

THE COST SAVING METHOD: A PROPOSAL OF AWQAF ALTERNATIVE PLAN

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ABSTRACT

The aim of the paper is to propose an improved food and beverages (F&B) cost estimation to the higher education institution. The method integrates personal observation and interview with the vice-chancellor of a public university in Malaysia. The proposed model, Awqaf Alternative Plan (AAP) is able to address the problem of top management of the university to estimate the actual cost of organizing an event. Besides, AAP model also creates a new platform/option for the students and staffs to donate university fund back their respective university inform of waqf/endowment fund which can be used for the development of the campus. AAP model is relevant to the management of the university to estimate accurate cost which leads to sustainable internal cost management. Besides, the effective management of cost is the main objective which able to promote sustainable cost saving. AAP model is a cost-saving approach which specifically proposed to a higher institution.

ABSTRAK

Matlamat kertas kerja ini adalah untuk mencadangkan anggaran kos makanan dan minuman (M&M) yang lebih baik kepada institusi pengajian tinggi. Kaedah tersebut mengintegrasikan pemerhatian peribadi dan temu bual dengan naib canselor sebuah universiti awam di Malaysia. Model yang dicadangkan, Pelan Alternatif Awqaf (PAA) mampu menangani masalah pengurusan tertinggi universiti untuk menganggarkan kos sebenar penganjuran sesuatu majlis. Selain itu, model PAA juga mewujudkan platform/pilihan baharu untuk pelajar dan kakitangan menyumbang dana universiti kembali kepada universiti masing-masing untuk memaklumkan wakaf/dana wakaf yang boleh digunakan untuk pembangunan kampus. Model PAA adalah relevan kepada pengurusan universiti untuk menganggarkan kos yang tepat yang membawa kepada pengurusan kos dalaman yang mampan. Selain itu, pengurusan kos yang berkesan adalah objektif utama yang mampu menggalakkan penjimatan kos yang mampan. Model PAA ialah pendekatan penjimatan kos yang secara khusus dicadangkan kepada institusi yang lebih tinggi.

