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MANAGEMENT AND FINANCIAL LITERACY: A STUDY AMONG MOSQUE ADMINISTRATOR IN KUBANG PASU DISTRICT

By

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ABSTRACT

This study's purpose is to investigate the level of financial literacy among mosque administrators in Kubang Pasu District, aiming to assess their knowledge and skills related to effective financial management in religious institutions. Financial literacy is crucial for the transparent and accountable administration of mosque finances, impacting budgeting, donation management, investment decisions, and overall financial sustainability. The study employs a qualitative methods approach, consisting of interviews from the participants. Three participants interviewed were from three different mosques, Sharifah Fatimah Mosque, al Fateh Mosque, and Abidin Mosque. Content analysis was used to understand and interpret the stories participant shared about mosque financial literacy and management. The findings shed light on the current state of financial literacy among mosque administrators in Kubang Pasu, the strategies they employ to address financial challenges, and the obstacles they face in managing mosque finances. The study concludes that enhancing financial literacy and management practices can lead to more effective resource allocation, greater transparency, and sustainable financial practices within the mosque community.

Keywords: *Financial Literacy, Financial Management, Mosque Administrator, Kubang Pasu*

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ABSTRAK

Kajian ini bertujuan untuk mengkaji tahap literasi kewangan dalam kalangan pentadbir masjid di daerah Kubang Pasu, bertujuan untuk menilai pengetahuan dan kemahiran mereka berkaitan pengurusan kewangan yang berkesan di institusi agama. Celik kewangan adalah penting untuk pentadbiran kewangan masjid yang telus dan bertanggungjawab, memberi kesan kepada belanjawan, pengurusan derma, keputusan pelaburan dan kemampanan kewangan keseluruhan. Kajian ini menggunakan pendekatan kaedah kualitatif, yang terdiri daripada temu bual daripada peserta. Tiga peserta yang ditemu bual adalah dari tiga masjid berbeza iaitu Masjid Sharifah Fatimah, Masjid al Fateh, dan Masjid Abidin. Analisis kandungan digunakan untuk memahami dan mentafsir cerita yang dikongsikan peserta tentang celik kewangan dan pengurusan masjid. Penemuan ini memberi penerangan tentang keadaan celik kewangan semasa di kalangan pentadbir masjid di Kubang Pasu, strategi yang mereka gunakan untuk menangani cabaran kewangan, dan halangan yang mereka hadapi dalam menguruskan kewangan masjid. Kajian itu merumuskan bahawa meningkatkan literasi kewangan dan amalan pengurusan boleh membawa kepada peruntukan sumber yang lebih berkesan, lebih ketelusan, dan amalan kewangan yang mampan dalam komuniti masjid.

Kata Kunci: *Celik Kewangan, Pengurusan Kewangan, Pentadbir Masjid, Kubang Pasu*

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LIST OF ABBREVIATION

OECD	:	Organization for Economic Cooperation and Development.
AICPA	:	American Institute of Certified Public Accountants
MACC	:	Malaysian Anti-Corruption Commission
ISO	:	International Organization for Standardization
UUM	:	Universiti Utara Malaysia
UniMAP	:	Universiti Malaysia Perlis
MRSM	:	Maktab Rendah Sains MARA
NPO	:	Non- Profit Organization

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter discussed background information in the management and financial literacy among mosque administrator in Kubang Pasu. It includes a discussion on the background of the study, the problem statement, research objectives, research questions, the significance of the research, the scope of the research, the definition of key terms, and also the organizational structure of the research.

1.2 Background of the Study

The mosque has stood as an enduring symbol of the grandeur of Islam from its inception to the present day. Serving as a crucial institution, mosques have fulfilled diverse roles and functions, ranging from being places where Muslims gather for prayer to serving as centre for religious education, economic activities, and local community engagement. To ensure the smooth and organized execution of these roles, efficient management of mosques, particularly concerning economic and financial aspects, is essential. Most of the mosque's resources come from donations, and the stewardship of these assets is vital to ensure they are directed towards outreach activities that greatly benefit the worshipers (Desa, 2009).

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Mosque (مَسْجِد) in Arabic is the name for a place of prostration. From the point of view of syara' it can be defined into two: Places on the surface of the earth, this is based on the words of the Prophet SAW:

وَطَهُورًا مَسْجِدًا الْأَرْضُ لِيَ وَجُعِلَتْ

"Made for me this earth as a mosque (place of prostration)"

(Narrated by al-Bukhari, hadith no. 438)

While from the point of view of the term or *'urf*, the mosque is a place prepared for praying for eternity. (*Mu'jam Lughat Al-Fuqaha, p. 428 and Ahkam al-Sajid, p. 26-27*). Moreover, Allah SWT said in At-Taubah verse 107-110:

وَٱلَّذِينَ ٱتَّخَذُوا۟ مَسْجِدًا ضِرَارًا وَكُفْرًا وَتَفْرِيقًۢا بَيْنَ
ٱلْمُؤْمِنِينَ وَإِرْصَادًا لِّمَنْ حَارَبَ ٱللَّهَ وَرَسُولَهُۥ مِن قَبْلُ ۚ
وَلَيَحْلِفُنَّ إِنْ أَرَدْنَآ إِلَّا ٱلْحُسْنَىٰ ۖ وَٱللَّهُ يَشْهَدُ إِنَّهُمْ لَكَٰذِبُونَ
١٠٧ لَا تَقُمْ فِيهِ أَبَدًا ۚ لَّمَسْجِدٌ أُسِّسَ عَلَى ٱلتَّقْوَىٰ مِنْ أَوَّلِ
يَوْمٍ أَحَقُّ أَن تَقُومَ فِيهِ ۚ فِيهِ رِجَالٌ يُحِبُّونَ أَن يَتَطَهَّرُوا۟ ۚ
وَٱللَّهُ يُحِبُّ ٱلْمُطَّهِّرِينَ ١٠٨ أَفَمَنْ أَسَّسَ بُنْيَٰنَهُۥ
عَلَىٰ تَقْوَىٰ مِنَ ٱللَّهِ وَرِضْوَٰنٍ خَيْرٌ أَم مَّنْ أَسَّسَ بُنْيَٰنَهُۥ
عَلَىٰ شَفَا جُرُفٍ هَارٍ فَٱنْهَارَ بِهِۦ فِى نَارِ جَهَنَّمَ ۗ وَٱللَّهُ لَا يَهْدِى
ٱلْقَوْمَ ٱلظَّٰلِمِينَ ١٠٩ لَا يَزَالُ بُنْيَٰنُهُمُ ٱلَّذِى بَنَوْا۟ رِيبَةً
فِى قُلُوبِهِمْ إِلَّآ أَن تَقَطَّعَ قُلُوبُهُمْ ۗ وَٱللَّهُ عَلِيمٌ حَكِيمٌ ١١٠

"There are also those ˹hypocrites˺ who set up a mosque ˹only˺ to cause harm, promote disbelief, divide the believers, and as a base for those who had previously fought against Allah and His Messenger. They will definitely swear, "We intended nothing but good," but Allah bears witness that they are surely liars. Do not ˹O Prophet˺ ever pray in it. Certainly, a mosque founded on righteousness from the first day is more worthy of your prayers. In it are men who love to be purified.[1] And Allah loves those who purify themselves. Which is better: those who laid the foundation of their building on the fear and pleasure of Allah, or those who did so on the edge of a crumbling cliff that tumbled down with them into the Fire of Hell? And Allah does not guide the wrongdoing people. The building which they erected will never cease to fuel hypocrisy in their hearts until their hearts are torn apart. And Allah is All-Knowing, All-Wise."

