got some land in Khaibar better then which I have never had, what do you suggest that I do with it?” The Prophet صلی الله عليه وسلم said, “if you like you can give the land as endowment and give its fruits in charity.” So ‘Umar gave it in charity as an endowment on the condition that it would not be sold nor given to anybody as a present and not to be inherited, but its yield would be given in charity to the poor people, to the kith and kin, for freeing slaves, for Allah’s cause, to the travelers and guest; and that there would be no harm if the guardian of the endowment ate from it with ma’ruf (according to his labor with good intention), and fed others without storing it for the future.”

The substance of the hadith (prophetic tradition) above is very clear explanation about waqf for two things. Firstly, Prophet has advised Umar to hold back the subject and give the results, this is the essence of waqf. Secondly, this hadith is closed to the description of nadzir (manager) rights who may get income from the profit in a good way or feed others without intending to accumulate property. There is no doubt that the two provisions above are waqf’s characteristics.

C. The Pillar of Waqf

There are four types the pillar of waqf, waqf provider (wakif), waqf goods (mauquf), waqf receiver (mauquf ‘alaih), and contract (shighat). Each pillar has its own requirements. The validity of waqf will be perfect by fulfilling the requirements. The pillar of waqf explanation is the following below.

1. Waqif

The legality of waqf from waqif or waqf giver according to syara when fulfilling the following requirements: (a) Waqf statements are valid (acceptable); (b) Ability to endow; (c) Possessing the volition.

2. Mauquf

The waqf goods (mauquf) requirements as follow: (a) The mauquf must be clear in the form of their virtue; (b) Waqf good (mauquf) must be owned by waqif which can be moved, useful and utilized; (c) The

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17t.n., Shahih Bukhari, Terj. Muhammad Muhsin Khan (Kingdom of Saudi Arabia: Darussalam Publisher and Distributor, 1997), 540.
18Miftahul Huda, Mengalirkan Manfaat Wakaf (Potret Perkembangan Hukum dan Tata Kelola Wakaf di Indonesia) (Bekasi: Gramata Publishing, 2005), 33.
19Wahbah Zuhaili, Fiqh Imam Syafi’i (Jakarta: Almahira, 2010), 344.
20Ibid, 834-838.
benefit of mauquf must durable; (d) The benefit of waqf good must be permitted advantageously, it is not being forbidden or prohibited by the law.

3. **Waqf Provider (Mauquf ‘Alaih)**

   The purpose of the waqf is to maintain the perpetuity of waqif merit. Therefore waqf must be utilized within the appropriate limits and allowed by Islamic law. Because waqf was basically a charity that brings humanity closer to God, then the human approach to Allah SWT and its perpetuity were the subjects of fiqh scholar discussion in reviewing the terms and requirements of mauquf alaih: (a) Mauquf ‘alaih is the person who has goodness oriented. Because the waqf prescribed based on the worship to get closer to Allah; (b) Mauquf ‘alaih must be evolved by the waqf perpetuity (the management was uninterrupted); (c) Mauquf ‘alaih do not return to waqif.\(^{21}\)

4. **Shighat**

   Waqf was related by unilateral desire which is manifested in the form of contract with four requirements: (a) The shighat was directed straight to the waqf; (b) Shighat should be binding; (c) Donated the ownership rights forever; (d) Waqf must be pronounced.\(^{22}\)

D. **The Type of Waqf**

   The giving of waqf should be prioritized to the needy and the poor. This type of waqf was named of the family waqf (al-waqf al-ahli) or prosperity waqf (al-waqf ad-dzuri). Sometimes, waqf was donated to charitable institutions. This type of waqf was called virtue waqf (al-waqf al-khairi).\(^{23}\) In Muamalat Fiqh book written by Prof. Dr. Abdul Rahman Ghazaly explained that waqf is divided into two as follows:\(^{24}\)

1. **Waqf Dzuri**

   Waqf dzuri (family) also called special waqf and ahli means was waqf intended for certain people either waqif family or other people. This waqf was legal and the person who can benefit where only certain people.

