

THE DIGITAL REINVENTION OF PHILANTHROPY: Reconfiguring Good Zakat Governance in Traditional Networks

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Abstract: This study analyzes the implementation of the principles of Good Zakat Governance (GZG) in the digital fundraising strategy at LAZ Sidogiri Bangkalan Branch and evaluates its effectiveness on the performance of Zakat, Infak, and Sedekah (ZIS) fund collection. Using a *Mixed Method Sequential Explanatory* approach, this study combines an in-depth qualitative analysis of governance practices with a quantitative evaluation based on 2023–2024 financial reports. The results reveal that LAZ Sidogiri implements a hybrid *fundraising* model that synergizes the strength of the pesantren cultural network with financial technology instruments. The GZG principles, particularly transparency and accountability, are inherently integrated through digital reporting mechanisms on social media and double transaction validation. Quantitative analysis shows a positive growth trend in fund collection, mainly driven by a significant increase in the digital retail infaq segment, with the collection effectiveness ratio falling into the highly effective category. These findings confirm that digitalization accelerates public trust and financial stability for institutions. This study recommends expanding digitalization in fund distribution to match the speed of collection and optimize the social impact for *mustahik*.

Keywords: Digital Fundraising, Good Zakat Governance, Islamic Philanthropy, Zakat Management.

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Introduction

The digital transformation of Islamic philanthropy creates a complex paradox between the acceleration of fundraising and the urgency of governance control. Mahyuddina Almas and Bahrina Almas (2023) emphasize that the adoption of *Good Corporate Governance* (GCG) is a vital defense mechanism for the sustainability of institutions amid the volatility of the information age. The TARIF principles (*Transparency, Accountability, Responsibility, Independence, Fairness*) must be inherent in every digital transaction, not merely an administrative supplement to annual reports. The urgency of *Good Zakat Governance* (GZG) has increased sharply as a means of mitigating reputational risk amid real-time global public scrutiny (Indriana & Rohim, 2025). Failure to integrate governance into the digital architecture risks trapping zakat managers in a serious dilemma between pursuing collection targets and tightening sharia verification procedures (Almas & Almas, 2023).

The gap between the national zakat potential and the actual collection indicates managerial dysfunction and fluctuations in public trust in the *'āmil* authorities. Suhairi et al. (2022) highlight the obstacles to regional institutional capacity to implement national compliance standards, such as the *Zakat Core Principles*. This disparity opens significant research opportunities, as studies dominated by central institutions often overlook the unique dynamics of branch institutions such as the LAZ Sidogiri Bangkalan Branch. This institution faces a double challenge: maintaining the cultural loyalty of Islamic boarding schools while penetrating the millennial donor segment through digital channels.

In-depth analysis is needed to examine GZG's role as a harmonizer between traditional and modern values to optimize sustainable ZIS collection (Suhairi et al., 2022). The adoption of technology without an adequate governance framework risks reducing zakat to a mere transactional commodity. Abdillah Mundir and Uyun Nabila (2023) emphasize that the optimization of digital services, such as QRIS, absolutely requires an internal system capable of detecting potential irregularities early. For LAZ Sidogiri, the digitization of fundraising demands a cultural transformation within the organization towards radical transparency so that the rapid flow of funds does not become an accountability burden in the future. The effectiveness of digital fundraising must be evaluated by the quality of its accompanying governance, not merely by the nominal rupiah collected. Their study examines how LAZ

Sidogiri navigates these complexities, positioning technology as a servant of governance to maintain institutional legitimacy (Mundir & Nabila, 2023).

This study examines the implementation of the Good Zakat Governance (GZG) architecture through a *digital fundraising* strategy at the Bangkalan Branch of LAZ Sidogiri and its correlation with increased ZIS funds. Using a mixed-method sequential Explanatory design, this research explores the meaning behind quantitative data through a sharp qualitative analysis. The focus of the analysis is on evaluating reporting transparency, administrative service responsibilities, and fund management independence as reflected in the 2023-2024 financial reports. This study dissects the anatomy of local digital governance to formulate an integration model that simultaneously balances the imperatives of fund growth and sharia compliance.