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1. Introduction

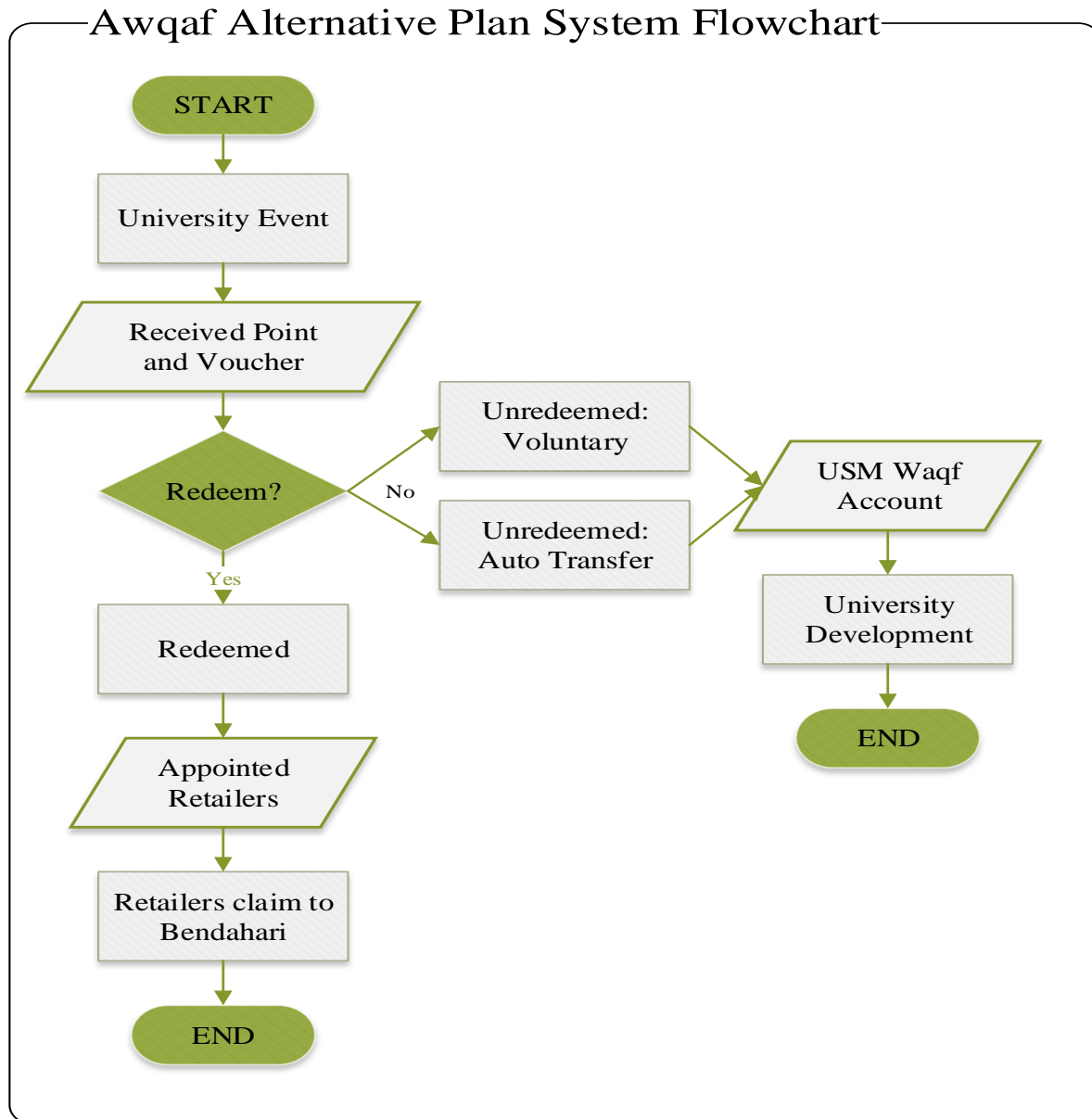
Tertiary education is a catalyst for the birth of experts and scientists. The 10th Malaysian Plan (MP) has provided an opportunity for the local university to gain autonomy in stages. Through this autonomy, each university will have power and right to generate income and manage the income independently. Granting autonomy to each public university is expected to strengthen its role which is in line with the creation of a university foundation. Besides the government plan, there is also unsystematic risk factors such as the oil prices fluctuation has in 2015 which has affected most of the oil-producing countries to estimate their national budget for the year 2016. Malaysia is one of the oil-producing countries that faced high deficit budget due to the unstable pricing of oil and other domestic challenges. Reduced in the national income has forced the government of Malaysia to cut allocation of funds to various ministries in the 2016 budget. The consequences of this phenomenon are that the government has reduced the allocation of budget to the Ministry of Higher Education, which is cut by RM2.4 billion, from RM15.78 billion in 2015 compared to RM13.37 billion in 2016. This scenario has imposed various challenges to local universities' management to manage university expenses and explore a new avenue to generate income.

Currently, the long-term financial sustainability of local universities are the fundamental issues for the education providers. The modern concept of financial assistance such as debt (borrowing), increasing students' fee may not be a solution in the long run. We strongly believe that the modern type of financial instrument such as debt-based should not be the priority for the policymakers. This is because the reputable and long-established universities such as Al-Azhar, Harvard and Oxford universities are basically depending on the accumulation of endowment funds. This fund is based on the concept of charity in which the public donates assets to finance various public infrastructure such as universities, hospitals, highways, etc. Endowment fund or in Islamic known as waqf is not new to any Muslim countries like Malaysia. We believe that a similar concept of financing can be applied to the tertiary level. Besides the external financial assistance, we noticed that tertiary education in Malaysia does not practice effective management. For example, food and beverages (F&B) which are spent by the university for an event are not effective and, most of the time it led to wastage. This argument is developed based on personal observation and also supported by an informal interview with the top management of a local university.

The top management do agree that the university management needs a solution to overcome the issue of wastage, especially organizing a big event. We believe that the main issue facing the university's management is to identify an exact number of participants to place an order for food. The management of the university estimate based on the forecast rather than accurate. The motivation of the study is to propose a sustainable framework called Awqaf Alternative Plan (AAP) framework. This framework is developed to overcome the problem of wastage of food and beverages (F&B) sponsored by the university/school during events. The current practised seems to be less efficient and lead to various negative implications such as; (i) waste of food due to surplus order (ii) high cost to university (difficult for the university to estimate the exact numbers of participants), (iii) the productivity of staff reduces (staff spends to consume food during the working hour). Therefore, to solve this problem, the present study aims to provide an opportunity to the management of the university to estimate an accurate cost and at the same time able to create waqf (endowment) fund using effective fund management approach by proposing AAP framework. The following Figure 1 demonstrates the modus operandi of AAP framework.