(At-Taubah: 107-110)

The management of mosque funds involves the administration of trust properties, including waqf assets and tabarru' funds such as alms and charitable donations. These endowment properties are governed by relevant Shariah laws, which are based on the intentions and agreements of the fund and property donors. The mosque administration does not possess absolute authority over the expenditure of these assets and funds. Instead, they act as trustees or nazirs appointed to oversee the management of *waqf* properties and *tabarru'* funds. Therefore, it is crucial for mosque management to possess a thorough understanding of Shariah principles when managing the mosque's income and expenses (Hydzulkifli, et. el., 2016; Jalil and Ramli, 2014).

The mosque also became a center of economic activity where it is narrated that the Prophet SAW sometimes placed property (before it was distributed to the Muslims) in the mosque. In a hadith from Anas, it is mentioned;

ﻟﻠﻪ ﺭﺳﻮﻝ ﺑﻪ ﻳﺄﺗﻲ ﻣﺎﻝ ﺃﻛﺜﺮ ﻭﻛﺎﻥ ." ﺍﻟﻤﺴﺠﺪ ﻓﻲ ﻳﺰﺭﻭﻩ "ﻓﻘﺎﻝ ﺍﻟﺒﺤﺮﻳﻦ ﻣﻦ ﺑﻤﺎﻝ ﻭﺳﻠﻢ ﻋﻠﻴﻪ ﺍﻟﻠﻪ ﺻﻠﻰ ﺍﻟﻨﺒﻲ ﻳﺄﺗﻲ
ﺟﺎء ﺍﻟﺼﻼﺓ ﻗﻀﻰ ﻓﻠﻤﺎ ﺇﻟﻴﻪ ﻳﻠﺘﻔﺖ ﻟﻢ ﺍﻟﺼﻼﺓ، ﺇﻟﻰ ﻭﺳﻠﻢ ﻋﻠﻴﻪ ﺍﻟﻠﻪ ﺻﻠﻰ ﻟﻠﻪ ﺭﺳﻮﻝ ﻓﺨﺮﺝ ﺳﻠﻢ، ﻋﻠﻴﻪ ﺍﻟﻠﻪ ﺻﻠﻰ
ﻭﺍﻳﺘﻨﻔﺴﻲ ﻓﺎﻳﺘﻨﻔﻠﻲ ﺃﻋﻄﻨﻲ ﻟﻠﻪ ﺭﺳﻮﻝ ﻳﺎ ﻓﻘﺎﻝ ﺍﻟﻌﺒﺎﺱ ﺟﺎءﻩ ﺇﺫ ﺃﻋﻄﺎﻩ، ﺇﻟ ﺃﺣﺪ ﻟﻲ ﺗﺮﻯ ﻛﺎﻥ ﻓﻤﺎ ﺇﻟﻴﻪ ﻓﺠﻌﻞ
ﻟﻠﻪ، ﺭﺳﻮﻝ ﻳﺎ ﻓﻘﺎﻝ ﻳﺴﺘﻄﻴﻊ ﻋﻠﻴﻪ ﻳﻘﻠﻪ ﻩ ﺫ ﻣﺒﺘﻬﺎ ﻓﻴﻪ ﻓﺠﻌﻞ ﺍ ." ﺧﺬ "ﻭﺳﻠﻢ ﻋﻠﻴﻪ ﺍﻟﻠﻪ ﺻﻠﻰ ﻟﻠﻪ ﺭﺳﻮﻝ ﻓﻘﺎﻝ ﻳﺮﻓﻌﻪ ﻟﻢ ﺣﺘﻰ
ﺭﺳﻮﻝ ﻳﺎ ﻓﻘﺎﻝ ﻳﻘﻠﻪ ﻩ ﺫ ﻣﺒﺘﻬﺎ ﻓﻴﻪ ﻓﻨﺜﺮ ." ﻟ "ﻗﺎﻝ ﻳﻌﻨﻲ ﺃﻧﺖ ﺍﻭﻉ ﻓﻘﺎﻝ ." ﻟ "ﻗﺎﻝ ﺇﻟﻲ ﻳﻘﻊ ﻣﺒﻌﺾ ﻩ ﻣﻦ ﺃﻭﻣﺮ
ﻳﻌﻨﻲ ﻓﻘﺎﻩ ﺍﺣﻤﻠﻪ ﻣﻨﻪ ﻓﻨﺜﺮ ." ﻟ "ﻗﺎﻝ ﻳﻌﻨﻲ ﺃﻧﺖ ﺍﻭﻉ ﻓﻘﺎﻝ ." ﻟ "ﻗﺎﻝ ﻳﻌﻨﻲ ﻳﻘﻊ ﻣﺒﻌﺾ ﻩ ﻣﻦ ﺃﻭﻣﺮ ﻟﻠﻪ،
ﻗﺎﻡ ﻓﻤﺎ ﺣﻤﻠﻪ ﻣﻦ ﻋﺠﺰ ﻳﻌﻨﻲ، ﺣﺘﻰ ﻳﺒﺮﺡ ﻓﺠﻌﻞ ﻳﺮﻓﻌﻪ ﻭﺳﻠﻢ ﻋﻠﻴﻪ ﺍﻟﻠﻪ ﺻﻠﻰ ﻟﻠﻪ ﺭﺳﻮﻝ ﺯﺍﻝ ﻓﻤﺎ ﺍﻟﻄﻖ ﺛﻢ ﻛﺘﻔﻪ ﻋﻠﻰ
ﺩﺭﻫﻢ ﻣﻨﻪ ﻓﺄﺧﺬ ﻭﺳﻠﻢ ﻋﻠﻴﻪ ﺍﻟﻠﻪ ﺻﻠﻰ ﻟﻠﻪ ﺭﺳﻮﻝ

"Treasure from Bahrain was once brought to the Prophet. The Prophet said: Put it in the mosque. That was the most wealth ever brought to the Prophet. Then the Prophet went out to pray. His Majesty did not even turn to the property. After finishing the prayer, His Majesty went near the treasure and sat down. Not seen by anyone but given to him. Suddenly came to him, Abbas. He said: O Messenger of Allah, give it to me because I have redeemed myself and Aqil (while captured in the battle of Badr). So the Messenger of Allah said to him: Take it. He scooped the treasure into his cloth and wanted to carry it but could not because of the weight. He then said: O Messenger of Allah, tell someone to lift it for me. The Prophet said no. He said again: In that case, you are the one who raised it for me. The Prophet said: no. So he threw some of it and lifted it up saying: tell someone to lift it up for me. The Prophet said: no. He said: you are the one who picked it up and put it on me: the Prophet said: it is not possible. After that he threw away some of the property and lifted it and put it on his shoulder then left. The Messenger of Allah continued to watch Abbas because he was surprised by

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his greedy and greedy nature until he disappeared from our sight. The Messenger of Allah did not rise from there except after not even a single dirham was left."

(Narrated by al-Bukhari, Hadith no. 421)

The financial administration of a mosque revolves around two primary aspects, income and expenditure. These encompass the methods employed to acquire funds or assets and the procedures for directing these funds for the mosque's various needs. The economic and financial management of the mosque indicates that its income comes from two main sources: specific and general. General funds are versatile and can be used without a designated purpose, while special funds are earmarked for specific and defined purposes. On the expenditure side, costs are typically categorized into three parts: management expenses, *ijtima'ie* expenses, and *tijari* expenses (Abd. Aziz, 2009).