\(^{21}\)Ibid, 57-65.  
\(^{22}\)Ibid, 51-152.  
\(^{23}\)Sayyid Sabiq, *Fiqih Sunnah* (Depok: Fathan Media Prima), 295.  
\(^{24}\)Abdul Rahman Ghazaly, *Fiqh Muamalat* (Jakarta: Prenadamedia Group, 2010), 179-180.
2. Waqf Khairi

This kind of waqf is intended for public interest and was not specific to certain people. Waqf khairi is the essential waqf which the reward will continue until the waqif dies by the provision that the advantage was worthwhile. Based on the time limit time, the waqf is divided into:25 (a) Waqf mu’abbad (forever), i.e. if the waqf in the form of eternal goods such as land and buildings with its land, or movable property determined by the waqif as an eternal and productive waqf, where the profit distributed according to the waqf purpose, while the balance was used for taking care and the damage compensation cost; (b) Waqf mu’aqqat (temporary time), if the waqf goods are easily damaged when used, without giving a requirement of changing the damaged part. The cause of temporary waqf was waqif pretension to give a time limit for mauquf.

Cash Waqf

A. Definition of Cash Waqf

Cash Waqf is a legal action to separate and or transfer part of the money used on perpetually temporary or for certain a period of time which is appropriated by its objectives to worship and or general welfare according to sharia.26 Meanwhile, in line with the MUI (Majelis Ulama Indonesia/ Indonesian Assembly Scholar) fatwa, cash waqf (waqf an-nuqud) is a waqf by a person, group of people, institution, or legal entity in the form of cash.

B. The Pillar of Cash Waqf

According to Indonesian Law No: 41 of 2004 which was concerning waqf, the elements (pillars) of waqf are six, that is waqif, nadzir, waqf property, the pledge of waqf, allocation of waqf property, and the period of waqf.27

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25 Abdurrohman Kasdi, Fiqih Waqaf dari Waqaf Klasik hingga Waqaf Produktif (Yogyakarta: Idea Press 2017), 87-88.
26 Pasal 1 angka (1) Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 Tentang Wakaf.
27 Pasal 6 Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 tentang Wakaf.
1. **Waqif**

Waqif is the party that endows his own property.\(^{28}\) The waqif requirement based on the explanation of Article 8 of the Republic of Indonesia Law No: 41 of 2004 that concerns waqf as follows:\(^{29}\) (a) The individual waqf requirements are required in the following points, adult, sensible, not deterred from carrying out of legal actions, and the legitimate owner of waqf property; (b) Organization waqif requirements, the waqif organization is the organization fulfills its requirements to endow of waqf property which is belonging to the organization in accordance with the calculation of association of the organization; (c) Legal entities of the legal requirement, a legal entity can do waqf with the ability to fulfill the provisions of legal entity to donate the legal entity property in accordance with the statutes of legal entity concerned.

2. **Nadzir**

According to the Republic of Indonesia Law No: 41 of 2004 that concerns waqf, nadzir is a party that receives mauquf from waqif to be managed and developed in accordance with its designation.\(^{30}\) The requirement for the nadzir based on Part Five of Article of Law No: 41 of 2004 concerning waqf is as follows: (a) Individual nadzir requirements, as follows, Indonesian citizens, muslim, adult, trustful, having a physical and spiritual ability, and not deterred from carrying of legal actions; (b) Organization nadzir requirements, as follows, the organization management should meet the requirements of individuals nadzir, the organization should engage in social, education, and or Islamic religious fields; (c) Legal entities requirements, that is the legal entity management should meet the requirements of the nadzir individual which intended in paragraph (1), Indonesian legal entities formed in accordance with prevail law and regulation. The legal entities engaged in social, education, and or Islam religiousness fields.

3. **Waqf Property**

Waqf property is an object that long-term durability and or long-term benefits and has an economic value in reliance on sharia

\(^{28}\)Pasal 1 angka (2) Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 Tentang Wakaf.

\(^{29}\)Pasal 7 angka (1-3) Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 tentang Wakaf.

