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(AIJBES)**[www.aijbess.com](http://www.aijbess.com)**A PRELIMINARY STUDY TOWARDS FINANCIAL  
MANAGEMENT PRACTICES OF MOSQUES**Wan Zuriati Wan Zakaria<sup>1\*</sup>, Norazlina Ilias<sup>2</sup><sup>1</sup> Faculty of Business, Economics & Business Development, Universiti Malaysia Terengganu

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**DOI:** 10.35631/AIJBES.518021.This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)**Abstract:**

Every religion has its own organization and method for handling all issues pertaining to religion in the society. A mosque, or "Masjid" as it is known in Arabic, is a place of worship for Muslims where they can offer prayers and engage in other religious activities. Mosques typically get funding for those operations from a variety of sources, including public donations, fundraising, "waqf" from the government and many more. Building public trust and protecting the mosque's financial resources both depend on the proper management of its fund. For this reason, it's critical that mosques implement sound financial management procedures in order to manage finances efficiently. 23 respondents from 14 mosques in the district of Kuala Nerus, Terengganu, completed a questionnaire to provide information for this study about their financial management procedures. Surprisingly, the results of the descriptive analysis indicate that 79% of mosques still handle their finances manually rather than using an automated accounting system. It appears that in order to support the fund management system in a methodical and effective manner, a tailored accounting system should be created to satisfy the requirements of the mosque administration.

**Keywords:**

Financial Management Practices, Mosques, Internal Control

**Introduction**

The nature and purposes of the funds raised by mosques are typically not as consistent as those of any other institutions or organizations. Mosques have historically received funding for their operations from a variety of sources, including "sadaqah" (general donations), "zakat"

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(mandatory religious alms), "*waqf*" (endowments), and "*waṣiyyah*" (bequests). These days, the government budget is typically the source of funding for a country with a majority Muslim population or one run by Muslims. Examples of such countries are Saudi Arabia, the United Arab Emirates, Qatar, Bahrain, Oman, and other Muslim nations like Malaysia (Luqman, 2016).

The primary sources of funding in Malaysia come from collections made during Friday prayers or from individuals who stop by mosques for their daily prayers. Contributors want to support mosques in their efforts to carry out any community-beneficial projects. However, contributions to the mosques come in a variety of forms in addition to cash, such as assets of any kind. As a result, the mosques' financial management practices come under scrutiny. Do they have an effective money management system in place?

In Malaysia, the State Islamic Council (Majlis Agama Islam Negeri) or the State Islamic Religious Department (Jabatan Agama Islam Negeri) are in charge of managing and overseeing the mosques in each state. But the members of the committee appointed to oversee the mosques handle financial management issues, like the inflows and outflows of cash, and they typically come from a variety of backgrounds. Being a religious organization, you must have an effective system to guarantee that the public funds can be managed sensibly and appropriately. As a result, researchers are drawn to learning how religious organizations—including mosques and other religious institutions—manage their finances.

Previous research has shown that while some institutions are capable of managing their funds well, others are not. The fund may not help the community as intended if they are unable to oversee and manage it. A study by Mohamed et al. (2014) found that some committee members of the mosque would rather keep mosque funds than use them appropriately. This situation appears to be typical: mosques with hundreds of thousands of ringgit in funding exist, but the only community events planned are religious studies lectures. A number of mosques also neglect to hold required meetings, such as the annual general meeting, which might result in the presentation of the mosque's financial report being denied. In addition, the majority of committee members designated as trustees are inexperienced in handling mosque finances, which results in incomplete or poorly managed financial records for the mosque and ultimately the loss of mosque funds.

Therefore, in order to guarantee that the mosque's finances can be properly managed, the State Islamic Religious Department (Jabatan Agama Islam Negeri) has been urged to exercise greater responsibility. Furthermore, those who diverge and embezzle mosque funds must face consequences. Basic understanding of financial management is essential to ensuring that the mosques' financial management aspects can be managed effectively and methodically and to better serve the local community in line with the mosque's stated purpose. For these reasons, the goal of the study is to determine the financial management procedures used in mosques, specifically internal control and fund management procedures. Given the numerous purposes for which mosques are used, it is crucial to investigate the funds raised to maintain these establishments.