The life of a Muslim is not freedom. The law of *Shariah* binds every horn of deeds. This situation ensures that Muslims always know that they are only a servant to their Creator. The permissibility issue of *halal*

products and the prohibition issue of *haram* products are among the issues, which are highly deliberated by them. *Halal* is an excerpt from Arabic that means something permissible, while this is the opposite of the word *Haram* that means things that need to be forbidden.



Source: Authors' own

Figure 1: Awqaf Alternative Plan System Flowchart

The rulings of *halal* and *haram* elements are expansive in the context of the daily life of Muslims. It is guarded against many angles. Among the aspects that are often highlighted are matters of worship such as prayer, fasting, and nutritional elements such as food and beverage that contain alcohol and animals forbidden from Islam such as swine and so on. However, the awareness and knowledge of Muslims on *halal* and *haram* is unbalanced. The Muslim community is more concerned about the *halal* ingredient in

the aspect of food. At the one part, in the area of trading and business transaction, for example, the *Shariah* requirement, especially on financial matters, is still left behind. The halal business operator only ensures their products meet the halal standard procedure's requirement but not on their source of capital. For this reason, it makes challenges for Islamic banking to grow and at the same time extend their financial market share in Malaysia.

Although the existence of the Islamic Financial System in Malaysia reaches the age of 40, the awareness of the importance of this system is still low, especially to SME business entrepreneurs. More than half of the country's small and medium enterprises (SMEs) are not fully aware of the availability of Islamic business facilities (Edge, 2019). Due to that, most of the entrepreneur adopts conventional banking practice instead of Islamic financing. The ultimate goal of banking customers is to get financial resources. Issues in the formation of the product are less emphasized. This makes most of the clients in the financial market treat the Islamic economic system as conventional.

This matter is also one issue that is less emphasized in financial management for industrial enterprises in Malaysia, especially for businesses holding a Halal certificate. Halal ecosystems in the business chain in Malaysia are limited to the products and services provided. The financial resources owned by these firms are not made one of the processes in obtaining their *halal* certification. This situation causes these two industries to develop without the support of each other. Thus, Ishak and Man (2011) suggest that the government should create a new Halal policy. Ecosystem, which can strengthen the connection between both industries. Thus, it is crucial to ensure that 'halal' encompasses every aspect of the halal industry, including its financing, which must be entirely free of interest-based debt financing (Abdullah & Oseni, 2017). If financial resources are obtained from a *Shariah* non-compliant source, such as a traditional bank, the goods, and services provided by such financial resources are technically haram (IFN 2014).

Besides purification on production, a *halal* assessment also evaluates the *Shariah*-compliant status of the firm business that claims to be *Shariah* compliant is not assessed based on the owner's region. It is much more in the character of the firm itself. One component that is the criteria of *Shariah*-compliant status for a firm is assessing their feature on the usage of their financial instrument. The financial resources component of the enterprise is also critical in ensuring that the business is *halal* certified. A different approach is implemented by Malaysia's securities commission (SC) in their *Shariah* stock screening process. Apart from the goods and services provided by the business, determining the halal status of its stock also involves the company's financial resources. Financial management involving banking services such as deposit saving, and financing must comply with the guidelines provided by the SC. Labeling as a *Shariah*-compliant stock to a company on Bursa Malaysia must ensure that services from conventional banking are limited to 33 per cent of the overall service. Although the government does not use such policies to determine if business premises are Halal, they can assist industry players in choosing their business status. Indirectly, Islamic financing awareness among SME entrepreneurs can be increased. At the same time, the government also continues to play its role in supporting the growth of Islamic finance when it is made one of the key players in helping the policy of Halal Development Master Plan 2030.

The cooperation of all parties is necessary for strengthening this Islamic financial system, especially in Malaysia. Therefore, as a platform in the provision of Islamic financial services, institutional players need to formulate new strategies to strengthen their services' performance. In 2018, Bank Negara Malaysia (BNM) had activated a new development strategy for Islamic financial institutions in Malaysia. The central bank proposed a Value-Based Intermediation (VBI) for the Islamic financial institution to enhance its marketability. In addition to profit, the actual value of Islamic teachings is emphasized in the framework of this strategy model. The concept of mutual assistance is given full support in ensuring that the Islamic financial system remains supported by the local community, especially business entrepreneurs.