\(^{30}\)Pasal 1 angka (4) Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 Tentang Wakaf.
which was represented by *waqif*. Based on the explanation in Part Six Article 15 of Indonesia Law No: 41 of 2004 concerning *waqaf* that *waqaf* property can only be endowed if the property was owned and managed by *waqif* legally.

4. **Waqf Pledge**

*Waqf* pledge is a statement of *wakif’s* that should be recited verbally or be recorded in front of the *nadzir* to endow his property. (a) *Waqf* pledge is held by *waqif* to *nadzir* in front of PPAIW (Pejabat Pembuat Akta Ikrar Waqf/Officials Maker of the Waqf Pledge Deed) officer witnessed by 2 (two) witnesses. (b) *Waqf* pledge as referred in paragraph (1) is stated verbally and or verbal in the deed of *Waqf* pledge.

In the case of *waqif* who is not able to express the *waqaf* pledge verbally or unable to attend the implementation of *waqaf* pledge for the reasons justified by law, *waqif* can appoint his proxy with a power of attorney which was strengthened by 2 (two) witnesses. To be able to implement the *waqaf* pledge *waqif* or his attorney submit a letter and or proof of ownership of *waqaf* asset to PPAIW.

Based on the explanation in the seven-part Article 20 of Indonesia Law No: 41 of 2004 related to *waqaf* states that the witness of the *waqaf* pledge must meet the following requirements: (a) Adult; (b) Muslim; (c) Healthy mind; (d) Not obstructed from carrying legal actions.

5. **Waqf Allocation Object**

In order to achieve the goals and the function of the *waqaf*, the property of *waqaf* can only be allocated for the following points: (a) The facilities and activities associated with *ibadah* or worship; (b) The facilities of education and health services; (c) To support the poor, abandoned children, orphans, and to provide the scholarship; (d) The advancement and economic improvement of *ummah*; (e) The development of another general welfare which is not contradicted to the *sharia* and legislation.

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31 Pasal 1 angka (5) Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 Tentang Wakaf.
32 Pasal 1 angka (3) Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 Tentang Wakaf.
33 Pasal 18-19 Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 Tentang Wakaf.
C. Management of Cash Waqf

D. In the waqf system, managers of waqf (nadzir) need good management in carrying out their duties. This management is used to manage waqf management activities such as fundraising the money of waqf and preserving the good relations between nadzir, waqif, and community. For this reason, it is very important to elaborate on its management and its principles.\(^{34}\)

Economically, the development of cash waqf has great potential in Indonesia. Through the funding of cash waqf concept, the coverage mobilization should be spread evenly to the society in need compared to the traditional-conventional waqf concept, it is in the form of physical assets that are carried usually by families who were capable and wealthy.\(^{35}\)

In its operational implementation, cash waqf which uses the concept and strategy of the perpetual fund can issue the certificate of cash waqf with a different nominal according to the ability of the target and object. The excellence and effectiveness of cash waqf will able to reach various segments of a heterogeneous society. By these concepts and strategies, there are at least four benefits as stated as follows: (a) The total and the magnitude of cash waqf have different variations according to the ability so that the wakif applicant who have limited fund able to donate the property according to their level of ability; (b) The unproductive waqf assets in the form of vacant land should be managed and utilized by the model of the construction of the educational building, hospitals, and public facilities; (c) Cash waqf could be allocated to the various parties who need by performing scale of needs verification in a concrete and valid manner, so it is appropriate on target in line with the principle of the benefits and needs that consist of the values or maslahah (benefits); (d) The fund of cash waqf which is managed professionally, it can emerge the independence of Muslims to cope with their problem occured around them without having a high dependence on state or foreign aid fund.\(^{36}\)

The concrete efforts which can be made of cash waqf for developing, be familiar, be pervade, and practiced by the large community, which need to be considered are: (a) The concepts and

\(^{34}\)Rozalinda, _Manajemen Wakaf Produktif_ (Jakarta: Rajawali Press, 2015), 72. Faisal Haq, _Hukum Perwakafan di Indonesia_ ..., 68.