## Literature Review

The purpose of mosques in general, Malaysian mosque financial management procedures, and the impact of sound financial management on mosque management performance are all covered in the section that follows.

### ***The Role of the Mosque***

The mosque serves as a place of prayer for Muslims and has contributed significantly to the development of Muslim culture. Numerous mosques have been a significant part of history for centuries, dating back to the Prophet Muhammad's (*pbuh*) time. Looking back, we can see that the Prophet Muhammad (*pbuh*) established the Nabawi Mosque as the administrative and governmental hub of the Islamic State of Medina in addition to making it a place of worship. The Nabawi Mosque serves as the hub of the Islamic movement, a spur for neighbourhood activity, and a venue for citizens to voice their demands for justice and rights. In addition, the Prophet's Mosque serves as a hub for knowledge, goodwill, and human relationships. It also fosters strong bonds of brotherhood among Muslims everywhere it is present.

Mosques functioned as a house that united Muslims' souls and as the hub of congregational gatherings during the early stages of the Muslim community's development (Luqman 2016). In addition to serving religious and spiritual needs, mosques now also offer welfare services to the community and education (serving as a place where kids can learn how to pray and recite the Quran). These days, mosques are better recognized for being places that foster Muslim spirituality as well as for sharing knowledge, rendering judgments, and mediating conflicts between Muslims and the brotherhood communities they unite (Adil, Mohamed Azam et al., 2013).

Mosques have contributed to the advancement of Muslim civilization because, according to Karam, Matt, and Kassra (2011), they are houses of worship in Islam. Since the beginning of written human history, places of worship have been known for a very long period. The fact that people were meant to have a religious bent is evidence for this. They must establish a relationship with their Creator in order to satisfy their religious yearning. For that reason, they constructed their own houses of worship, including mosques, churches, and temples. These locations satisfied the basic function of religion in enhancing human life in one way or another.

The primary purpose of the mosque is to serve as a meeting place for Muslims to pray, which is known as the *Jama'ah* prayer. It is a location that brings Muslims together for daily worship. In addition, mosques are the locations that Muslims attend on a daily and weekly basis, after their homes and places of employment. Muslims go to the mosque between one and five times a day to offer their daily *Jama'ah* prayer. or for Friday prayer, once a week at the very least. Otherwise, for *Eidul Adhaa* and *Eidul Fitri*, once or twice a year. By going to the mosque, it is hoped that they will rekindle their spirituality, become closer to their Creator, get to know their Muslim brothers, and rediscover their sense of community (McLaughlin, 1998).

The mosque is also known to serve as a distribution hub for charitable organizations. The Prophet Muhammad (peace and blessings be upon him) received money (such as war booty) which was disbursed in the mosque. In an emergency, the Prophet would simultaneously preach and exhort the people to spend their time in Allah's service. He would then donate to those in need. `Umar ibn Al-Khattab explained that this was because their prayers were always offered by someone at all times. No one could possibly consider breaking into the Treasury as a result.

In addition, mosques provide homeless people with a place to stay. According to Zakariyya (2010), a large number of the single, destitute, and impoverished Muslims who traveled with the Prophet Muhammad (peace and blessings be upon him) in the past were housed in mosques. When the Prophet Muhammad (peace and blessings be upon him) lived, the majority of mosques derived a significant portion of their revenue from *sadaqat*, an optional charitable

giving practice in Islam (McLaughlin 1998). Muslims generally understand that contributing to charitable causes during this life earns merit in the hereafter (akhirah). Mosques here have also become a focal point for Muslim giving, even though some money are ultimately transferred among Muslim charitable endeavors worldwide, given the general lack of a traditional system of *Awqaf* (Islamic charitable foundations) in so many Muslim states. In fact, the Prophet's hadith (tradition) was quoted multiple times, supposedly found in the venerable writings of Muslim ibn al-Hajjaj (d. 875) and Bukhari (d. 870): "If you make a mosque for Allah in this life, you will be given a palace in paradise."

### ***The Malaysian Mosque's Practices of Financial Management***

According to Said et al. (2013) and Mohamed et al. (2014), efficient internal control systems within the mosque are strengthened by prudent financial management, which is essential to the mosque's ability to operate. It serves as a foundation for procedures that ensure the financial stability of commercial enterprises. The receipt and distribution of funds in the best interests of the neighbourhood and society at large are the primary financial activities that must be managed in the context of managing a mosque. Mosques have historically been supported by *Waqf* (endowments), corporations, the government, and private donations.