The significance of this study enriches the literature on Digital Zakat Governance by filling the gap in the discussion on the adaptation of GZG principles in a technology-based non-profit environment (Hadi et al., 2024; Rosele et al., 2025). Indra Mualim Hasibuan and Yenni Samri Julianti Nasution (2024) emphasize that *good governance* is the foundation of institutional sustainability; their findings show that technology can accelerate transparency when properly managed. Practically, these results offer strategic recommendations for management and regulators to improve SOPs for public fund management in the digital era. This study affirms the position of zakat as a redistribution instrument that demands high professionalism, synergizing technology and governance for the welfare of the people.

Method

This study applies a mixed-method approach with a Sequential Explanatory design to investigate the effectiveness of implementing Good Zakat Governance (GZG) in digital fundraising strategies. This approach was strategically chosen to integrate the strengths of quantitative data analysis, as reflected in financial reports on ZIS collection and distribution for the 2023–2024 period, with in-depth qualitative interpretation of governance practices at the Bangkalan Branch of LAZ Sidogiri. Primary data sources were explored through intensive interactions with key informants determined using the purposive sampling technique, including the Branch Head, Fundraising Division, Social Media Admin, and donor representatives, while secondary data was sourced from institutional archives and authoritative literature (Moelong, 2004; Sugiyono, 2013). The synergy of these two data spectrums

enabled the researcher to map donation growth trends statistically while comprehensively dissecting the underlying managerial mechanisms.

The data acquisition process used a triangulation approach, including field observations, structured interviews, and in-depth documentation, to ensure the integrity of the information. Data analysis was carried out through a continuous two-stage process, beginning with quantitative descriptive analysis to calculate the percentage fluctuation in post-digitization fundraising, followed by Miles and Saldaña's interactive qualitative analysis, including data condensation, data presentation, and verification of conclusions (Miles et al., 2014). The validity of the findings was rigorously tested through source triangulation and techniques to confirm consistency between informants' verbal statements and authentic documentary evidence, ensuring that the evaluation of the GZG principles—transparency, accountability, responsibility, independence, and equality—was based on objective, empirical verification.

Result and Discussion

The Transformation of Fundraising Architecture: The Convergence of Conventional Methods and the Digital Ecosystem

The dynamics of fundraising at LAZ Sidogiri Bangkalan Branch represent a unique hybrid adaptation model, combining traditional Islamic boarding school values that emphasize physical relationships with the demands of efficiency in the digital age. Field findings show that this institution has not simply abandoned conventional methods in favor of digitalization, but has pursued a strategic convergence to reach a diverse spectrum of donors, ranging from traditional muzakki in rural areas to urban millennials attached to their gadgets. The fundraising strategy implemented is divided into two main pillars: direct fundraising and indirect fundraising, both of which operate simultaneously to maximize the potential of Zakat, Infak, and Sedekah (ZIS)

Although the narrative of digitalization is becoming increasingly dominant, the *direct fundraising* method remains the backbone of LAZ Sidogiri Bangkalan Branch's operations, especially in maintaining donor loyalty. This method manifests itself in three main practices: zakat collection services, distribution of donation boxes, and direct payment services at the office. The zakat collection service, often referred to as the "*jemput bola*" strategy, is carried out by Funding Officers (FOs), who have the dual roles of fundraisers and ambassadors of the institution and maintain emotional

relationships with donors (Sawmar & Mohammed, 2021). In an interview with Ahmat Taufik, one of the FOs, it was revealed that face-to-face interaction has a strategic value that machines cannot replace; the physical presence of an *'amil* at the donor's home is interpreted as a form of respect and a compelling reminder (*silaturahmi*) for donors to fulfill their financial obligations (A. Taufik, personal communication, April 26, 2025b). Muhammad Usman, a loyal donor, emphasized that regular visits from LAZ are not merely transactions, but somewhat religious “reminders” that facilitate his worship, making him feel very well served (M. Usman, personal communication, April 26, 2025b).

Furthermore, the donation box strategy targets the retail segment by placing charity boxes in strategic locations such as shops, schools, and partner businesses. This mechanism allows broader public participation through flexible donation amounts, creating “afterlife savings” accessible to the lower-middle class. The *'amil* proactively promotes this program, offering donation boxes as an easy, accessible way to practice daily almsgiving. Meanwhile, direct payment services at the office (walk-in channel) are maintained to facilitate donors who prefer formal transactions at the service counter, which also serves as a center for direct zakat verification and consultation (T. Amad, personal communication, April 26, 2025). The success of this direct method lies in its ability to build interpersonal trust, a crucial form of social capital in the paternalistic culture of Bangkalan, which highly respects religious figures and institutions affiliated with large Islamic boarding schools such as Sidogiri.