\(^{35}\)Pasal 22 Undang-Undang Republik Indonesia Nomor 41 Tahun 2004 tentang Wakaf. _Ibid_ , 68.

\(^{36}\) _Ibid_ , 69.
strategies of fundraising, it means that how to mobilize the cash waqf maximally through introducing Cash Waqf Certificate product which the amount is appropriate with the target of aid segmentation; (b) The management of cash waqf should consider the aspects of productivity, expediency, and sustainability by taking account into the level of visibility and investment security, either direct investment in productive real sector activities or deposits in Islamic Bank, capital investment through venture capital companies and other portfolio investments; (c) Result distribution to beneficiaries can be classified according to the urgent needs of the community on a priority scale in line with the orientation and wakif purpose in the form of charity, empowerment, human investment, and infrastructure investment. The choices are noticed by fund availability from the cash waqf profit which is managed.

E. The Procedures for Cash Waqf

In Article 28 The Law on Waqf is stated that waqif can donate the movable objects in the form of money via Islamic Financial Institutions that is recognized by the Minister of Religious Affairs. Then the Article of 29 paragraph (1) states that the movable waqf in the form of money as referred in Article 28, it is carried out by waqif with a volition statement which is not recorded. In paragraph (2) in the same article was stated that the object of movable waqf in the form of money (cash) which is intended in the paragraph (1) was issued in the form of money waqf certification. While, in the paragraph (3) cash waqf certificate is regulated as intended in the paragraph (2) is issued and submitted by Islamic financial institution to waqif and nazhir as the proof of handover of waqf property. The stipulation that concerns the movable waqf in the form of money (cash) is regulated in Article 22 of Government Regulation Number 42 of 2006 concerns on waqf implementation.37

In article 29 of Law No. 41 of 2004 is concerning on waqf was stated, that waqf of movable objects in the form of money (cash) is carried out by the waqif’s volition that is written.38 Meanwhile, waqf pledges were carried out by waqif to nadzir in front of officials of Islamic Financial Institution as cash Waqf Recipient (LKS-PWU) or notary which is appointed by PPAIW and witnessing by 2 (two)

37Ibid, 37-38.
38Pasal 29 Undang-Undang No. 41 Tahun 2014 tentang Wakaf.
Cash Waqf Auction in Trensains Islamic Institution

A. Waqf Auction

Waqf is an Islamic charity in the form of fixed assets, such as land and buildings. Despite of its development, there is an implementation of waqf which is called as “cash” applied during the Ottoman Caliphate. Waqf by “cash” system opens an unique opportunity for the creator of investment in the fields of religions, educations, and social services. Savings from high-income citizens can be utilized through the exchange of cash waqf certificates, while the income earned from cash waqf operation can be benefitted for various maslahah (public interest) and the prosperity of society. 41

The movable waqf in the form of money/cash was issued in the form of cash waqf certificates. Waqf certificates are issued and collected by sharia financial institutions to waqif and nadzir as proof of surrender of waqf property. 42

B. Cash Waqf Auctions in Trensians Islamic Institution

Trensains Islamic Institution was officially opened for the first time on the 1st Muharram 1435 H / 5 November 2013 in the central of Sragen city. Hence, the development of different fields was carried out in Dawe village, Banaran, Sambongmacan, Sragen, Central Java, Indonesia. The first milestone is done on a land area of 1 (one) hectare which is purchased by loan funds from the bank because the Islamic

39 Pasal 2 Peraturan Menteri Agama Republik Indonesia Nomor 4 Tahun 2009 tentang Administrasi Pendaftaran Wakaf Uang.
40 Pasal 37 Peraturan Menteri Agama Republik Indonesia Nomor 4 Tahun 2009 tentang Administrasi Pendaftaran Wakaf Uang.
41 Faisal Haq, Hukum Perwakafan di Indonesia ..., 63.
42 Pasal 29 Undang-Undang Nomor 41 Tahun 2004 tentang Wakaf.
Institution Trensains did not have _waqf_ land.\(^{43}\)