The community then receives a distribution of the fund, which is used to oversee mosque operations including maintenance, religious lectures, information exchanges, seminars, and other associated events. In order to fulfill Allah's mandate and uphold the trust of managing the mosque fund on behalf of donors, both of these activities present challenges to the management of the mosque. According to Said et al. (2013), Mohamed Adil et al. (2013), Zakariyah (2016), and Said et al. (2013), the quality of the mosque management team needs to be improved, and there is still room for improvement in the financial management practices of mosques.

The phenomenology approach, in particular, was employed in the majority of studies on financial management practices because it allowed for a deeper understanding of the practices used by mosques in financial management (Asdar et al., 2014; Syahawaluna and Maharani, 2017; Utama et al., 2018; Muchlis et al., 2019). With the use of observation, documentation, and interviews, this method gathered the data. These studies contain a variety of financial management techniques. For example, Asdar et al. (2014) conducted interviews with the Abu Dhar Al-Ghifary mosque's management team to comprehend the idea of accountability in mosque financial management procedures. According to their findings, accountability takes the form of a sense of spiritual calling, which is executing trust between people from a horizontal relationship perspective and fulfilling the mandate that has been given for Allah's sake from a vertical relationship perspective. The study also found that accountability reflects the integrity of mosque management, which is demonstrated by a strong sense of community commitment. The conclusion is that highly spiritual mosque administrators should be more accountable for the mosque's financial management and more likely to follow *Maqasid al-Shariah*.

According to Syahawaluna and Maharani (2017), the board must handle mosque funds more carefully if it is to uphold the values of the leader, particularly sincerity, reliability, and *tawakkal*. According to the study, this type of leader can present the accounting procedure as an effective internal control tool for mosques. According to Utama et al. (2018), the finances of the *Ummul Mu'minin* mosque are appropriately managed. Funds are gathered and dispersed as part of the *Ummul Mu'minin* mosque's fund management operations. Giving the needy a soft loan with no interest to use as capital for their productive endeavours is one of this mosque's

most significant charitable endeavours. According to the study, the mosque can serve as a source of funding for the underprivileged by offering them interest-free or well-qualified loans (*Qardhul Hasan*).

On the basis of the concepts of trust and *fathanah* (intelligent), Muchlis et al. (2019) investigated how Istiqomah Sugihwaras Mosque applied accountability and transparency. The results of the study demonstrated that Istiqomah Sugihwaras Mosque has implemented accountability and financial transparency in a good way. The mosque announces the relevant amount every Friday and is doing a good job of handling monthly and Friday donations. Nevertheless, the *fathanah* (intelligent) principle is not applied at Istiqomah Mosque. It is suggested that mosque management should receive instruction or direction regarding financial management tasks. Additionally, it is suggested that announcements be made via media, such as notice boards, in order to convey events and the mosque's performance.

A study on the idea of accountability in Islamic religious organizations was carried out by Basri et al. (2016). In both Indonesia and Malaysia, he had conducted interviews with two *ulamas* (muftis), twelve Muslim scholars, two pertinent government officials, and two organizational donors. According to the findings, Muslim scholars concurred that Islamic teachings are congruent with accounting and accountability practices. The findings also demonstrated the significance of accountability for Islamic religious institutions and recommended appropriate financial reporting procedures to improve accountability within those institutions.

An internal control system is, practically speaking, a crucial component of financial management on which mosque management needs to concentrate. Mohamed et al. (2014), for example, recommended that the management of *Jameq* Mosque focus on implementing an appropriate internal control system procedure for the receipt and distribution of funds. It might involve procedures like physical custody, authorization, transaction recording, and task segregation. As recommended by Kamaruddin and Ramli (2015), creating an accurate financial report from the viewpoint of the mosque is another crucial component. It is emphasized that evaluating the financial accountability of Islamic charitable organizations requires careful consideration of their financial disclosure. It is recommended that Islamic philanthropic organizations create a financial disclosure framework since it is an important instrument for carrying out accountability.