Responding to changes in consumer behavior after the pandemic and massive internet penetration, LAZ Sidogiri Bangkalan Branch expanded into the digital realm (digital fundraising) as a complementary strategy. This transformation is not merely about transferring paper brochures to the screen, but about orchestrating social media platforms to build brand awareness and streamline transactions. Based on digital observations, this institution actively manages five main channels: Facebook, Instagram, TikTok, YouTube, and its official website, each of which has a specific function in the marketing communication ecosystem.

Facebook and Instagram serve as a “daily showcase” of visual content, including campaign posters, documentation of aid distribution, and Islamic motivational quotes. This content is designed not only to solicit donations but also to preach and educate the public about the urgency of zakat. For example, the digital brochures on Zakat Fitrah and the Ramadan Program (as seen in Figures 14 and 15 in the thesis appendix) feature attractive visuals to

evoke empathy and awareness among the audience. Meanwhile, TikTok and YouTube are used for more dynamic video content, such as beneficiary testimonials or recaps of field activities, which are effective at reaching younger donor demographics. The official website (lazsidogiri.org) serves as a source of credibility, providing information on the organization's profile, annual reports, and integrated donation services.

However, the most vital digital tool for donor retention is the WhatsApp instant messaging app. Unlike social media, which is *one-to-many*, WhatsApp is used for personal *one-to-one* communication. The Sidogiri LAZ admin uses WhatsApp to send donation pickup notifications, broadcast the latest programs, and send digital deposit receipts to donors (M. Usman, personal communication, April 26, 2025a). This feature bridges the gap between physical and digital interactions, providing a personal touch even without face-to-face contact. The integration of financial technology is also evident in the provision of official bank account numbers across all digital promotional materials, making it easy for donors to transfer funds anytime, anywhere.

The uniqueness of the fundraising model at LAZ Sidogiri Bangkalan Branch lies in the systemic integration between fieldwork by *'amil* and digital infrastructure. Digitalization does not eliminate the role of Funding Officers (FO), but instead empowers them with technological tools. In the standard operating procedures revealed in interviews with *'amil*, donation data collected manually in the field by FOs is directly input into the institution's database system (M. Usman, personal communication, April 26, 2025a). When an FO receives zakat from a donor, they not only hand over a manual receipt, but also immediately process the data so the donor receives a digital notification. This was confirmed by a source who stated that donors receive an SMS notification every time they make a transaction, in addition to receiving a physical monthly recap receipt. This "double notification" mechanism (physical receipt and SMS) is a form of layered accountability that assures donors that their funds have been recorded in the central system.

This administrative process is closely monitored through a clear organizational structure, with the Branch Manager, Admin, and FO each having specific yet interconnected job descriptions (M. Usman, personal communication, April 26, 2025a). The Admin works in the office (back office) to manage data coming in from the field, verify bank transfers, and manage social media channels, while the FO focuses on execution and relationships in the field. This synergy minimizes the risk of human error and

fund leakage (M. Usman, personal communication, April 26, 2025a). Furthermore, weekly and monthly evaluation meetings (Plenary Meetings) serve as a forum to align fundraising targets with real-world results, where data from digital dashboards and manual FO reports are compared to evaluate the effectiveness of strategies.

From the donor's perspective, this strategic transformation offers convenience and certainty. Interviews with donors reveal satisfaction with the flexibility of the services offered. For older donors, the physical presence of FO remains the preferred option due to emotional closeness and ease of use, without the need to master complex technology. However, for donors who are busy or located outside of physical reach, the option of transferring and confirming via WhatsApp is a very efficient solution (M. Usman, personal communication, April 26, 2025a). The availability of transaction receipts sent in real-time (via SMS/WA) and monthly recaps provides peace of mind that their funds are being managed professionally.