Banking consumers' viewpoints and support are essential to ensure that the government's strategy and framework plan for the growth of Malaysia's Islamic financial system run smoothly. This project aims to develop a framework to investigate the determinants of Islamic SME financing preferences among Malaysian Muslim Entrepreneurs. In this study, the authors have extended previous work, created some original ideas to the Theory of Planned Behaviour, and incorporated product range in explaining the Islamic SME financing preference among Muslim entrepreneurs in Malaysia. This paper is divided into five parts. The first part discusses the literature review. The second part elaborates on the methodology of the study. The following part discusses the analysis and findings of the study. The final part deliberates the discussion, implications, limitations, and future research.

2. Literature Review

This chapter reviews past studies of waqf development. Review of past study is divided into two parts; (1) first, period which reviewed on a case study on historical of Waqf establishment; and (2) second period reviewed on management issue until present day of the Waqf studies. Next section focuses on the existing of waqf project development in the past and present over the world Waqf system has the cover broader scope of contribution to the society in past especially to the development of religious activities and enhancing the society standard of living. The main aim of the Waqf system is to eradicate the poverty among society through improving in term of social and economic.

Past Studies

The previous section has provided a brief discussion about the scope of researches covered in Waqf studies. The areas of Waqf studies become wider especially during the third period and there are many issues discussed by past researchers with the aim to revive the role of Waqf system in present day. There are many past studies conducted which attempt to solve the problem of idle Waqf land in Malaysia and other countries. So far, there are no empirical studies attempt to propose Islamic organisation and institutions and Muslim employees to be the respondents to contribute cash Waqf for the development of Waqf based projects in Malaysia.

Ibdal and Istibdal (exchange and substitution) are the two first modes of developing the idle Waqf land (Kahf M., 1998; Sabit, 2009). However, this mode faced approval problem from a jurist of different thoughts of school, which generated a subject of divergence of views among scholars. Furthermore, there are many cases of fraud occurred during the process of Ibdal and Istibdal (Kahf M., 1998; Sabit, 2009). Other traditional modes are Hikr (long lease with large advance lump sum) and Ijarah (lease with dual payment) are used for the renovation of the Waqf properties (Sabit, 2009). However, these two modes have shortcomings in term of the involvement of sacrifice of the assets in which the lessee has perpetual staying right on Waqf assets. Furthermore, it may subject to fraud and corruption particularly in term of the use of profit generated from the selling of the long lease rights (Kahf M., 1998). There is also number debt-based instrument that introduced for financing the development of Waqf properties such as Murabahah and Salam. These modes, the manager borrow to develop the property and the amount owed to the financing company will be settled from the revenue that generated from Waqf project (Sabit, 2006). However, the disadvantage of these modes, they expose the Waqf property to high risk which might result in confiscation and auction of the property of Waqf.

Finding the method of financing becomes more attractive and innovative where almost majority of the management background researchers are aggressively discussed and proposed models of cash Waqf by using various methods. Most of the studies focused on cash Waqf because it claims to be more flexible and ease to use for developing Waqf project compared to fixed assets contribution. For example, Sadeq (2002) proposed a model of financing which is based on issuing Waqf certificate by Waqf institution. The

mechanism of this model is as follows: the relevant body or institution will plan to build a project for the purpose of eradicate of poverty and social economic development. Then, this project is directed to Waqf administrative body (WAB) and WAB will introduce the project to the public and invite the public to donate cash for financing the project. The cash Waqf is raised by issuing Waqf certificate of a different denomination. The purpose of this model is to collect the fund from the public in a collective way and develop the project.

Cizakca (2004) proposed a model that based on the concept of cash Waqf. This concept is useful specially to provide a loan to microfinance. The researchers suggest establishing a non-profit financial institution that based on Qard Hassan which mean give a free interest-based loan. They say that the capital to setup the Bank is generated from the wealthy Muslim people. Similarly, Mohsin (2008) proposed to setup financial institution based on Waqf which will act as an Islamic Bank. The purpose is to generate Cash Waqf where the donor can deposit cash Waqf at the institution. This institution is basically to finance entrepreneur through Islamic mode of finance. Furthermore, the proposed model is basically to assist the projects in term of financial and the financial Waqf institution act as the trustee of the cash Waqf.