The impact of sound financial management practices on mosque management performance to achieve effective and efficient mosque management, good financial management practices are essential (Said et al., 2013; Kamaruddin and Ramli, 2015). If its internal control system is effective, it can be accomplished with ease. The management of the mosque has implemented a number of internal control and financial management practices, including physical custody, authorization, recording of transactions, and segregation of duties (Sulaiman et al., 2008; Mohamed et al., 2014; Masrek et al., 2014). They have also documented records (Kamaruddin and Ramli, 2017), prepared an accurate and proper accounting record for mosque activities (Sulaiman et al., 2008; Mohd Sanusi et al., 2015), disclosed the financial report to the community (Kamaruddin and Ramli, 2015), and enacted accountability and financial transparency (Syahawaluna and Maharani, 2017).

As demonstrated by several earlier studies pertaining to enhancing the economic development of mosques (Zakariyah et al., 2017), high-quality financial reporting (Shaharuddin and Sulaiman, 2015), and the productivity and performance of mosques (Zakariyah, 2016), it is



argued that mosques that practice good financial management are more efficient in mosque management. Only a small number of studies, though, demonstrated effective money management techniques in mosques (Sulaiman et al., 2008; Utama et al., 2018). For instance, a study by Sulaiman et al. (2008) found that the state mosques in West Malaysia have a strong internal control system, particularly when it comes to collecting and allocating funds. These mosques are good at following a few fundamental control procedures, such as recording financial transactions, authorizing specific activities, and separating duties. According to a different study conducted in 2018, Utama et al., mosque funds are collected and distributed in an appropriate manner. The mosque gave the less fortunate recipients of the funds a soft loan with no interest to use as capital for their profitable endeavors.

The majority of religious organizations, including mosques, do not adhere to sound financial management practices. For example, they are ineffective at implementing the segregation of duties element (Masrek et al., 2014), ineffective at practicing budgetary control (Shaharuddin and Sulaiman, 2015), improper in recording mosque transactions (Mohamed Adil et al., 2013; Mohd Sanusi et al., 2015), insufficient in bank savings of mosque funds (Zakariyah et al., 2017), lack adequate physical control over assets and records (Kamaruddin and Ramli, 2017), neglecting to implement internal audit processes for independent performance checks (Kamaruddin and Ramli, 2017), and lacking an accounting system and systematic management of *waqf* assets (Abu Talib et al., 2018).

Three Islamic non-profit organizations' current internal control procedures were examined by Kamaruddin and Ramli (2017). It is discovered that these organizations carry out a number of internal control procedures, including record-keeping, transaction authorization, and task segregation. The study did discover, however, that there was insufficient physical control over the assets and records, including the lack of a barrier to financial documentation and rooms, the installation of an alarm and closed-circuit television (CCTV) camera, and the hiring of a guard for the property. To be honest, some organizations didn't use internal auditing procedures to conduct impartial performance reviews. It is advised that Islamic non-profit organizations improve the effectiveness of their internal control systems to get over issues with a lack of financial personnel, inadequate physical control tools, failing to assign internal auditors for regular operation reviews, and limited funding.

The efficacy of the financial management, accountability procedures, and internal control system in 250 Malaysian mosques were all thoroughly investigated by Mohd Sanusi et al. (2015). The study recommended that in order to increase the efficacy of mosque fund management, proper accounting record-keeping for mosque operations should be implemented, along with increased accountability for the chairman and treasurer. Masrek et al. (2014) looked into how mosques in the central region of Malaysia—which includes the states of Selangor and Wilayah Persekutuan Kuala Lumpur—practiced fundamental internal financial controls. Since these mosques are well-funded and situated in a developed area, the study concentrated on the current practices of basic financial controls on income receipt and disbursement. The findings demonstrated that these mosques' internal control procedures for receiving income and disbursing funds are inefficient and require improvement, especially with regard to the segregation of duties component. Certain procedures, like physical custody, transaction recording, and authorization, are excellent, though.

In 2016, Zakariyah conducted a study to determine whether the mosque fund, or Tabung Masjid, in Terengganu complied with *Maqasid al-Shariah* regulations. Since the establishment

of Tabung Masjid has not successfully accomplished its objectives, it is discovered that the funds appear to be managed ineffectively. It is asserted that this state results from ignorant management practices of Tabung Masjid funds as well as ignorance of Islamic jurisprudential viewpoints on these funds. On the other hand, Said et al. (2013) proposed that a mosque's ability to raise money and maintain good internal control would both help to improve its financial performance.