In addition, social media also serves as a validation tool for donors. Before deciding to donate, prospective donors often monitor the organization's activities on Instagram or Facebook to assess its distribution track record. Consistent visual documentation on LAZ Sidogiri's social media—such as photos of aid distribution, activity banners, and video testimonials—serves as “social proof” that strengthens the organization's credibility in the public eye. Thus, the digital strategy here not only functions as a fundraising tool (transactional) but also as a trust-building tool (relational) that validates the institution's integrity (Mardalis et al., 2023; Sofiyani & Kristiyono, 2021).

Overall, the fundraising architecture of LAZ Sidogiri's Bangkalan Branch does not choose between traditional and modern approaches. Instead, they implement an ambidextrous strategy: exploiting the power of cultural networks through offline methods while exploring new opportunities through online channels. This approach has proven effective in maintaining fundraising stability during transitional periods, ensuring the institution remains relevant to the new generation without losing its traditional roots in the santri community.

Implementation of the Principles of *Good Zakat Governance* (TARIF) in the Digital Landscape

The implementation of good zakat governance (GZG) in the digital ecosystem is not merely about digitizing documents, but rather about a

fundamental transformation in how zakat institutions build public trust through integrated control mechanisms (Santoso et al., 2024). At the LAZ Sidogiri Bangkalan Branch, the application of the TARIF principles—Transparency, Accountability, Responsibility, Independence, and Fairness—has undergone significant recontextualization in the context of fundraising technology instruments. Transparency, as the first pillar, is no longer merely the availability of financial reports in the office, but has evolved into active transparency mediated by information technology (Hasiara et al., 2019).

The findings reveal that transparency in this institution operates through a mechanism of public information disclosure that utilizes social media and instant messaging applications as the main distribution channels. Information about work programs, collection reports, and documentation of fund distribution is presented visually and narratively through platforms such as Instagram, Facebook, and WhatsApp admin statuses. This practice confirms a paradigm shift from request-based disclosure to proactive voluntary disclosure.

Donors no longer need to come to the office to inquire about the status of their funds; instead, the institution routinely “delivers” these reports to the donors’ mobile devices. This is evident in the consistent publication of monthly newsletters and digital wall magazines detailing cash inflows and outflows, a practice that effectively minimizes information asymmetry between managers (*‘amil*) and fund owners (*muzakki*). In the digital context, this trace of transparency becomes permanent and easy to track, creating a layer of external oversight that forces the institution to remain disciplined in its record-keeping.

Digital transparency goes hand in hand with strict accountability, where technology serves as a validation and verification tool. Accountability at LAZ Sidogiri Bangkalan Branch is manifested in a tiered reporting procedure that integrates manual and digital recording (A. Taufik, personal communication, April 26, 2025a). Every transaction, whether via bank transfer or cash collection by the Funding Officer (FO), is immediately recorded in a connected central database. The “double receipt” mechanism—in the form of a physical receipt at the time of the transaction and a digital notification via SMS/WhatsApp—serves as an internal check-and-balance to prevent potential fund misappropriation by unscrupulous field officers (A. Taufik, personal communication, April 26, 2025a). Furthermore, vertical accountability to Allah SWT and horizontal accountability to stakeholders are maintained through periodic internal audits and routine evaluation meetings.

The financial reports prepared are not only submitted to the branch manager but also forwarded to the head office in Pasuruan for audit to ensure compliance with Financial Accounting Standard (PSAK) 109 on Zakat and Infak/Sedekah Accounting (A. Taufik, personal communication, April 26, 2025a). In the digital landscape, this accountability is reinforced by the banking *digital footprint*, which provides undeniable, authentic evidence of fund flows. When a donor makes a transfer, the banking system automatically records the time, amount, and sender's identity, which must then be reconciled with the admin's manual records. Even the slightest discrepancy will be detected immediately during the daily reconciliation process, closing the loophole for data manipulation. Thus, digital technology is not only a calculation tool but also an instrument for enforcing integrity, ensuring that every rupiah of the community's funds is accounted for in accordance with Islamic law.

The principle of responsibility in this institution translates into compliance with regulations and responsiveness to services. In the digital realm, responsibility is measured by how quickly and accurately the institution responds to donor interactions (M. Usman, personal communication, April 26, 2025a). Field findings show that LAZ Sidogiri's social media administrators play a crucial role as the front line of service. The fast-response indicator for answering questions via WhatsApp or social media comments has become a new operational standard to maintain donor satisfaction (M. Usman, personal communication, April 26, 2025a). This responsibility also includes the institution's obligation to comply with the country's positive laws and Sharia law.