For repayment of funds which are from debt money of the bank, Trensains was used several methods as fundraising program. The methods used are _zakat_ (alm), _infaq_ (gift), and _shadaqah_. From these, it was used alms and _infaq_ structures. This is because _infaq_ and alms can be used for infrastructure development, helping for _dhu’afa_ (weak people), and used for the needy. While, _zakat_ is impossible to be used for infrastructure development because of the _mustahik_ (one who deserves/deserver) for receiving it must be 8 (eight) _asnaf_ (group of people worthy receiving of _zakat_) which have been explained in the Qur’an including the destitute, poor, _riqab_ (slave), _gharim_ (people who have lots of debt), converts to Islam (_muallaf_), _fisabilillah_ (fighters in the way of Allah), _ibn sabil_ (overseas students), _amil zakat_ (those assigned to perform all activities related to _zakat_ matters, from the collection to the distribution level).\(^{44}\)

Subsequently, the concern of Trensains was focused on _waqf_. Since they have conducted a deep learning about _waqf_ comprehensively from Modern Tazakka Islamic Institution, Trensains concluded that _waqf_ is the most potential way that can be used for purchasing the lands, infrastructure developments, and developing the Islamic institution facilities.\(^{45}\)

Fundraising of _waqf_ has rules if it is related to large funds, this is what underlies the establishment of _Lembaga Amil Zakat Infaq Shadaqah Muhammadiyah/LAZISMU_ (Zakat _Infaq Shadaqah_ Agency for Muhammadiyah) which is integrated with the Institute of _Zakat, Infaq, and Shadaqah_ owned by Muhammadiyah. This program was officially established in 1439 H. LAZISMU owned by Trensains was not a branch of LAZIZMU owned by Muahammadiyah, but its official service associated with LAZIZMU in Sragen area.\(^{46}\)

The endowments that obtained by LAZIZMU of Sragen will be used entirely for financing the operational of Trensains Islamic Institution. Meanwhile, the amount of money earned and its spending will be reported in the form of report data to the central LAZISMU. The focus of LAZIZMU is a _zakat, infaq_ and _shadaqah_ institution and it is excluded of the endowments. Therefore the endowments system

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\(^{43}\)Quoted from the interview with Nurul Hakim Zanky (a staff who is in charge of Lazizmu Trensains), on 18 of February 2018.

\(^{44}\)Ibid.

\(^{45}\)Ibid.

\(^{46}\)Ibid.
in Trensains is using a combination system.\textsuperscript{47}

Fundraising uses \textit{waqf} auction carried out to make \textit{waqf} auction certificates worth 300 thousand \textit{rupiahs}/IDR per meter. Fundraising \textit{waqf} auctions are not only announced through banners or the official Trensains website, but also through door to door method or by personal notification as well. Furthermore, Trensains also opened a stand-in Jakarta prior to the service office was designated beyond the belief that money revolves in big cities and coincides with the month of Ramadhan the booth was opened in one of the malls on Blok M. At that time there were two charity stands, one was for \textit{waqf} auctions and other the charity for construction of a mosque in Tolikara Papua, Indonesia which was burned-out. From the results obtained, it turns out that people prefer to do charity, \textit{infaq}, and \textit{waqf} for the construction of mosques which have managed to collect 4 billions in one week. This is because society is more happy with emergency projects (misery). Another example of emergency projects that is helping the victims of earthquakes, tsunamis, volcanic eruptions, and so on. Realizing the lack of public interest in the community development program, Trensains compiled a program to carry out \textit{waqf} based education to make the community of Indonesia more understood about \textit{waqf} auctions to shape the civilization.\textsuperscript{48}

The official service of Trensains implemented an endowments based education aimed to the neighbouring community, student guardian and bachelors who will indirectly become agents to introduce Trensains and its programs to families and communities. Having implemented this program, some people have converted their assets in large enough quantities to \textit{waqf}.\textsuperscript{49}