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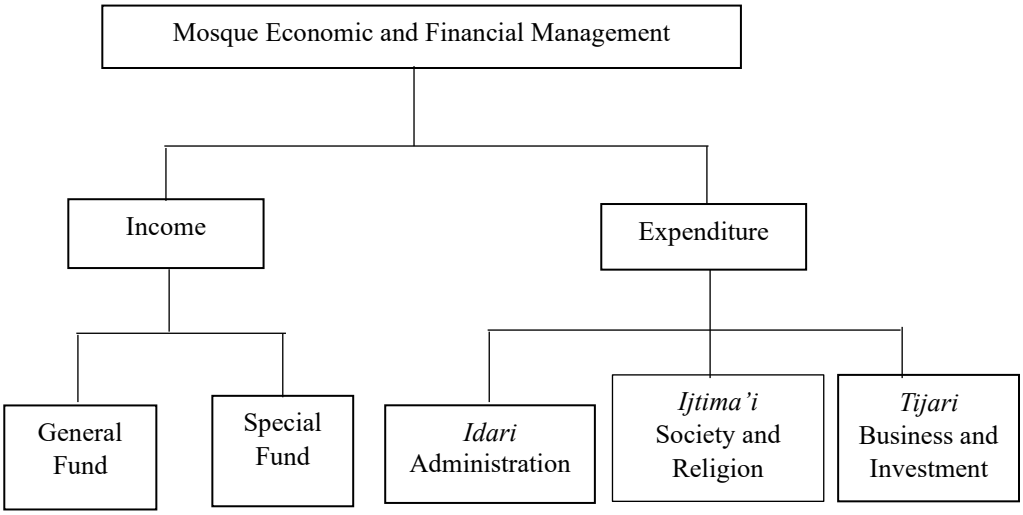
Table 1.1: Mosque Economic and Financial Management



Source: Asharaf Mohd Ramli, Abdullah Jalil, Norman Hamdan, Asmaddy Haris, & Mohd Aizuddin Abd Aziz (2009).

Proper financial management is essential for the various sources of funds that mosques receive. A significant challenge today is ensuring that mosques implement effective financial management practices (Mohamed et al., 2014). Effective financial management fosters transparency and accountability in fund usage reporting, improves the efficiency and effectiveness of operational activities, and ensures compliance with organizational policies and regulations (AICPA, 1994). However, mosque management often faces criticism for inadequate accountability in accounting systems, limited budget participation, improper income recording and reporting, and ineffective strategies for sourcing income (Alim and Abdullah, 2010). These issues compromise the quality of management, failing to meet Islamic requirements (Mohd et al., 2015). This study aims to examine the management practices and financial literacy among mosque administrators in Kubang Pasu.

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1.3 Problem Statement

Financial management holds significance not just for profit-driven organizations but also for non-profit entities like mosques. Effectively handling finances is crucial for the success of an institution as it directly impacts its operations (Salawati, 2009). As per Nangkula Utaberta and Hafshah Othman (2011), a business entity's sustainability is jeopardized if the management of its assets and liabilities is not conducted with optimal efficiency. Similarly, in the context of a mosque institution, insufficient financial resources can impede the successful execution of planned activities.

The mosque serves as a hub for Islamic education and advancement, playing a pivotal role in delivering Islamic teachings to the community. Beyond being a space for prayer,

it can also function as a center for various welfare, economic, and administrative activities (Isa, 2015). To fully harness the potential of the mosque, it is crucial for the mosque management to possess a deep understanding of financial management, enabling the realization of diverse religious programs. Individuals equipped with sound financial knowledge are better positioned to make confident decisions when addressing challenges (Lone, 2021). Therefore, it is imperative for mosque management to acquire knowledge in financial management to effectively fulfill their roles.

To put it differently, it is imperative for mosques to establish a well-structured financial management system, ensuring complete trust within the mosque committee. Examples have been observed where some mosque committees, when entrusted with responsibility, proved to be unreliable and tarnished the good name of the mosque (Mat Nor, 2022). This emphasizes the importance of accountability in religious institutions, emphasizing the need not only to allocate donated funds responsibly but also to protect against any possible misuse of resources. The management of the mosque should adopt the mindset of a trustee, fulfilling its obligations according to the guidelines outlined in the Quran and Hadith (Siraj, 2008).

Due to the lack of systematic financial management, certain mosques encounter difficulties in conducting outreach activities and enhancing the infrastructure surrounding the mosque. Unanticipated expenditures further contribute to the challenges faced by mosque administrations in financial management (Che Yusoff, 2015). Consequently, it is crucial for mosque management to assert complete control

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over overseeing the mosque's finances, aiming to prevent any financial discrepancies within the committee.

Allah SWT said in Surah An-Nisa, verse 29;

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُواْ لَا تَأۡكُلُوٓاْ أَمۡوَٰلَكُم بَيۡنَكُم
بِٱلۡبَٰطِلِ إِلَّآ أَن تَكُونَ تِجَٰرَةً عَن تَرَاضٖ مِّنكُمۡۚ وَلَا تَقۡتُلُوٓاْ
أَنفُسَكُمۡۚ إِنَّ ٱللَّهَ كَانَ بِكُمۡ رَحِيمٗا ٢٩

"O believers! Do not devour one another's wealth illegally, but rather trade by mutual consent. And do not kill ˹each other or˺ yourselves. Surely Allah is ever Merciful to you."

(Surah An-Nisa, verse 29)

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Fund misappropriation is common in religious groups, especially mosques, according to Sulaiman et al. (2008). This is because there is a lack of accountability and adherence to sound accounting procedures. This frequently results in people in positions of authority misappropriating money. Under these conditions, errors in reporting management systems—budgeting, financial statements, and internal controls, for example—cause mistakes that make it more difficult for non-profit organizations (NPOs) to manage their finances effectively and increase administrative responsibilities (Mohamed Adil et al., 2012). For NPOs to ensure successful governance and performance evaluation, managers must actively participate in financial management processes (Aranya, 1990). This includes possessing the

necessary skills in budget preparation, fund control, and internal oversight to improve the organization's financial management processes.

Undoubtedly, there are mosques endeavoring to revitalize their role within the community by organizing various activities to foster community engagement, aiming to transform the mosque into a cherished communal space (Roslan Mohamed, 2003). Regrettably, many still fall short of fulfilling this vision. Among the contributing factors is the inadequacy in activity planning by mosque management, often stemming from a lackadaisical and irresponsible attitude among appointed committee members. Many perceive their role solely as maintaining the physical aspects of the mosque, neglecting its broader purpose. This issue is prevalent across numerous mosque institutions, particularly those in rural areas (Roslan Mohamed, 2003).

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Moreover, the misunderstanding of the mosque institution's concept is not confined to the public but also extends to mosque management. If left unaddressed, this lack of understanding will continue to hinder the mosque institution, impeding its ability to effectively serve its community. Recognizing and embracing the true essence of the mosque institution is pivotal in establishing and executing structured outreach initiatives (Abdul Munir, 1986).

One of the pressing issues in financial management concerns is the misappropriation of donations intended for Aman Palestine. The Bangi-based nonprofit group Aman Palestine was established in 2004 with the intention of raising money for those affected by the hostilities in Palestine, Syria, and Lebanon, according to information on the

organization's official website. Abdullah Zaik Abdul Rahman, its executive director, was once president of the contentious Islamist organization *Ikatan Muslimin Malaysia* (Isma). Apart from that, Zaini Awang, a director, is also a leader in Isma, and Zainur Rashid, an adviser, is vice-president of Isma at the moment.

There are allegations that public donations intended for the Palestinian people, channeled through Aman Palestine, have been misappropriated to unrelated companies with no connections to Palestine or its conflict with Israel. According to a report from Utusan Malaysia, initial investigations by the Malaysian Anti-Corruption Commission (MACC) suggest that the funds were diverted to companies across different sectors, including tourism, a shooting academy, gold mining, technology research, and media. There are suspicions that the family and friends of the fund manager operated these companies, and their salaries were allegedly financed by the donations intended for the Palestinian cause.