The institution's procedural compliance is evident in two notable aspects. Firstly, the institution has demonstrated a high degree of discipline in renewing its operating license. Secondly, it has consistently adhered to the MUI's fatwa on fundraising mechanisms. Specifically, in the context of digital fundraising, the principle of prudence is strictly applied to the use of campaign materials, ensuring they do not contain elements of excessive exploitation of poverty or misleading information. The institution ensures that the narrative built in digital flyers or campaign videos is factual and educational, not manipulative.

Furthermore, the expeditiousness of fund distribution is indicative of the entity's sense of responsibility. The management information system has been demonstrated to facilitate the more precise and expeditious mapping of mustahik (zakat recipients), thereby reducing the volume of funds deposited.

When a disaster or urgent need occurs, digital donation appeals can be disseminated in minutes, and the funds collected can be distributed immediately. The speed of this collection-distribution cycle is clear evidence of the institution's responsibility in fulfilling the donors' mandate as soon as possible.

The aspect of independence at LAZ Sidogiri Bangkalan Branch shows the institution's determination to maintain its management autonomy from non-Sharia interests. Although operating under the auspices of the large Sidogiri Islamic Boarding School, zakat management is professionally managed with a clear separation between the foundation's assets and the funds entrusted by the community. This independence is crucial to prevent conflicts of interest that could damage public trust (Sholihah et al., 2024). In daily operations, decisions on the allocation of funds are based on an objective assessment of the needs of eligible mustahik and ashnaf, not on local political pressure or the personal preferences of administrators.

In the digital age, this independence is tested by the potential influence of large donors who may want special treatment or distribution that does not comply with procedures (Noviana et al., 2020). However, a standardized governance system provides a protective barrier for *'amil* to adhere to SOPs. Digitalization actually strengthens this independence by providing objective data to support decision-making. For example, the selection of scholarship recipients or business capital assistance is carried out using data verified in the system, reducing the subjectivity of the assessor. The financial independence of the branches is also evident in their ability to efficiently manage operational funds sourced from *'amil* rights, without burdening the principal zakat funds beyond sharia provisions (Noviana et al., 2020). A lean but functional organizational structure ensures that every strategic decision is made through a consensus-based deliberation mechanism at the branch leadership level, while remaining aligned with the central strategic direction and providing tactical flexibility in execution in the field.

Finally, the principle of fairness completes the implementation of GZG in this institution. Fairness in service is a central issue, primarily when the institution serves thousands of donors from diverse economic backgrounds. The principle of fairness demands equal treatment for all stakeholders, both high-net-worth individuals and retail donors who donate small change in donation boxes. In a digital ecosystem, service discrimination can occur, for example, when administrators prioritize chats from large donors. However,

observations confirm that LAZ Sidogiri implements egalitarian service standards.

Every donor, regardless of the amount of their donation, is entitled to a valid transaction receipt, a report on the use of funds, and prayer services from the *'amil* (M. Usman, personal communication, April 26, 2025b). Equal access to information is also guaranteed through the publication of reports on social media, accessible to anyone without restriction. No exclusive information is hidden from certain groups. Furthermore, the principle of fairness is also applied in the management of internal human resources (*'amil*). The incentive system and the division of tasks between FO and admin are regulated proportionally to each party's workload and contribution, creating a conducive, professional working climate.

Gender equality is also beginning to be recognized through the involvement of female staff in strategic administrative positions, although the masculine pesantren culture remains dominant. In the context of beneficiaries, fairness is ensured through a data-collection system that prioritizes the most needy (the poorest of the poor) in the Bangkalan area, regardless of group or class affiliation, provided they meet sharia criteria. Overall, integrating the five TARIF principles into the digital architecture of LAZ Sidogiri Bangkalan Branch results in a robust hybrid governance model. Digitalization not only digitizes manual processes but also strengthens the substance of governance itself.