In nine Malaysian states, 287 mosques' investment strategies were examined by Zakariyah et al. (2017). They discovered that these mosques in various states used different investment strategies and contributed different sums of money. The findings demonstrated that these mosques made significant savings across a range of banks, and they discovered that mosques in southern states saved a smaller portion of the Tabung Masjid (mosque fund) in the bank. The study also showed that bank savings and intentions for capital and general investments are negatively correlated. Nonetheless, it has been discovered that there is a strong positive correlation between mosque economic development and investment in Tabung Masjid.

Shaharuddin and Sulaiman (2015) discovered that while *Qaryah* (subdistrict) mosques in Kuala Terengganu are adopting good financial reporting practices, their budgetary control practices are less effective. According to the study, in order to increase the effectiveness of mosque fund management, *Qaryah* (subdistrict) mosques' financial management procedures need to be improved. According to a different study conducted in 2013 by Mohamed Adil et al., improving the accountability of the chairman and treasurer as well as maintaining correct and thorough records of financial transactions are crucial for raising mosque performance and productivity.

A study by Abu Talib et al. (2018) asserted that an accounting system and systematic management of *waqf* assets are still lacking from the perspective of *waqf* assets. They look into eleven State Islamic Religious Councils' (SIRCs) accounting procedures. Because each SIRC is led by its ruler (the Sultan), who is considered the final authority in Islam and makes decisions regarding fatwa councils, the study discovered that there are differences in accounting and reporting practices in these *waqf* institutions.

According to a research by Baharudin and Bahari (2020), despite the fact that there is a rise in the number of new mosques and the mosques' repeated attempts to secure funding, there are still problems with the financial management practices of the mosques. Three issues stand out in particular: 1) mosque administration and management, such as the lack of research on the mosque management system and the mosques' conservative approach to handling finances; 2) funding management, such as the mosque's significant savings in a low-return investment account, its inefficient use of funds, and its use of a restriction mechanism in the mosque expense fund for mosque activities and programs; and 3) accounting practice knowledge and accountability, such as the committee members' lack of accounting knowledge, the use of various financial reporting formats, and lax internal control over mosque funds management.

Furthermore, Mohamed et al. (2023) also mentioned that a good relationship between mosque and community is essential to having sound financial governance practices within a religious organization by creating awareness among them. Additionally, they mentioned that the standards of operation (SOP) and guidelines that the Malaysian religious authorities that oversee mosque administration might offer could enhance and elevate the mosque management mechanism.

## Data Collection

A survey using questionnaires was conducted with 23 respondents to gather feedback from the 14 mosques in the Kuala Nerus district of Terengganu, Malaysia. The respondents asked a few questions about their mosques' financial management procedures during the data collection process that they felt were difficult to answer and for which they needed more explanations from the researchers. Because the researchers were there to answer all of the respondents' questions, the "readability" of the questions might not be a problem.

Officers in charge of managing the mosque's finances participate in the study as respondents. The study's respondents were limited to "funds officers" because they are directly involved in internal control of financial management and decision-making regarding the funds on behalf of the mosque, and the study focuses on financial management practices in mosques. Skinner (1993), who asserted that unsuitable respondents in research had been a source of erroneous responses, discussed the significance of appropriate respondents when conducting a survey. This argument supports the notion that the mosque officers in charge of fund management are the study's most representative respondents.

There were three sections to the questionnaire. The first section covered demographic data, including the name of the mosque, the age range of the respondents, the officer's position within the mosque, the financial controller's availability, and the committee members' appointment of the financial controller. The second section focused on financial management data, including how mosques raise money to cover their costs and whether or not they use computer-based accounting systems to keep track of their finances. Part 3 also aimed to gather data regarding the mosques' internal control systems, which included receipt of funds, money physical custody, task segregation, and transaction recording. Respondents had to check the appropriate box for "yes" or "no" for each question.