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Additionally, the MACC's investigation uncovered that portions of the public's contributions were utilized to acquire gold, cryptocurrency, and real estate—assets not connected to aiding the Palestinian people. Furthermore, the charity organization was discovered to have engaged a previously blacklisted accounting firm, purportedly to falsify expense statements and portray a favorable financial standing. A scrutiny of Aman Palestine's accounting records exposed excessive operating and management fees amounting to over RM 400,000 monthly. MACC is reportedly continuing its investigation to ascertain potential misappropriation of public donations and to trace the ultimate destinations of these funds.

According to the information given, the MACC has announced the freeze of 41 bank accounts connected to Aman Palestine and a number of other businesses as part of an investigation into the alleged RM70 million theft by the nonprofit. Authorities also seized four 1kg Grade 999.9 gold bullion bars during the operation. Reportedly, on November 28, Aman Palestine acknowledged that it had used its money to purchase the seized gold bars, claiming that it was entitled to do so under the terms of its business charter. Mohd Rafique Rashid Ali, the organization's attorney, denied any claims of embezzlement and stressed that the board of directors had the ability to make financial investments. The attorney also made it clear that Aman Palestine only controlled 11 of the frozen accounts, which were set aside for donations; the other accounts belonged to the organization's employees, board members, and strategic partners. He threatened legal action if the MACC did not remove the account freeze in three days (Seraj Zaf, 2023).

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On 1 December 2023, Azam emphasized that the MACC couldn't unfreeze the bank accounts without proper conclusion of investigations. He reiterated the ongoing efforts by authorities to trace various transactions related to Aman Palestine, ensuring transparent use of the significant public donations. There are various issues related to financial management. Therefore, this study aims to fill the existing research gaps by assessing the level of understanding among mosque management regarding financial management and exploring the challenges encountered in managing the financial funds of the mosque.

1.4 Research Questions

Below are the research questions of the study:

i. To what degree do mosque administrators in Kubang Pasu possess financial literacy?
ii. What kind of financial management methods implemented by mosque administrators in Kubang Pasu?
iii. What are the challenges encountered by mosque administrators in Kubang Pasu in managing mosque finances?

1.5 Research Objectives

There are three main objectives of this study:

i. To investigate the level of financial literacy among mosque administrators in Kubang Pasu.
ii. To explore the financial management methods implemented by mosque administrators in Kubang Pasu.
iii. To identify the challenges encountered by mosque administrators in Kubang Pasu in managing mosque finances.

1.6 Significance of the Study

This study holds significant importance for several reasons, with its outcomes expected to directly or indirectly benefit various stakeholders. The significance of this study can be categorized into three main criteria.

Firstly, this study significantly enhances the understanding of financial literacy among mosque administrators in Kubang Pasu. Additionally, there is a lack of research on the importance of financial literacy management among mosque administrators.

Secondly this study in contribution to help on overcoming the issues in the management of donation money and methods utilized by mosque administrators for effective money management in Kubang Pasu mosque.

Finally, this study is to explore the level of financial literacy knowledge among mosque administrators in Kubang Pasu.

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1.7 Scope of the Study

This study aims to explore the degree of financial literacy among mosque administrators in Kubang Pasu, as well as to examine the financial management practices utilized by them. Competent financial management holds significance in effectively overseeing mosque operations. Mosque administrators bear the responsibility of ensuring the efficient financial management of mosques, mitigating issues such as theft and dishonesty. The study methodology employed a mixed-methods approach, utilizing both surveys and interviews to gather quantitative and qualitative data. The respondents were mosque administrators from three mosques in Kubang Pasu.

1.8 Definition of Key Terms

1.8.1 Mosque

A mosque, linguistically speaking, signifies a site of prostration (Roslan, 2008). According to Al-Fairuz Abadi (1987), this act of prostration embodies notions of obedience, self-effacement, and humility, symbolizing devotion to Allah SWT by placing one's forehead on the ground. The term "mosque" originates from the Arabic word "*sajada*," "*yasjudu*," "*sajdan*," or "*sujudan*," which conveys the idea of obedience and submission through bowing down to the earth in reverence to Allah SWT (Al-Kamus Al-Muhit, 1987). Abdullah and Muhyidin (2003) suggest that a mosque is a dedicated structure for Muslims to engage in religious rituals and sanctioned activities.

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Moreover, the mosque, synonymous with prostration, holds significance, including fostering respect, acknowledging the caliphate, and adhering to the decrees of Allah SWT, which are considered as sunnah Allah, among other aspects (Roslan, 2008). Additionally, every Muslim is obligated to attend the mosque for Friday prayers weekly, a duty that cannot be delegated. During the time of the Prophet SAW, the mosque served as a multifunctional hub, accommodating foreign envoys, tribal delegations, signing agreements, facilitating gatherings, and welcoming guests (Shaikh Ali Mohamad, 2003; Zainuddin, 2001).

Undoubtedly, the mosque has played a significant role in Islam, serving as a catalyst for civilization and a centre for knowledge that has fostered scholars contributing to human history's development and altering the course of world history (Joni Tamkin

and Che Zarina, 2003). Therefore, emphasizing the mosque's role and enhancing its systematic management are imperative.

1.8.2 Financial Literacy

Noctor et al. (1992) were among the pioneers in defining Financial Literacy. They characterize financial literacy as the comprehension of financial matters essential for making well-informed decisions. This definition encompasses two key elements. Firstly, it involves acquiring financial knowledge through educational programs. Secondly, it entails the aptitude to apply this knowledge effectively in decision-making processes. However, Hilgert et al. (2003) note variations in how financial literacy is conceptualized in different studies. Some studies overlook the distinction between these two dimensions, assuming that increased financial knowledge inevitably leads to improved financial practices and behaviours.

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Conversely, others confine financial literacy to knowledge acquired specifically from financial education initiatives. They examine financial literacy separately from financial decision-making and explore the relationship between these two concepts. Hilgert et al. (2003), for example, investigate the connection between people's financial actions and their degree of financial literacy, focusing on things like handling credit, managing cash flow, investing, and saving. According to their findings, people who score higher on the financial literacy scale typically make wiser financial decisions. In a similar vein, van Rooij et al. (2011a) confirm this association and stress the important impact that financial literacy has in affecting stock market involvement.

1.8.3 Mosques Administrator

The mosque management committee is an organization deeply involved in the day-to-day operations of the mosque. Typically, its members are selected from among mosque attendees either directly by the State Islamic Religious Council or through an annual meeting held by the mosque's congregation. This committee operates under the oversight of the Department of Islamic Religion or the Office of Islamic Religion, which monitors its activities closely. The regulations outlined in the Mosque and Parish Committee (Selangor State) of 1995, amended in 1999 and 2001, delineate the roles and responsibilities of mosque officials and parish committees in administering and overseeing mosques in Selangor state.

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The chairperson of the mosque committee, known as the nazir, holds the primary responsibility for the mosque's administration and management. Additionally, the secretary and treasurer play pivotal roles as committee members, assisting the nazir in managing both daily operations and financial matters. Furthermore, various bureaus, such as economic or educational bureaus, can be established to support mosque initiatives through planned and executed activities aimed at mosque promotion (Mohd Ramli, A., Jalil, A., Hamdan, N., & Haris, 2012).

Mosque officials serve as exemplars for the local community, and their moral conduct significantly influences the mosque's reputation. According to the informants, imams and mosque committee members are carefully chosen individuals who must embody exemplary behaviour both within and beyond the mosque premises. Any slight transgression, whether deliberate or unintentional, can reverberate through society.

Trustworthiness, integrity, and noble character form a cohesive framework essential for anyone involved in mosque administration, particularly those holding positions such as mosque imams. (Abdul Munir Ismail, 2012) and (Mohd Nizam & Ahmad Badri, 2010).

1.9 The Organization of the Study

This study is organized into five chapters. Chapter One provides the background of the study, outlines the problem statement, research questions, research objectives, scope of the study, significance of the study, and the organization of all the chapters.