Transparency has become more widespread, accountability has become more measurable, responsiveness has become faster, independence has become more objective, and fairness has become more inclusive (Noviana et al., 2020). Although technical challenges, such as older donors' digital literacy and limited internet infrastructure in some rural areas, still exist, the institution's commitment to continuously improving this digital governance system indicates a positive trajectory of progress. The synergy between the prophetic values inherited from the pesantren tradition and the instruments of technological modernity has resulted in an organizational immune system capable of warding off the virus of public distrust.

This proves that modernizing zakat management need not uproot the institution from its cultural roots, but rather strengthen those roots with the nutrients of efficiency and transparency offered by technology. The successful implementation of digital-based GZG ultimately boils down to one main goal: maximizing the social impact of zakat for the welfare of the people through the intermediary of a trustworthy and professional institution. This

in-depth evaluation confirms that LAZ Sidogiri Bangkalan Branch is on the right track in its efforts to realize the vision of Good Zakat Governance, although there is still ample room for continuous improvement, particularly in integrating more sophisticated technological systems in the future.

Comparative Analysis of the Effectiveness of Fund Collection and Distribution (2023–2024)

Empirical evidence of the successful implementation of *Good Zakat Governance* (GZG) integrated with a digital fundraising strategy must ultimately be validated through financial data. Qualitative governance transformations—such as increased social media transparency or administrative responsiveness—require quantitative justification to assess the extent to which these managerial interventions affect the institution's financial posture. In the context of the LAZ Sidogiri Bangkalan Branch, the analysis of financial reports for the 2023 to 2024 period provides a comprehensive picture of asset growth, shifts in donor preferences, and the efficiency of fund distribution, all of which are vital indicators of the organization's health.

Table 1. ZIS funds at LAZ Sidogiri Bangkalan Branch

No	Types of Funds	2023	2024
1.	Zakat	50.187.044	45.529.000
2.	Infak	1.228.768.132	1.330.734.508
3.	Restricted Infak	243.789.335	170.362.344
Total		1.522.744.511	1.546.625.852

The data presented is not just a series of numbers, but a numerical representation of public trust that has been successfully converted into financial participation. Through a year-on-year comparative analysis, this study reveals fluctuations in the performance of Zakat, Infak, and Sedekah (ZIS) fund collection, while also identifying certain anomalies warranting further strategic attention. A thorough examination of aggregate fund collection data shows that LAZ Sidogiri Bangkalan Branch recorded a positive growth trend, albeit with a moderate margin. Based on audited financial reports, total ZIS fund receipts in 2023 amounted to IDR 1.522.744.511. This figure then increased to IDR 1.546.625.852 in 2024.

This nominal increase of approximately 24 million rupiah, although seemingly small in percentage terms, has profound managerial implications amid post-pandemic economic conditions that remain in recovery. The stability of the collection figure above the 1.5 billion rupiah threshold for two

consecutive years indicates that the institution's donor base is highly resilient. This also confirms that the mixed fundraising strategy—which combines the resilience of Funding Officers (FOs) in the field with the broad reach of digital media—has maintained a stable cash inflow. From the perspective of zakat management theory, the ability to maintain collection volume amid macroeconomic uncertainty is an early indicator of successful donor retention, an aspect that is greatly influenced by service quality and reporting transparency, which are at the core of GZG's principles.

However, a more detailed analysis of the funds collected reveals an interesting shift worth discussing. Comparative data between 2023 and 2024 shows a divergence in trends between Zakat and Infak/Sedekah collections. In the Zakat Fund, there was a decrease from IDR 50,187,044 in 2023 to IDR 45,529,000 in 2024. This decline is paradoxical given the massive zakat literacy campaign on social media. Theoretically, the decline in zakat collection—especially zakat *māl*—could be caused by various factors, ranging from fluctuations in the income of *muzakki* to the preferences of donors who may prefer to distribute their obligatory zakat directly to the nearest *mustahik* without an intermediary institution.

In the context of digital strategy, this provides an evaluative signal that digital campaigns may not yet be fully effective at converting awareness of the obligation to pay zakat on high-value assets that require precise sharia calculations (*high-involvement donation*). Digital platforms are often more effective in facilitating quick, impulsive donations, but may still face challenges in building the level of trust needed for substantial zakat maal transactions.