This \textit{waqf} based education program was used by Trensains to explain about endowments comprehensively to the community. This explanation was concerning about the types of \textit{waqf} that people may recognize by them merely is land \textit{waqf} all this time. Therfore, in the recent time, they came to know there was another type of \textit{waqf} that called as cash \textit{waqf}. This is a productive endowments, people could conduct a joint ventures to build mosques, the purpose of this is to turn people’s money into production. Another type of \textit{waqf} is professional endowments and endowments for transferring the

\textsuperscript{47}Ibid.
\textsuperscript{48}Ibid.
\textsuperscript{49}Ibid.
Trensains has three payment methods for \textit{waqf} auction funds, namely paying by cash, credit cards, and \textit{waqf} savings. The \textit{waqf} savings is illustrated such this explanation that Muslim who wants to carry out an auction of \textit{waqf} as much as 100 million. But he did not have as much as 100 million at that time. Then he committed to pay an endowments monthly as much as five million to 20 months, finally his intention to convert 100 million was achieved.\textsuperscript{51}

To carry out a fundraising program, Trensains must have an attraction and commitment. In this case, the Trensains make a card that contains an amount of money to be paid in installments monthly in line with the \textit{waqif} ability.\textsuperscript{52}

Contracts in \textit{waqf} auctions conducted in the congregation were not carried out in a spoken manner (directly one by one). The questions and statements stated in the \textit{waqf} certificate and \textit{wakif} signatures have been considered as valid agreements and valid contract.\textsuperscript{53}

C. The Implementation of The Cash \textit{Waqf} Auction at Trensains Islamic Institution

Trensains Islamic Institutions employs fundraising with cash \textit{waqf} auction for the construction of Institution infrastructures in the form of purchased land for the construction of student’s dormitory building, construction of teacher homes, purchasing vehicles, and for providing the goods that needed by students.

The implementation of the cash \textit{waqf} auction in the Trensains Institution is appropriate with the \textit{waqf} practice carried out by several Islamic Institutions in Indonesia. As matter of fact, there are several fundraising methods from cash \textit{waqf} auctions implemented. Furthermore, the institution was conducted some ways to achieve wider recognition from the community such as spreading the announcement related to its \textit{waqf} auction programs to the muslim community in the surrounding mosques, formulating the \textit{waqf} auction certificates, sticking the \textit{waqf} auction banners, uploading a notification of its program via institutional official Website, and applying endowments education to the people in the purpose of

\textsuperscript{50}Ibid.
\textsuperscript{51}Ibid.
\textsuperscript{52}Ibid.
\textsuperscript{53}Ibid.

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building their broader understanding about the waqf auction.

The following points are an overview of several methods which were implemented by Trensains Islamic Institutions on disseminating its waqf auctions program in the small and large scales are.54

1. Fundraising Program with The Parents of Students

On Sunday 11 Muharram 1439/01 October 2017, it was held a program called as “Recitation of Guardian of Students and Fundraising” in the Dawe Srage Trensains Hall where the funding was collected as follows: (a) Cash is amounted to IDR 21.085.000,-; (b) Via Transfer is amounted to IDR 102.350.000,-; (c) Infaq savings is amounted to IDR 5.225.000,-

The total funds obtained were amounted to IDR 128.660.000,-. The results of the endowments will be used for the construction of the second-floor female dormitory which has been commenced its construction on the end of the year 2017.55

2. Trensains Charity Night Program “The Glorify Universe”

This program was conducted on Tuesday, October 10, 2017 at the Merapi Hotel Grassia Ballroom, Semarang. It was attended by Opick (the popular Indonesian muslim singer) who sang “Tombo Ati”, Mr. Ganjar Pranowo (the Governor of Central Java), Director of Lazizmu Center, chief of the PWM, Kiai Tafsir, and Gus Pur (the initiator of Trensains). In this occasion, Trensains has raised the funding program related to waqf auction with the final result that it has been collected IDR 684.882.000,-. Hence, the funds will be used for land acquisition at the end of 2017.56