Chapter Two focuses on the literature review of previous research, defining predetermined themes and categories, discussing related previous studies, and including emerging categories and themes.

Chapter Three encompasses the study design, population and sampling methods, development of interview protocols, pilot study, actual fieldwork, a concise overview of data analysis, and the reliability of the study methodology.

Chapter Four explains the data collection process, categorization, and data analysis, addressing the research questions based on the analyzed data and discussing the study results.

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Finally, Chapter Five summarizes the findings, discussion, and conclusion, presenting the implications and limitations of the study, and offering recommendations for future research.

1.10 Conclusion

This chapter presents a detailed formulation that will be applied in the study that will be conducted. The main purpose of this chapter is to outline the main research questions that will help the investigation to find out the management methods and financial knowledge among the mosque administration in the Kubang Pasu district. This question will guide the investigation to find out the level of financial literacy and management methods among the administrators in the Kubang Pasu district mosque. This chapter also includes the history of the study, formulating the problem statement, research questions, the objective study outlined and the scope of this study. In addition, the importance of this study is discussed in this chapter as well.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter aims to review relevant literature from previous studies and research concerning financial literacy among mosque administrators. It specifically focuses on the financial literacy of mosque administrators in Kubang Pasu. The discussion in this chapter not only explores the concepts of dependent and independent variables but also involves the development of a research framework model. The complex interrelationships among all variables will be thoroughly analysed, and hypotheses will be formulated based on pertinent theoretical frameworks.

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2.2 Underpinning Theory

2.2.1 Mosque Definition

The word mosque, mentioned 28 times in the Quran, comes from the Arabic root *sajada*, which means prostrate or submit (Musahadi, 2018). Thus, the mosque becomes a place of worship in Islam which is an integral part of the spiritual, social and cultural life of a Muslim (Ismatullah and Kartini, 2018; Saputra, 2017). Mosques also have a role as a forum for social activities, community empowerment, to community development in various fields (Afriany and Wathan, 2019; Aziz et al., 2016; Farida, 2014).

Allah SWT said in Surah al-Jin verse 18;

وَأَنَّ ٱلْمَسَٰجِدَ لِلَّهِ

"And indeed, the mosques are only for (worshipping) Allah". (Surah al-Jin: 18)

Moreover, in al-Baqarah verse 125;

وَإِذْ جَعَلْنَا ٱلْبَيْتَ مَثَابَةً لِّلنَّاسِ وَأَمْنًا وَٱتَّخِذُوا۟ مِن مَّقَامِ إِبْرَٰهِـۧمَ مُصَلًّى ۖ
وَعَهِدْنَآ إِلَىٰٓ إِبْرَٰهِـۧمَ وَإِسْمَٰعِيلَ أَن طَهِّرَا بَيْتِىَ لِلطَّآئِفِينَ وَٱلْعَٰكِفِينَ
وَٱلرُّكَّعِ ٱلسُّجُودِ ﴿١٢٥﴾

"And remember when We made the house (Kaaba) a place of gathering and a safe place for people. And make Ibrahim's maqam a place of prayer. And We commanded Ibrahim and Ishmael: "Cleanse My house for those who circumambulate, namely those who those who do itikaf, those who bow and those who prostrate."

(Al-Baqarah: 125)

2.3 Financial literacy

Financial literacy, as defined by Mandell (2008, p. 257), is "*the ability of individuals to make wise financial decisions that benefit them in both the short and long term*," which is akin to having good money management skills. Typically, this competency is assessed individually before being combined into groups (Remund, 2010, p. 279). With the evolving economic environment, initiatives promoting financial literacy have attracted considerable interest. Studies show that financial literacy influences financial behavior in a positive way: workshops and educational initiatives influence savings

and total financial wealth (Lusardi, 2004), and people who took business or economics in high school are less likely to be without banking services (Bernheim, Garrett, and Maki, 2001; Grimes, Rogers, and Smith, 2010).

Some studies, however, cast doubt on the efficacy of these programs: Choi, Laibson, Madrian, and Metrick (2005) found that teaching employees about the risks associated with employer stock had no significant impact on 401(k) holdings, and Mandel and Klein (2009) found no discernible difference in financial literacy between high school students who completed a semester of financial literacy courses and those who did not. The relationship between knowledge and financial planning is not very strong, despite the fact that wealthier American households tend to plan their finances more (Alhenawi and Elkhal, 2013).

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There is a good deal of study on financial literacy (Remund, 2010; Walstad et al., 2010; Lasuardi et al., 2010; Lusardi, 2008; Houston, 2010). Still, no universally accepted definition of financial literacy has been produced in spite of a plethora of study. Remund (2010) also discovered that there was no consensus definition among academics in his analysis of studies conducted since 2000 (Huston, 2010; Remund, 2010). Remund did, however, identify five shared conceptual domains within which definitions of financial literacy were found: (i) comprehension of financial concepts; (ii) skill in communicating financial concepts; (iii) competence in handling personal finances; (iv) capacity for making sound financial decisions; and (v) assurance in effectively projecting future financial needs. Remund's synthesis of a definition that incorporated key components from multiple studies was based on these categories:

financial literacy is an evaluation of a person's understanding of basic financial concepts as well as their confidence and ability to successfully manage their personal finances by making wise short- and long-term financial decisions and taking life events and changing market conditions into account.

Huston (2010), on the other hand, describes financial literacy as the assessment of a person's ability to comprehend and apply knowledge related to personal finance. In her 2009 study, Huston breaks down financial literacy into two aspects: comprehension (knowledge of personal finance) and application (utilization of personal finance knowledge). Therefore, financial literacy is the capacity to understand and apply financial concepts (Servon & Kaestner, 2008).

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Contrarily, Worthington (2006) defines financial literacy as possessing a strong grasp of arithmetic and financial terminology. On the other side, financial literacy is defined by Lois Vitt and colleagues (2000) as the capacity to comprehend, evaluate, manage, and communicate one's own financial situation in connection to material well-being. The ability to recognize financial possibilities, prepare ahead, engage in financial conversations with confidence or discomfort, and handle life events that affect every day financial decisions—like shifts in the economy—are all examples of this (Johnson & Sherraden, 2007; van Rooij et al., 2011).

In addition, Huang et al. (2008) define financial literacy as the ability of a person to make wise and informed decisions regarding the use and management of their financial resources. However, according to the OECD, financial literacy is the ability of

investors or consumers to comprehend financial concepts and products as well as their confidence and skill in assessing financial risks and opportunities, making decisions, finding resources, and taking appropriate action to improve their financial well-being. To put it simply, financial literacy is the capacity to understand financial ideas and data and to apply these ideas to real-world scenarios when making judgments about various financial activities, such investing and saving.

Mosque treasurers lacking basic accounting knowledge hinder effective economic and financial management, leading to poorly managed records of the mosque's funds. Consequently, the optimal allocation of funds for beneficial activities for the parishioners becomes challenging. Furthermore, the absence of clear Shariah guidelines regarding the utilization of mosque funds results in mosque committee members struggling to fulfill their duties consistently. While state and national fatwa bodies have issued rulings on various financial matters, these rulings have not been compiled into a comprehensive reference for mosque committees. As a result, issues such as investing mosque funds and transferring funds between mosques, despite being fatwa-approved, lack systematic organization for decision-making by mosque committee members when confronted with such matters. (Mohd Ramli, A., Abdul Aziz, M. A., & Hamdan, N., 2014)

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2.4 Financial Management

Financial management originates from the broader field of organizational finance or corporate finance. While some authors may interchangeably use corporate finance and business finance, the latter encompasses a wider scope, including sole proprietorships,

partnerships, and corporate entities (Fonseka, Ramos & Tian, 2012). In contrast, corporate finance specifically pertains to the financial operations of corporations. This sets the foundation for financial management. To ensure the effectiveness of business finance, proper financial management is essential. As highlighted by Presber (2011), financial management within corporate finance involves decision-making regarding asset acquisition, financing, and resource management, all aimed at maximizing shareholder wealth. Competent financial management plays a crucial role in aligning organizational goals and strategies. It supports efficient administration, compliance, and cash flow management, which are crucial for ensuring an organization's future productivity. Moreover, proficient financial management skills allow for the monitoring of organizational performance, identification of financial challenges, and exploration of opportunities to mitigate risks.