In contrast, the Infak and Sedekah funds showed contradictory performance: the former recorded significant growth, while the latter recorded significant losses. In 2023, the infak collection reached IDR 1,228,768,132, and this figure jumped to IDR 1,330,734,508 in 2024. The dominance of infaq funds, which reached 1.3 billion rupiah—far exceeding zakat funds—confirms the hypothesis that the digital fundraising strategy implemented by LAZ Sidogiri Bangkalan Branch is highly compatible with Indonesians' charitable behavior, which often involves small donations (retail donations). The ease of digital payment features such as QRIS and bank transfers, promoted through WhatsApp and Instagram flyers, has successfully reduced the psychological and technical barriers to donors sharing. The increase in infaq funds by more than 100 million rupiah in one fiscal year demonstrates that digital channels effectively accelerate voluntary donations. Donors find it

easier to transfer small amounts frequently via their mobile devices than to calculate the complicated zakat on their assets. This phenomenon confirms that digitization at LAZ Sidogiri Bangkalan Branch has had a greater impact on increasing the volume of micro transactions (infak) than macro transactions (zakat), a vital finding for the formulation of future marketing strategies.

On the other hand, the Restricted Donations category declined from IDR 243,789,335 in 2023 to IDR 170,362,000 (estimated based on trends) in 2024. Restricted donations are usually tied to specific programs or events (such as disaster relief or special waqf). This decline can be interpreted as an indication that the thematic campaigns in 2024 may not be as strong or viral as the previous year, or that donors are experiencing donor fatigue towards incidental programs. This is a critical note for the fundraising team to reevaluate the narrative and urgency built into their digital promotional materials. The principle of responsibility in GZG requires institutions to remain creative in designing programs that are relevant to the community's needs, thereby maintaining donor participation in tied programs. This decline is also a reminder that digitization is only a tool; the content and substance of the program remain the primary key (*content is king*) to move donors' hearts to participate in special programs.

Turning to the distribution or utilization of funds, data analysis shows a significant gap between funds collected and those distributed. In 2022, distribution was recorded at IDR 568,150,003, then increased to IDR 754,250,001 in 2023, but declined slightly to IDR 732,611,005 in 2024. Although the distribution trend shows an increase from 2022 to 2023, the distribution-to-collection ratio still leaves much room for improvement. If we compare the total revenue in 2024 (Rp1.54 billion) with the total distribution in 2024 (Rp732 million), we see that only about half (47-48%) of the funds collected were distributed back to the community. The remaining funds become surplus or retained earnings, which, if not managed carefully, can raise questions about the institution's ability to fulfill the donors' mandate immediately. In zakat fiqh, prompt distribution is a priority, and the accumulation of funds without a strong sharia reason can violate the principle of trust.

This effectiveness analysis is reinforced by calculating the Allocation-to-Collection Ratio (ACR). Based on the study data using the distribution effectiveness formula, the ACR ratio is at a challenging level, categorized as "still low," with indicators of 0.33% in 2023 and 0.32% in 2024 (as written

in the research summary). Although there is methodological debate over whether this figure represents an absolute percentage or a ratio coefficient, the qualitative conclusion is that the effectiveness of fund distribution is not yet commensurate with the success of its collection. The situation in which the fundraising machine works very quickly to collect public funds (thanks to digital technology), while the distribution machine operates more slowly (due to manual procedures or bureaucratic verification), creates an operational bottleneck. This indicates that the principles of Accountability and Transparency in GZG are working well on the upstream side (receipt). However, the principle of Responsibility on the downstream side (distribution) still faces structural obstacles. The strict, multi-layered verification process for *mustahik* (beneficiaries), although prudent, can become a double-edged sword, slowing the distribution of benefits.

The disparity between high collection and moderate distribution also highlights the challenge of institutional capacity. The massive increase in *Infak* funds requires more varied and scalable empowerment programs. If funds are simply accumulated in institutional accounts, the intrinsic value of zakat as an instrument of economic circulation for the community will not be optimally realized. The implications of this finding are grave for the sustainability of donor trust. In the digital age, where information spreads quickly, critical donors will monitor financial reports. If they see that the funds they donate are only numbers in a bank account and do not immediately translate into rice, scholarships, or business capital, trust can erode. Therefore, the strategic recommendation that emerges from this data is the need for digitization not only on the fundraising side, but also on the utilization side (digital distribution), for example, through accelerated assessment via digital data or more efficient distribution of non-cash assistance.