3. Fundraising Programs Conducted by Students

Another fundraising program is designated by students with the program called as “Collecting the Donations during Mid-Semester Holidays”. It was occurred within 7 days, October 1-8, 2017. The collected funds was amounted to IDR 118.330.600,- initiated as a waqf contract. Thus, the funds will be allocated for purchasing the land and its acquisition for the construction of Trensains facilities.57
D. The View of Islamic Law and Positive Law on The Implementation of Cash Waqf Auction in Trensains Islamic Institution

From the above elaboration, it can be seen that the implementation of Cash Waqf Auction in Trensains Islamic Institution according the perspective of Islamic Law and Positive Law can be concluded as below:

1. **Waqif**

   The requirements for *wakif* at Trensains Islamic Institution are legal in the view of Islamic Law because they meet requirements such as the statement is valid (acceptable), able to donate, and on the correct track. While, the *waqif’s* requirements at Trensains Islamic Institution are legal in the view of Positive Law. This is because the *wakif* have fulfilled the endowment requirements as determined, such as adult, having a sound mind, not deterred from carrying out legal actions, and legal owners of *waqf* property.

2. **Mauquf**

   *Mauquf* requirements at Trensains Islamic Institution are legal in the view of Islamic Law because it meets requirements such as:
   (a) The asset of *waqf* is clear in its form of virtue; (b) *Waqf*’s property was owned by the *waqif* which can be moved, useful, and spent; (c) The durability of benefits of *waqf* property; (d) The benefits of goods of *waqf* are permitted and not prohibited.

   *Mauquf’s* requirements at Trensains Islamic Institution are legal in the view of Positive Law because it meets requirements such as *waqf* objects, they were movable or immovable objects, money has the endurance that is not only disposable and is worth for enhancing and developing the teachings of Islam. This object is mentioned in Article 217 (3), it is required to be a property which is free from all charges, ties, confiscations, and disputes.

3. **Nadzir**

   In the view of Islamic Law that the requirements of *nadzir* at Trensains Islamic Institution are legalized because they have met several provisions and conditions as follows: First, the party entrusted with *waqf* is a party that is oriented towards virtue. Second, recipients of continuous endowments (uninterrupted in their management). Third, the assets that have been represented did not return to *wakif*. Fourth, the recipients of legal conversions to own and control *waqf* assets.
On another hand, of nadzir requirements are met however based on the positive law, there are some provisions that have not been fulfilled as mentioned in the Law of The Republic of Indonesia Number 42 of 2006 Article 7 paragraph 1 which states “Nazhir of the organization must be registered with the Minister of Religious Affairs and BWI through the Office of Local Religion”.

4. Sighat (Pledge)

Based on Islamic law sighat cash waqf auction at the Trensains Islamic Institution has fulfilled the requirements. Even though waqf pledges are not conducted verbally but the form of waqif agreement that is recorded can be considered as a valid.

However, waqf pledges in Trensains Islamic institution do not fulfill the requirements of positive law which requisites as follows: (a) Waqf pledge is held by waqif to nadzir in front of PPAIW witnessed by 2(two) witnesses; (b) Waqf pledge as referred in paragraph (1) is stated verbally and or verbal in the deed of waqf pledge.

Conclusions

The launching of the waqf auction in Trensains Islamic Institution, Sragen was conducted through filling out the cash waqf auction certificate provided by LAZIZMU Trensains. In this case, the waqf is in the form of cash and it is used to purchase land at prices determined in the waqf auction certificate for 300 per meter. The wakifs are having free options to purchase it depends on their abilities. The payment of waqf auction is applied by cash or by transferring the funds to the account number of the bank that has been determined by the institution. The implementation of cash waqf auction at Trensains Islamic Institutions is legal according to Islamic law by fulfilling the terms and conditions. However, if it is viewed from the positive law, the implementation of this cash waqf auction might not fulfill the overall pillars and conditions. This is because some of nadzir have not been officially registered to the Minister of Agriculture and BWI through the Office of Religious Affairs, and waqf pledges are not carried out in front of the competent authorities.
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