## Results and Discussion

The study's data analysis revealed that there were four types of mosques: territory, state, government, and district. Of the fourteen mosques that were included in the study, twenty-seven percent were state mosques, thirteen percent were government mosques, and fifty-two percent were territory mosques. Regarding the respondents' demographic background, the age of respondents was between four different ranges: i) below 30; ii) 31 to 50; iii) 51 to 60; and iv) above 61 years. The second age range (31 to 50 years old) had the second-highest response rate, at 26.1%, and the fourth age range had the highest, at 52.2%. However, only 4.35% of them belonged to the first age group. Elders in the community appeared to make up the majority of the committee. The results were corroborated by the respondents' current employment status, which showed that most of them (34.8%) were retired and that an equal number (21.7%) worked for the government, the private sector, or themselves.

Mosque funds can be broadly classified into two categories: general funds and specific funds. While specific funds are restricted to specific uses, general funds are available for any kind of activity. Therefore, when it comes to managing finances, the individuals in charge should be aware of how to do so in a way that serves their goals. Consequently, the study discovered that 87% of the participants knew what a general fund was, while the remaining respondents did not. Just 69.6% of respondents knew what a fund of the second kind was. As a consequence, 78.3% of the participants were able to distinguish between these two funds.



Thirty-four percent of respondents held the position of chairman (7), secretary (30.4%), treasurer (26.1%), and other (13%), in the mosque committee. However, the respondents concurred that the committee (8.7%), the treasurer (69.6%), or both (21.7%) handled the mosque's finances. Furthermore, every mosque employs two account-checkers who inspect the mosque's account books at least once every three months and submit comprehensive reports to the state religious council and the mosque itself. Regarding the financial matters of mosques, every mosque has a 100% Friday box; however, the percentages for the orphan's box (8.7%), the particular activity box (43.5%), and the humanity box (21.7%) are relatively low. The mosques typically receive funding from a variety of sources in order to operate their operations, pay their debts, and cover their expenses. These sources include contributions from Friday prayers (95.7%), donations (56.5%), mosque mobile boxes (43.5%), mosque permanent boxes (82.6%), rental income (34.8%), government funding (69.6%), and individual or corporate contributions (47.8%).

However, mosques occasionally also received long-term gifts like furniture, air conditioners, fans, etc. (52.2%). Merely 17.4% of the total funds were derived from investments. The honoraria for lectures (100%), committee allowances (56.5%), utility bills (91.3%), maintenance costs (91.3%), banquet expenses (91.3%), and donations (65.2%) were the typical uses of the funds received. The fees or costs are determined by how frequently the events are scheduled. For example, there were religious lectures held once or twice (4.3%), three to five times (43.5%), and more than five times (52.2%) per week.

The majority of mosques' assets consist solely of savings accounts (82.6%) and cars (17.4%). Regarding financial information transparency, a portion of the respondents (87%) indicated that financial data, including the amount of cash on hand, was made public on a weekly (65.2%), monthly (21.7%), and annual (13%), basis. Utilizing a whiteboard (56.5%), making announcements during prayer time (13%), and using social media very infrequently (4.3%) were the strategies employed. It is crucial that every mosque schedules its events in advance in order to plan financially. According to the survey results, 82.6% of participants agreed that the majority of the activities were planned ahead and carried out in accordance with their budgets (95.7%). Nevertheless, the mosque faced certain challenges in organizing any events, including not only a lack of community support (21.7%) but also financial difficulties (30.4%) and both (8.7%). As a result, it's critical to understand the mosque's financial standing as follows:

**Table 1: A Summary of the Respondents' Responses**

| No. | Statements  | Results   |
|-----|---|---|
| 1.  | There are no financial limitations on how this institution conducts its daily operations. | Agree = 43.5%<br>Strongly agree = 43.5%<br>Disagree = 13%   |
| 2.  | The community makes good contributions to this institution.                               | Agree = 47.8%<br>Strongly agree = 34.8%<br>Disagree = 17.4% |
| 3.  | To pay for some costs, this institution does not need to make money on its own.           | Strongly agree = 56.5%<br>Disagree = 43.5%                  |