Habib (2004) highlights the operational format of Sukuk Al Intifa'a with an illustrated example of King Abdel Aziz Waqf (KAAW) in Mecca. KAAW is a trustee that leases a piece of land at the centre of Mecca to the Bin Laden Group under the contract of Build-Operate-Transfer (BOT) for 28 years. In return, the group should build Zam Zam Tower which consists of the shopping complex, tower and hotels. Bin Laden Group subcontracts the construction of the tower to Kuwait Real Estate Company (Manshaat) which undertakes to finance the operation and operate it for 24 years. At the same time, the whole project will be transferred back to Bin Laden Group after getting an expected return of 26% per annum which is derived from the difference between the rentals rates received from Sukuk holder and the rate paid to Bin Laden Group. The Manshaat Company issued \$390 Million Sukuk Al Intifa'a for 24 years. This is to raise fund from investor to finance the construction of the project where the Sukuk holder will have the right to lease or utilize the specific unit of the tower for the period of 24 years. The advantage of this model of financing is after 28 years both the Waqf land and projects that development on the Waqf lands will be transferred to KAAW. Hence, later KAAW will fully manage the project and the return generated from the project will be used to support the society development. This type of financing is applicable for commercial development only because of the private participation which needs a payback return to cover their constructed cost. Mohammad (2008) focused on the issue of idle, underdeveloped and underperforming of Waqf lands. The author believes that Waqf institution should be independent and self-reliant which should have income generating Waqf land. Therefore, this paper proposes a framework for the marketability of Waqf properties as permitted by Islamic law and is achievable through the reformed concepts of Malaysian Land Administration system and its components. The author proposed to use (1) sale and purchase market for properties held as investment assets and that purchased through the income of the capital of Waqf; (2) leasing market, whereby long-term leases, equivalent to that leasehold alienation.

Jalil and Ramli (2008) proposed to use cash and e-Waqf, Waqf share and issuing Sukuk to generate fund accumulation for the Waqf construction project. The findings suggest several methods and structures of Waqf instrument for the future development which will be significant for those institutions that have planned to apply this concept in the nearest future. The method of issuing Sukuk also suggested by Sabit (2009) who proposes the best method of financing for the development of Waqf properties by using in-housing financing method and securitization. In-house financing is comprised of obtaining advanced rentals under the concept of Hikr, Ijarah, Istibdal, and cash Waqf. While securitization is such as equity participation (including saham Waqf) and Sukuk. This paper explored the viability of securitization of the project, in-housing lump sum financing by way of long-term leases, substitution of land with cash (istibdal) Waqf shares, cash Waqf, usufruct Waqf and Waqf amalgamated development fund. Each of the

instruments has its own advantages, but, if one has prioritised, preference should be given to cash Waqf. This is because of the ease of attracting the cash Waqf and its liquidity makes it the best choice for financing Waqf development project. Tohirin (2010) discusses the cash Waqf model in relation to the empowerment of small businesses. The researcher proposed to establish Waqf institution under Islamic public finance. This institution will be responsible to generate cash Waqf from the society and provide financing for small medium enterprise (SME). This enables SME to run and expand their business venture through the partnership with cash Waqf institution via profit loss sharing contract.

Hassan and Shahid (2010) study argue that is a need to introduce stakeholders' principle into the body of the institution of Waqf. The professional business management technique will undoubtedly create many positive opportunities for quality improvement of the institutions of Waqf and internal delegation of responsibility. For developing the vast under-used properties of the Waqf, this paper considers that, if institutions Waqf is to fulfil its social purpose, there is needed to create sources of funding for reconstruction of Waqf building by creating cash Waqf fund and by issuing Musharakah sukuk. The returns from this initiative will be significant and more beneficiaries will be benefited. Ahmad and Muhamed (2011) discussed the current state of Waqf development in Malaysia. The authors find that the Waqf institution does not have the capacity to develop Waqf properties due to lack of fund. This study attempts to examine steps and fund that has been allocated for the development of Waqf assets especially land and further evaluate its potential in developing Muslim's economy. This study employed descriptive analysis on the practice of JAWHAR and MAIN (SIRCS) as two leading institutions responsible for managing Waqf assets. The finding shows that Waqf fund has been allocated and being professionally and there was also a special allocation for Waqf in RMK-9, RMK-1- and budget 2010. A special programme such as Waqf market for the people was also being implemented for insuring the role of Waqf institution in economic development.