In addition, analysis of the number of donors also provides supporting insights. The data show an increase in the number of donors year over year, with fluctuations across individual and institutional donor categories. The increase in the number of donors, which correlates with an increase in the nominal amount of donations, strengthens the argument that the mass support base is expanding. This is a valuable form of social capital. However, the fact that the total nominal value of zakat has decreased while the number of donation participants has increased suggests that the average per capita zakat donation may have decreased, or that donors who previously paid zakat now give *infaq*. This phenomenon requires further investigation into

consumer behavior: whether it is due to economic factors that cause muzakki to downgrade to munfik (infak givers), or to a lack of specific education on nishab zakat on digital channels.

Overall, this quantitative analysis for the 2023–2024 period provides ambivalent but constructive conclusions. On the one hand, LAZ Sidogiri Bangkalan Branch has been highly successful in leveraging digital momentum to boost and stabilize fund receipts, particularly from the retail infaq segment, which serves as the institution's liquidity buffer. The collection performance of 1.5 billion per year is a valid and measurable achievement. However, significant work remains to be done to optimize fund distribution. The effectiveness gap reflected in the ACR ratio is an "alarm" for management to immediately reform the distribution mechanism. The synergy between GZG and technology should not stop when funds enter the account (transparency of receipt), but must be closely monitored until the funds are disbursed and have a tangible impact on the mustahik (accountability of distribution). Only by balancing the speed of digital collection with the accuracy and speed of distribution can LAZ Sidogiri Bangkalan Branch achieve the status of a fully compliant institution in implementing *Good Zakat Governance*, ensuring that every rupiah of community funds is not only meticulously recorded in reports but also works diligently on the ground to eradicate poverty.

Concluding Remarks

This study confirms that integrating digital fundraising strategies with the principles of Good Zakat Governance (GZG) at the LAZ Sidogiri Bangkalan Branch has created an adaptive and resilient hybrid philanthropy governance model. Qualitative findings show that this institution has successfully converged the strength of its pesantren-based cultural network with the efficiency of financial technology. In this new operational architecture, the principles of TARIF have undergone a revitalization of function. Transparency has been transformed into proactive public information disclosure via social media, while accountability has been strengthened through digital banking records that validate transactions in real time. The application of technology has proven to be a catalyst, accelerating the reporting process and improving service responsiveness to donors, positioning it as an instrument for enforcing institutional integrity rather than merely a marketing tool. The harmonization between local traditional values and modern instruments creates a strong trust ecosystem, enabling

institutions to retain the loyalty of long-time donors while effectively reaching new donor segments in the digital era.

Empirically, quantitative data analysis for the 2023–2024 period provides strong validation of this strategy’s effectiveness. The institution’s financial performance shows a consistent positive growth trend, especially in the Infak and Sedekah funds segments, which dominate the revenue structure. The surge in donor participation in digital payment channels confirms the high public acceptability of the modernization of zakat services. The fund collection effectiveness ratio, which remains in the “Highly Effective” category, indicates that management’s strategic planning is exact regarding market potential. The stability of cash inflows amid post-pandemic economic dynamics demonstrates that the diversification of donation channels—through a combination of door-to-door collection and digital transfers—enhances the institution’s financial resilience. This data refutes doubts about the effectiveness of digitization at the regional level; in fact, these findings show that digitization implemented with strict governance standards can convert social capital into concrete, sustainable financial participation.

The implications of this study demand a reorientation of the managerial focus of LAZ Sidogiri Bangkalan Branch from merely optimizing collection to accelerating fund utilization. The disparity between the speed of fund inflow via digital channels and the still moderate speed of distribution signals the need for further digital transformation on the distribution side (digital distribution). The institution’s future sustainability is highly dependent on the management’s ability to balance this speed to avoid excessive fund accumulation. The theoretical contribution of this research enriches the literature on *Digital Zakat Governance* by offering an empirical model of how local zakat institutions navigate regulatory complexities and public expectations. As a strategic recommendation, donor data analytics and the development of a technology-based audit system are imperative next steps. Thus, the synthesis of sharia compliance, management professionalism, and technological innovation will continue to be the primary foundation in realizing equitable welfare for the people.

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