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Effective financial management is crucial for the longevity of a business, whether it's in its early stages or aiming for financial stability. It must adapt and evolve according to changing circumstances. According to Ekpo, Etukafia & Udofot (2017), growing businesses should adopt a proactive approach to financial management, ensuring they operate within their means. Presber (2011) emphasizes that financial management is integral to the day-to-day strategic planning of a business. Hence, management must acknowledge the evolving demands of the business and guarantee the presence of requisite financial acumen to bolster its enduring viability. The idea of corporate sustainability combined with financial management has become more popular, mostly due to community pressure pushing big businesses to give environmental sustainability a priority. The controversial sale of Shell's Brent Spar oil platform was a significant event that sparked broad support for corporate sustainability in financial

management (Makarenko & Plastun, 2017). This involved Shell's proposal to sink an oil tanker in the UK, raising concerns among experts about potential environmental damage and sparking activism for environmental sustainability. This incident underscored societal expectations for companies to be environmentally accountable, leading to the conceptualization of corporate sustainability. Consequently, the adoption of corporate sustainability practices often incurs financial costs for organizations. Hence, effective financial management becomes crucial in ensuring future sustainability. The role of financial management in fostering the sustainable prosperity of a business is a topic extensively examined in academic literature.

Makarenko and Plastun (2017) stress the importance of adopting a critical perspective to comprehend the role of financial management in sustainable development. The Kyoto Protocol Climate Conference in 1997 underscored the importance of corporate sustainability, advocating for all industries, including small businesses, to prioritize sustainable development. Since then, there has been growing interest in corporate environmental disclosure, with stakeholders leveraging accounting principles and financial management models to meet sustainability goals. For an organization to attain higher levels of business success, its financial department must be dedicated to implementing suitable financial management processes that clearly define its role.

In 2018, Alshehhi, Nobanee, and Khare carried out a review of the literature to determine how corporate sustainability affects financial performance. They discovered that at least 78% of the literature supports a positive correlation between the two. They argue that as markets become more competitive, companies are under increasing

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pressure to maintain excellent performance both now and in the future. According to Alshehhi, Nobanee, and Khare (2018), corporate sustainability has become a primary focus for consumers, investors, and companies, who are increasingly prioritizing sustainability efforts. They emphasize that organizations are now expected not only to exceed short-term financial goals but also to incorporate social, environmental, and economic sustainability into their operations.

2.5 Mosque Management Concept

عَنْ أَبِي هُرَيْرَةَ ﷺ، أَنَّ رَسُولَ اللهِ ﷺ قَالَ:

((أَحَبُّ الْبِلَادِ إِلَى اللهِ مَسَاجِدُهَا، وَأَبْغَضُ الْبِلَادِ إِلَى اللهِ أَسْوَاقُهَا))

From Abu Hurairah R.A, he narrated that the Prophet SAW said;

"The country (area of the earth) that God loves the most is its mosques, and the country (area of the earth) that God hates the most is its markets."

(Muslim (261H), 2006 – al-Jāmiʿ al-Ṣaḥīḥ / Ṣaḥīḥ Muslim), No. 673 [Mentioned above]; (Ibn Khuzaymah (311H), - Ṣaḥīḥ Ibn Khuzaymah), No. 1226 [Same pronunciation]; (Ibn Ḥibbān (354H), 1993 - Ṣaḥīḥ Ibn Ḥibbān), No. 1600 [Same pronunciation] and others. [Status: Authentic]

Imam al-Nawawi stated that this is because the mosque is a house of obedience built on piety. It is also the place where God's mercy descends. Whereas the market or

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general transaction place often involves fraud, oppression, usury, perjury, breach of promise, and negligence/turning away from *zikrullah* and the like.

Efficient management and administration of mosques have the potential to cultivate a society that excels in multiple domains, particularly in advancing the teachings of Islam. Crucially, effective management should be translated into practical implementation to ensure that mosques function in accordance with the recommendations of the Prophet SAW. Mohd Affandi (1991) asserts that the concept of management from an Islamic perspective is intricately linked to faith in Allah SWT. Therefore, every decision made by mosque management should be directed towards upholding the virtues and goodness prescribed by Islamic law (sharaq).

In the Islamic management framework, mosques function as waqf institutions, either established by the government or endowed by individuals to specific individuals or governmental bodies for management and administration (Hasan, 2008). Hence, it is imperative that mosque institutions are managed effectively, imbued with sincerity and trust in Allah SWT. Ahmad Puhad and Siti Roddiah (2010) discovered in their research that a well-functioning mosque necessitates thorough planning, competent leadership, effective management, and administration in accordance with Sharia provisions.

Furthermore, Ahmad Zaki (2007) emphasized that effective mosque management facilitates the institution to function as a well-organized entity, capable of orchestrating engaging outreach initiatives, efficiently managing mosque finances, and enhancing the mosque's reputation within the community. Ajmain @ Jimaain (2008) similarly

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highlighted the necessity for mosque management to stay abreast of current developments to ensure seamless execution of activities and programs. He advocated for the adoption of the 6P management concept, comprising planning, implementation, monitoring, control, evaluation, and corrections, to enhance mosque management effectiveness.

Nasoha (2001) suggests that mosque administration typically involves individuals knowledgeable about religious matters, sociology, social issues, and local educational practices. Thus, efficient mosque administration is considered vital for society's well-being. However, Ahmad Nawawi et al. (2008) found in their study that despite the rapid organizational changes implemented through initiatives like ISO, MPK, KMK, and others, most mosque managements in Malaysia remain entrenched in outdated and unproductive practices.

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Hairunnizam et al. (2009) highlighted that the mosque's engagement in community programs such as lectures, courses, mutual aid activities, and other social initiatives plays a crucial role in fostering social capital. Their study revealed that the mosque's activities are significantly influenced by factors including the educational background of the main manager, adequacy of funds, mosque classification, and management approach. This perspective aligns with Roslan's (2008) suggestion that mosque management should undertake comprehensive measures to enhance the bond between the community and the mosque institution. Strategies such as providing a conducive worship environment, organizing systematic study activities, ensuring financial

transparency, and mitigating institutional conflicts can be implemented to achieve this goal.

Siti Alawiah et al. (2008) found significant shortcomings in mosques' financial management procedures across Malaysia. For instance, deficiencies were observed in the budget control system, as many mosques lacked a cash budget for financial management guidance and failed to provide comprehensive reports on the collection and expenditure of alms funds. Additionally, there was a lack of standardized practices concerning physical oversight, authority, financial transaction recording, segregation of duties, bank operations, and financial reporting among mosques in Peninsular Malaysia. These inadequacies create opportunities for malpractices such as fraud, theft, and illicit activities to occur within mosque finances.

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From the perspective of fund development, mosques are viewed as potential institutions for addressing economic crises. A study conducted by Mohd Yahya et al. (2012) revealed that mosque institutions in Perak state collectively held cash savings amounting to RM7.8 million across 241 mosques. Fidlizan and Mohd Yahya (2009) also emphasized the importance of highlighting the role of mosques in socio-economic contexts, given their substantial funds, particularly in urban and rural areas with high population density and income levels. However, findings from a study by Jaafar et al. (2001) and Mohd Yahya Mohd Hussin et al. indicated that most mosques in Malaysia tend to keep public donations frozen, with financial contributions not allocated to activities capable of generating returns or benefits for the mosque and local congregants.