Alias (2012) in her conceptual paper discussed the application of certain venture capital strategies in both the investment and spending decisions of cash Waqf. In its investment decision, the cash Waqf might utilise some of the tools employed by venture capital firms for choosing its investment and for mitigating risk. She also mentioned that a possibility for the cash Waqf to consider certain venture capital opportunities as an alternative assets class in which to invest a portion of its corpus. In its spending decisions, the cash Waqf may choose its beneficiaries in much same way as venture capital firm would choose its investee; that is by putting together a port together a portfolio of non-profit organizations (NPOs) with proven track records for delivering social result and which is seeking to grow their organization to achieve financial sustainability. Therefore, she proposes an Enterprise Waqf Fund model that combines the cash Waqf model with the relevant concept from venture capital to enhance the dynamism of cash Waqf.

Pitchay et al. (2015) examined the factors that influence the behavioural intention of Muslim employees in Klang Valley, Malaysia, to contribute cash waqf through salary deduction. The researchers employed the theory of reasoned action (TRA) to measure whether the attitude of the Muslim employees and subjective norms surrounding them have significant influence on their behavioural intention to contribute cash waqf through salary deduction. In total, 380 Muslim employees participated in this study, and the findings show that the attitude of the Muslim employees and the subjective norms surrounding them have significant influence on the behavioural intention of the employees to eventually contribute cash waqf. Mohamad (2016) evaluated the cooperative-based institution known as ANGKASA, which offers a special co-operative social philanthropic scheme called infaq lil-waqf. This scheme provides opportunities for members to contribute cash, which is then transformed into the concept of waqf. This scheme is found to be significant in implementing important socio-economic projects in the areas of business, education, welfare, health, real estate and rest and recreation. Pitchay et al. (2018) proposed a new cash waqf model which is integrated with mobile application platforms. The application is called the Awqaf Alternative

Plan (AAP) model and specifically aims to generate cash waqf from staff, students, and alumni of a tertiary education institution. Besides, the AAP model also addresses the problem of management at the level of universities, for instance, in estimating costs for organising a university event. This model is unique, and its application can be extended to other institutions which have a large number of staff, students and other categories of individuals.

Evidenced Of Waqf Based Development

This section highlights on the development of projects that based on Waqf in Muslim countries. These examples of the project will be the evidence for the present society toward Waqf contribution in the past and benefit the beneficiaries. The following sections highlight among the available models that develop based on Waqf contribution. Islam through its history provided a great attention to education as a basic component that to establish a learned society and great civilization. The holy Qura'an in several verses has emphasized on the important of learning as a unique way to the existence of the Creator, Allah SWT. Even, the first Surah that read by Prophet Muhammad (pbuh) is Iqra means to read. This shows that the important and recognition of education in Islam. Education is one of the main aims for Waqf development where the large portion of Waqf resources was allocated to build educational infrastructure such as school, libraries, and also providing the operational expenses such as lecturer's salaries and other. In this regard, the section highlights on Waqf Based model that develop for the education sector.

Al-Azhar University, Cairo

Al-Azhar University is the oldest Islamic university in the world that established in year 359 Hijrah. The founder of this university is Jauhar As-Siqali who is a chief soldier during the era of Khalifah al-Muiz Lidiniah al-Fatimi. Then, during the era of Khalifah Fatimiyyah, al-Aziz Bi Allah is the man who established the Waqf system, and he bought business warehouses and plantation for financing the University. He made the university is fully finance based on Waqf system. Then, the sixth Khalifah of Fatimiyyah, al-Hakim Bi Amr Allah was responsible for improving the education system become systematic. He improved the Waqf system by establishing new Waqf institution that called Dar al-Qurb or Dar al-Kharq al-Jadidah. This Waqf institution is financing the various academic activities including the al-Azhar and Majid Jami al-Rasyidah (Shuib, 1995). University Al-Azhar has contributed significant benefit to Islamic world specially to produce great Islamic scholar, established special minister for Waqf, assist the Egypt country during the recession and liberalise the education system.

The Awqaf of King Saud University (KSU) is the largest university in the Kingdom of Saudi Arabia. The university is expected to generate an annual income of about four Billion. The university structures are unique where it has nine towers and each of the towers contains hotels, conference halls, commercial center and parking. The project amounts 25 billion Saudi Riyals. The rector of the university says that most towers were devoted to pious businessmen, whereas the university' endowment administration took the responsibility to transform them into a productive investment which consists of flats, hotels and offices for rent. Ten per cent of the revenues generated from the towers will be channelled to orphans and widows that enrolled in the university and the rest goes to finance the scientific research.