**Table 2: Current Financial Management Practices (FMP)**

| No  | Measurement Items |   | Agree (%) |
|-----|-------------------|---|-----------|
| 1.  | CR1               | This establishment keeps track of all of its receipts using a cash book.                        | 95.7      |
| 2.  | CR2               | This organization periodically inspects its accounts to ensure that its records are maintained. | 100.0     |
| 3.  | CR3               | Every cash receipt is validated using a copy of the bank slip.                                  | 82.6      |
| 4.  | CR3               | The fund boxes are all secured.   | 100.0     |
| 5.  | CR4               | Every fund box is consistently opened.  | 91.3      |
| 6.  | CR5               | Not every receipt will be utilized prior to being deposited into bank accounts.                 | 60.9      |
| 7.  | CR6               | If the money cannot be deposited the same day, it will all be kept in a secure location.        | 95.7      |
| 8.  | CR7               | The fund boxes can only be opened by the designated individual.                                 | 95.7      |
| 9.  | CR8               | When the fund boxes are opened, there will be multiple attendees.                               | 69.6      |
| 10. | CR9               | As soon as the boxes were opened, the collection was counted.                                   | 91.3      |
| 11. | CR10              | On the day the boxes are opened, all of the receipts have been deposited into the bank.         | 82.6      |
| 12. | CR11              | A different person who isn't keeping records has counted each and every receipt.                | 60.9      |
| 13. | CR12              | The invoice must be used as proof of payment for each payment.                                  | 73.9      |
| 14. | CP1               | Every payment is tracked based on the category of expense.                                      | 100.0     |
| 15. | CP2               | Various individuals will approve varying sums of money to be spent.                             | 91.3      |
| 16. | CP3               | Cheques are used to make all payments.  | 91.3      |
| 17. | CP4               | There are no cash payments made.  | 65.2      |
| 18. | CP5               | Checks and payments will be made by a different person.   | 95.7      |
| 19. | CP6               | The safe, locked space is where the checkbook is kept.  | 60.9      |

In terms of financial management practices (FMP), there were two variables used to see how the mosques managed their funds. The two variables were classified as cash receipts (CR) with 12 measurement items, while cash payments (CP) were measured with 6 measurement items, as shown in Table 2. Table 2 showed that the majority of the respondents agreed that the mosques were able to manage their funds. To sum up the findings, it appears that a few requirements need to be strengthened in order to have a sound financial management system. For example, all receipts should be deposited into bank accounts prior to any spending, and more people should have been present when the fund boxes are opened in order to list some recommended practices for sound financial management. Other practices include not paying all expenditures or expenses in cash, assigning different people to different tasks because we need to practice running a segregation of duties, and keeping sensitive documents like checkbooks in a secure location.

## Conclusion

In all institutions, including places of worship like churches, mosques, and temples, efficient and effective financial management techniques are essential. As an example, mosques receive donations from the general public. These donations are typically varied in kind and intent, so it's important to manage the funds wisely for the benefit of the local community and society as

a whole. Achieving efficient and effective financial management and internal control procedures, such as task division, physical custody, transaction recording, authorization process, documentation, financial information disclosure, and so forth, is essential. Therefore, by choosing mosque officers who are directly involved in internal control of financial management and decision-making related to the funds on behalf of the mosque, the study has been carried out to identify current practices in managing their funds, including internal control procedures. Out of the 14 mosques that were included in the study, the majority (52.2%) were territory mosques, followed by state mosques (21.7%), government mosques (13%), and district mosques (13%).

Furthermore, they frequently receive funding from a range of sources, including donations (56.5%), Friday prayer contributions (95.7%), rental income (34.8%), government funding (69.6%), and individual or business donations (47.8%). According to the study, some mosques have implemented a number of fundamental control measures, but they still need to make some improvements. For example, all receipts should be deposited into bank accounts before any spending is done; the number of people present when the boxes are opened; different people should perform different tasks; not all spending or expenses should be paid for with cash; and important documents, like checkbooks, should be kept in a secure location. It is also unexpected that 79% of the institutions still lack a computerized accounting system, despite the fact that this is necessary to guarantee accurate and organized accounting for efficient financial management. Therefore, mosques must take these needs into consideration in the near future for the benefit of society in order to improve the efficacy and efficiency of the financial management system. In light of the results, it is strongly advised that additional research examine a number of areas in order to gain a better understanding of the degree of practice, including financial planning, analysis, and review of their financial statements. By doing this, more targeted enhancements could be made to help the mosque move toward an improved internal control and financial management system.

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