Additionally, mosques have been observed to deposit savings into current accounts with minimal profits and returns (Jaafar et al., 2001). In response to this, Zainuddin (2009) proposed that Mosque Management Committees should consist of individuals with expertise in various fields such as business, entrepreneurship, accounting, and religious studies. This composition aims to ensure that mosque funds are effectively utilized and directed towards productive economic activities, potentially through the establishment of centralized institutions like banks and mosque cooperatives, as well as through waqf shares. Such initiatives could lead to positive spillover effects benefiting the local community (Mohd Yahya et al., 2011).

Moreover, the strategic location of mosque construction holds significant importance in transforming the mosque into a local economic hub catering to the community's daily needs (Salawati, 2008). By strategically locating mosques, they can serve as one-stop centres for local communities, indirectly promoting the mosque's significance and fostering community engagement.

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2.6 Challenges of mosque administrator

Sulaiman et al. (2008) found that, the embezzlement of funds from religious organizations (mosques) is more common due to lack of accountability and lack of commitment to accounting.

عَنْ أَبِي عُثْمَانَ، قَالَ: كَتَبَ سَلْمَانُ (ﷺ) إِلَى أَبِي الدَّرْدَاءِ (ﷺ): يَا أَخِي عَلَيْكَ بِالْمَسْجِدِ فَالْزَمْهُ، فَإِنِّي سَمِعْتُ رَسُولَ اللهِ ﷺ يَقُولُ:

((الْمَسْجِدُ بَيْتُ كُلِّ تَقِيٍّ))

واللفظ في رواية أبي نعيم الأصبهاني في الحلية:

((الْمَسْجِدُ بَيْتُ كُلِّ مُؤْمِنٍ))

From Abu ʿUthman (al-Nahdi), he said: Salman (al-Farisi) wrote (a letter) to Abu al-Darda' (saying): *O my brother you should (go) to the mosque, and do it regularly, indeed I have heard the Messenger of Allah say*:*"The mosque is a home for every pious person". (Pronunciation of the hadith in the narration of Abu Nu'aym al-Asbahani in al-Hilyah): The mosque is a home for every believer."* (al-Bazzār (292H), 1997 – al-Baḥr al-Zakhkhār bi Musnad al-Bazzār), No. 2546 [Mentioned above]; (al-Shihāb al-Quḍāʿī (454H), 1986 – Musnad al- Shihāb), No. 73 [Same pronunciation]; (al-Tabarānī (360H), - al-Muʿjam al- Kabīr), No. 6143; (al-Bayhaqī (458H), - Shuʿab al-Imān), No. 2950 and (Abū Nuʿaym al-Asbahānī (430H), 1409H - Ḥilyat al-Awliyāʾ wa Ṭabaqāt al-Aṣ named above is the narrator. Salih al-Murri, that is Imam Ibnu Hajar al-ʿAsqalani mentions it as: (ضعيف جدًا) in al-Taqrib. [Status: *Sahih li ghayrih*]

Meanwhile Said, Mohamed, Sanusi and S.Yusuf (2013) state that mosque committees need to create an effective internal control strategy to improve financial performance. Good internal control enhances transparency of the mosque which consequently enhances donors' confidence to contribute more fund to the mosque. Jokipii (2010) proved that lack of internal control has increased the number of business failure.

Similarly, lack of control management in mosque in reporting the transactions such as receiving income, authorization, recording of financial transactions, and periodic reconciliation will affect the report of financial performance. Proper internal control system will give better result in financial performance and show that measuring effectiveness of internal control will improve the programs carried out by the mosque (Said et al., 2013).

Good internal control system such as disbursement of funds, recording and reporting receipt of income will affect the financial management practice in mosque and enhance donors' confident to channel their money to the mosque. This in turn will improve its financial performance. Subsequently, mosques need to recognize the importance of fundraising activity. Active involvement of mosques' committee members in fund raising activities facilitates continuous flow of fund to their mosque.

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2.7 Conclusion

In a nutshell, this chapter examines various aspects of the existing literature relevant to the study's focus. It specifically provides a detailed overview of previous study on financial management, financial literacy, and the concept of mosque management.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter delineates the methodology and procedures employed by the researcher. All methodologies discussed here are deemed appropriate for achieving the research objectives. Within this chapter, aspects such as methodology, scope of the research, research design, development of interview protocol, the interview process, and data collection are discussed.

3.2 Methodology

In the study, two methodologies are employed: qualitative and quantitative methods, each characterized by unique procedures and techniques. Numerous people perceive qualitative study as fundamentally distinct from quantitative study (Grix, 2004, p. 119). It predominantly favors an inductive approach to linking theory and research, concentrating on theory generation (Bryman & Bell, 2003, p. 25). Qualitative research gathers data in narrative form (Sekaran, 2003, p. 32), giving precedence to words over numerical data (Bryman & Bell, 2003, p. 280). Typically, it involves thorough exploration of knowledge through methods such as participant observation, interviews, archival analysis, and ethnography. While these methods may not rely on numerical measurements, they can include them (Grix, 2004, pp. 119-120).

This study methodology involves interpreting data, analyzing a limited number of cases within their social and cultural contexts over a specific timeframe, and potentially developing grounded theories that elucidate the process and sequence of events in specific settings. In order to accomplish the goals of this study, the researcher used the qualitative method.

The participants in this study comprised individuals associated with the mosque establishment and those overseeing its administrative functions. Mosque committee members are those in positions of responsibility tasked with managing various aspects of the mosque. This encompasses individuals serving as chairman, secretary, treasurer, or members of specific committees within the mosque. Regarding the supervision of religious activities, they include the *imam*, *bilal*, and *siak.*

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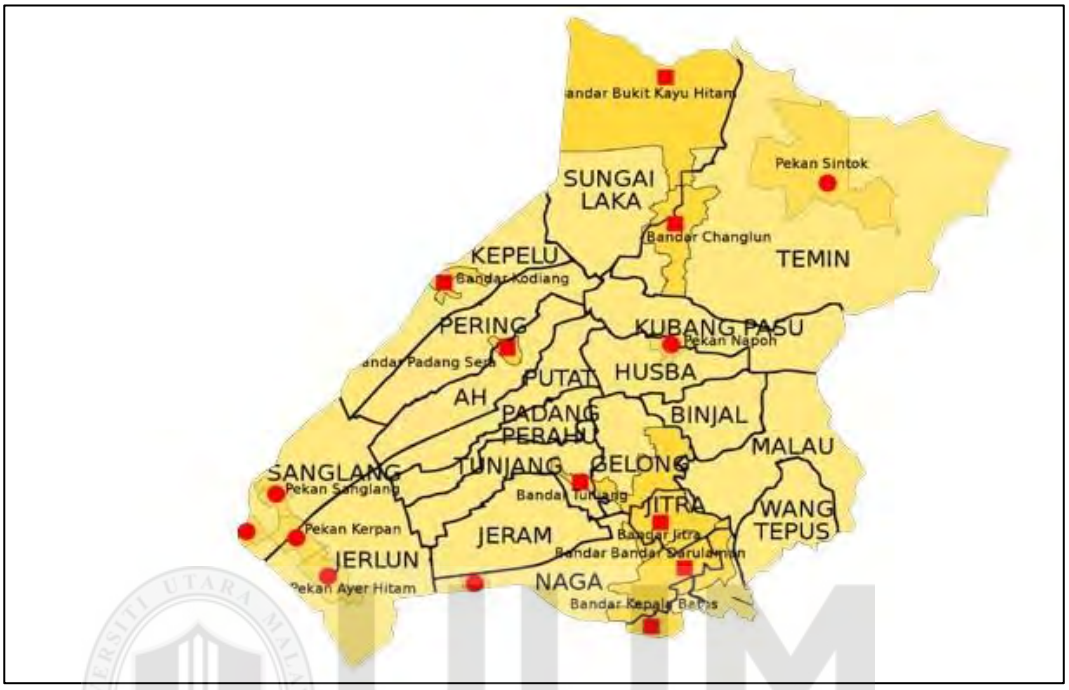
3.3 Scope of the Research

This study also concentrates on mosque institutions within the Kubang Pasu district of Kedah. Kubang Pasu stands out as one of the largest districts in comparison to others within the state of Kedah, covering an expansive area of 950 square kilometres and housing a population exceeding 220,000 individuals. These characteristics distinguish the Kubang Pasu district as a larger region compared to the state of Perlis, despite having a similar total population (Perlis spans 821 square kilometres with a total population of 227,000 people). The majority of mosques in the Kubang Pasu district are strategically positioned near main roads, although there are a few located in remote rural areas. This arrangement facilitates the researcher's study as it necessitates face-

to-face interaction for questionnaire distribution and respondent interviews within the mosque premises.