Madrasah Nizamiyah, Baghdad

Madrasah Nizamiyyah is an academic institution is established by the Khwaja Nizam al-Mulk in the eleventh century in Iran and, it is finance based on Waqf. The sole trustee of this institution is by Nizamul Mulk and he managed the institution on its own. Nizamul Mulk is a respected individual that initiated the Waqf based institution in Baghdad, and he had builds many schools and provide with the complete necessity of school resources such as a teacher, financial assistance and books. Nizamul Mulk not only focused on the developing of school building, but he also creates fund worth for 600,000 dinars a year to pay the Islamic scholars, teachers and students. However, this Madrasah no longer active because of the Mongol empire attacked.

Madrasah Al-Junied, Singapore

Madrasah Al-Junied is another example of an academic institution that fully finances by Waqf fund. The Waqf asset is from Pengiran al-Syarif Syed Omar Bin Ali Al-Juneid who initially purposes the Waqf asset is for cemetery purpose (Junid, 2004). However, the English government during time does not permit to use the land for the cemetery and then the grandchildren of Al-Junied family, al-Salih Syed Abdul Rahman bin Junied bin Omar Al-Juneid has proposed some methods of development to the authority. Then, the authority permits them to develop academic institution on the Waqf land (Junid, 1995).

Waqf Based Academic Institution in Western Country

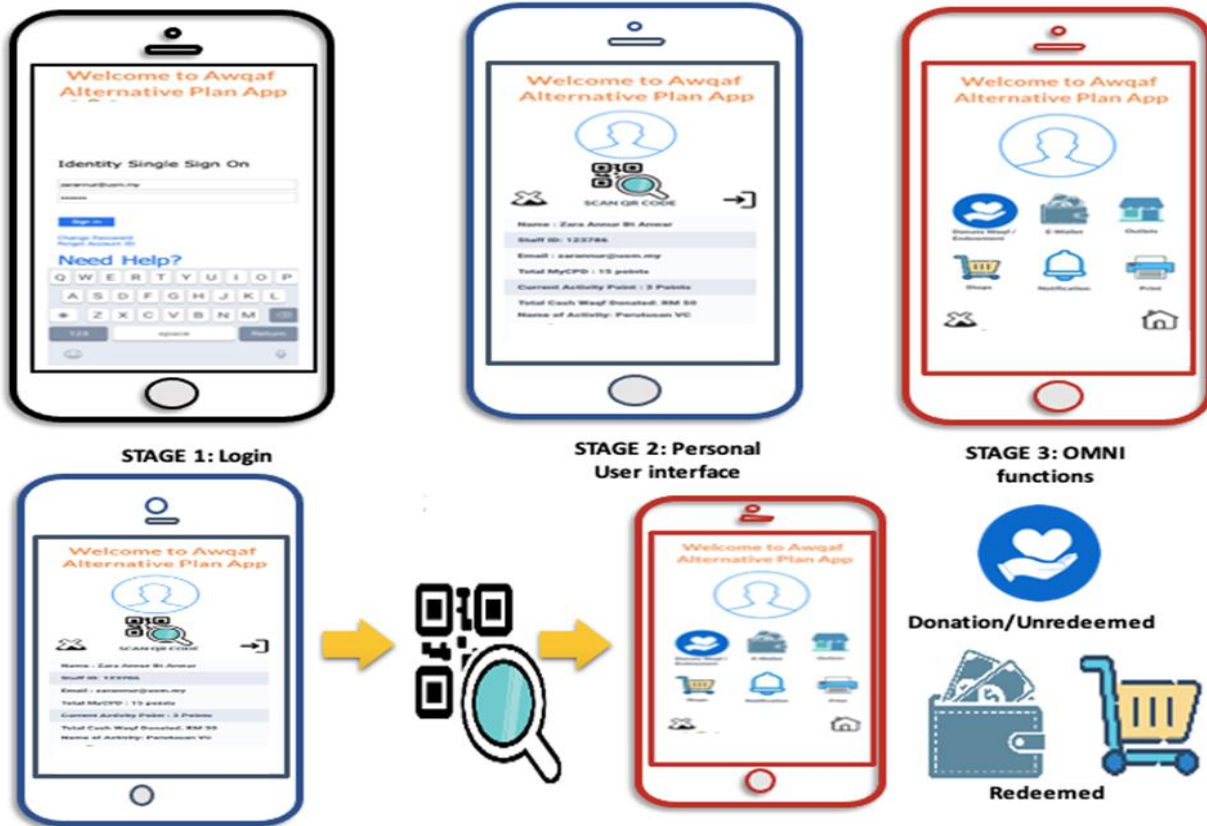
There are several established academic institutions in Western countries that are based on Waqf system. For example, Oxford and Harvard University are among the universities that established by using Waqf system. In America, the Waqf system created in form of land-grant means gift of real estate by the government to some private authorities. This land-grant is gifted to several private authorities who responsible to develop academic institutions, which still active until present. Foundations like Rockefeller, Ford Kennedy are among the foundations that have contributed toward the development of Waqf system in America. In western countries, Waqf system is defined as Endowment fund or foundation. The creation of this system has a significant contribution to the academic sector in America, which Harvard University is in top 5 ranking of the best university in the world. Oxford University also established based on foundation fund in the year 1096 and today it is in top 5 ranking of the best university in the world. Oxford University is funded by several of bodies such as foundation, Trust Fund and others. Wafa (2012) says that in the year 2003, 10 largest universities in US and UK, each having Endowment USD 74.74.24 billion and USD7.268 billion. Oxford and Cambridge then each had about USD 3.2 billion. University of Texas (2000) had US\$ 8.4 billion and Yale University with US\$7.4 billion. Harvard University in the year 2000 had funds totalling US\$ 19.2 billion, but in 2008 has USD 36 billion comprising of about 11,000 individual endowed funds. To raise such large funds, Harvard University spent \$35 million on fund raising and raised \$427 million. The development office has 250 employees, aided by 4,000 alumni volunteers. The Harvard Management company, a subsidiary of the university, is responsible for managing the endowment assets. Overall, by the year 2000, endowment funds in multiple sectors had reached a staggering value of USD2 trillion, generating revenues of USD700 billion.

3. Methodology

The present study is a conceptual paper which aims to propose a hybrid model of Awqaf Alternative Plan (AAP) mobile application. The AAP mobile application is structured based on the observation and opportunity of expanding the collection of cash Waqf in the context of higher education institution. Therefore, the following Figure 2 demonstrates the mechanism of AAP mobile application.

4. Propose Model***Awqaf Alternative Plan (AAP) Mobile Application***

The following Figure 2 demonstrates the modus operandi of the AAP model.



Source: Authors' own

Figure 1: Awqaf Alternative Plan (AAP) Mobile Application

The AAP Mobile Application User Steps:

1. LOGIN AAP mobile apps
2. SCAN EVENT QR CODE
3. Participant Point + TOKEN is saved into personal AAP Data system.

Donation/Unredeemed:

- a) Staffs/Students can donate the recorded amount of token as cash Waqf/Endowment OR unredeemed transaction within a month, the TOKEN will be transferred into USM Waqf/Endowment Account AUTOMATICALLY.
- b) University will use the Cash Waqf/Endowment fund for the development of the campus.

Redeemed:

- a) Staffs/Students can redeem TOKEN using E-Wallet.
- b) Payment is made using the QR Code transaction at a selected shop.
- c) Shop owners then claim the credit sales from Bursary

Expected Outcome of AAP Mobile Application

There are several expected implications of the AAP model. First, the AAP mobile application is expected to offer an accurate method to estimate cost. For example, a participant who attends an event will capture by using the AAP mobile application. This means the total participant who attended the event is the total cost for the respective event. This practice also reduces the wastage of food and beverages which usually

could be controlled due to the estimation of number participant is less accurate than predicted. Second, the practised of AAP mobile application is able to control the staff to use the token during the lunch hour and they can buy any types of food and beverages that they prefer or redeemed the token with stationaries. Third, the AAP model is expected to create cash Waqf based on the unredeemed token, and it is an income for the university to channel the accumulated cash Waqf fund for the development of campuses. Fourth, the AAP model is expected to promote sustainable values to the university's financial management by eliminating wastage of food and, achieving accurate calculation methods. Next, this model is able to promote positive character among the staff to focus on their work after any University's event instead of queuing up for food at the present system.

5. Conclusion

The Waqf system has established during the era of Islam and has significant contribution toward several sectors such as health, academic and others. However, the Waqf system is no longer practiced effectively in Muslim countries, but the system is still flourishing in Western countries with the evidence of Oxford and Harvard universities. The only academic institution that Muslim people talk about is Al Azhar University, which still sustains until today. Therefore, there is an urgent attention to Islamic countries leaders as well as Muslim societies to rejuvenate the role of Waqf in the present system. Thus, the AAP model is relevant to the management of the university to estimate accurate cost which leads to sustainable internal cost management. Besides, the effective management of cost is the main objective which able to promote sustainable cost saving.

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