Figure 3.3: Kubang Pasu's map



Source: Google map

Reflecting its moniker as the "*land of rice granaries*," agricultural activities in this district primarily revolve around rice cultivation, with a significant portion of the population being self-employed, particularly in farming and entrepreneurial ventures. Moreover, the presence of numerous higher education institutions such as UUM, Universiti Malaysia Perlis (UniMAP), Maktab Rendah Sains Mara (MARA), Politeknik Tuanku Syed Sirajuddin, Politeknik Sultan Abdul Halim Muadzam Shah (POLIMAS), Industrial Training Institutions, Matriculation Colleges, Community Colleges, Agricultural Colleges, and others, contributes to a sizable middle-class population inhabiting this district.

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3.4 Research Design

Research design plays a pivotal role in data collection, encompassing various components such as research methodology, data collection, and data analysis, as outlined by Myers (2009). In this study, interviews and document analysis serve as the primary methods for data collection.

Qualitative study, as highlighted by Merriam (2009), is particularly suitable when the aim is to understand how individuals interpret, construct, and attribute meaning to their experiences. This approach allows researchers to delve into the intricacies of participants' thoughts, describe processes, and elucidate how individuals interpret past experiences. Qualitative study, a relatively contemporary research methodology, has evolved over time. Despite being infrequently referenced in the early 2000s according to Wolcott (2009), Robson (2011) discovered a growing preference for qualitative approaches among researchers starting from the 1990s.

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This research design is characterized by its flexibility, as it does not prescribe rigid guidelines for the conduct of the study at its outset, as noted by Trochim (2006). Moreover, qualitative study enables exploration of attitudes, beliefs, perceptions, interactions, and behaviours across different contexts, as noted by Brant Linger et al. (2005) and Scruggs et al. (2007).

A plethora of methods fall under the qualitative umbrella, including case studies, personal experiences, introspection, life stories, interviews, focus group discussions,

observation, fieldwork, analysis of documentary sources, diaries, and visual texts. These methods are invaluable for uncovering routines, pivotal moments, and individual lives, as articulated by Creswell (1998) and Taylor et al. (2016).

Barbour (2014) emphasizes that a qualitative approach empowers researchers to grasp how individuals articulate concepts, address issues at both macro and micro levels, discern between the social world and lived experiences, comprehend seemingly illogical behaviours, and reconcile apparent contradictions in viewpoints.

Interviews, as a method, offer active engagement and facilitate the generation of in-depth data to understand specific environments, as advocated by Gillham (2000). This method proves pertinent to investigating financial literacy among administrators, particularly in shedding light on financial management practices where information may be lacking.

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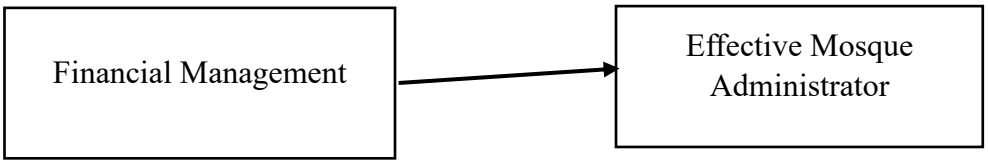
Figure 3.4: Conceptual framework of the study



Source: From researcher analysis

3.5 Development of Interview Protocol

Jacob and Furgeson (2012) argue that an interview protocol extends beyond a mere list of questions, serving as a procedural handbook to assist novice qualitative researchers in conducting interviews. It encompasses instructions for the interviewer prior to and at the conclusion of the interview, prompts for obtaining informed consent, and reminders of the pertinent information to collect. The questions formulated act as a framework to guide the researcher throughout the interview process.

Here, a "*protocol*," or interview guide, provides direction for the data gathering procedure as well as for the analysis that follows. In order to make it easier to record a story in chronological order, its goal is to focus the conversation on the individual's experiences (Swap et al., 2001). (Bruner, 1990; Czarniawski-Joerges, 1995). Additionally, the process encourages uniformity throughout interviews, guaranteeing that subjects relevant to the study question are methodically covered.

Before considering the instruments used in the interview process as reliable, they must undergo reliability and validity tests. The quality of the study findings is one of the main measures of validity and reliability in qualitative research (Golafshani, 2003; Lincoln & Guba, 1999; Stenbacka, 2001). To expound on this, consider Lincoln and Guba (1999), who highlight the significance of credibility, transferability, dependability, and conformability as critical factors in evaluating the caliber of study.

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The methods employed during the phases of study design, data collection, and interpretation are crucial for ensuring high-quality outcomes (Krefting, 1991). Iterative procedures in interview protocol development and the use of evidence-based methods like member verification and triangulation can improve the quality of interview data (Clark & Creswell, 2014).

In this study, the interview questions were formulated using insights from previous similar studies and aligned with the research objectives. The questions asked during the interview were generally focused on management and financial literacy among Mosque Administrators in Kubang Pasu. Although the interview protocol was prepared in English, the interviews were conducted in both English and Bahasa Malaysia.

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3.6 The Interview Process

The data collection process commences with the initiation of contact with potential organizations via formal email. The purpose of this email is to introduce the study and request permission to conduct it. Along with the email, an interview protocol is attached for their reference. Subsequently, follow-up calls are made to serve as reminders and to inquire about their decision regarding participation in the study. This would provide the person in-charge on the idea about the interview process and content of discussion.

As described by Bryman (2008), the qualitative study process, illustrated in Table 3.6, begins with the development of a broad research question, followed by pinpointing a relevant subject or topic. Next, data pertaining to the topic are collected. Through the interpretation of this data, existing or novel theories or concepts are discerned. This cyclical process iteratively hones the research questions for enhanced clarity and precision. Additional data gathering is conducted to address these refined inquiries. Once theories or concepts are firmly established, the subsequent phase entails documenting the findings or conclusions reached.

When conducting interviews, individuals are invited to share their personal stories, experiences, and viewpoints (Jacob & Furgerson, 2012). Therefore, establishing a solid understanding of the study participants is crucial for fostering trust. Conducting background research on the respondents, including their profession, education level, organizational and cultural context, is vital before engaging in interviews. Approaching respondents without this background knowledge can lead to various issues that may affect the effectiveness of the interview process, potentially resulting in mistrust or misunderstanding, especially in sensitive topics or cross-cultural studies. Furthermore, the data collection process comprises interconnected activities aimed at gathering comprehensive information to address emerging questions (Creswell & Poth, 2016).

Creswell (2007) underscores the importance of meticulously selecting interview participants. He recommends employing sampling strategies like criterion-based sampling or critical case sampling to guarantee the inclusion of qualified individuals

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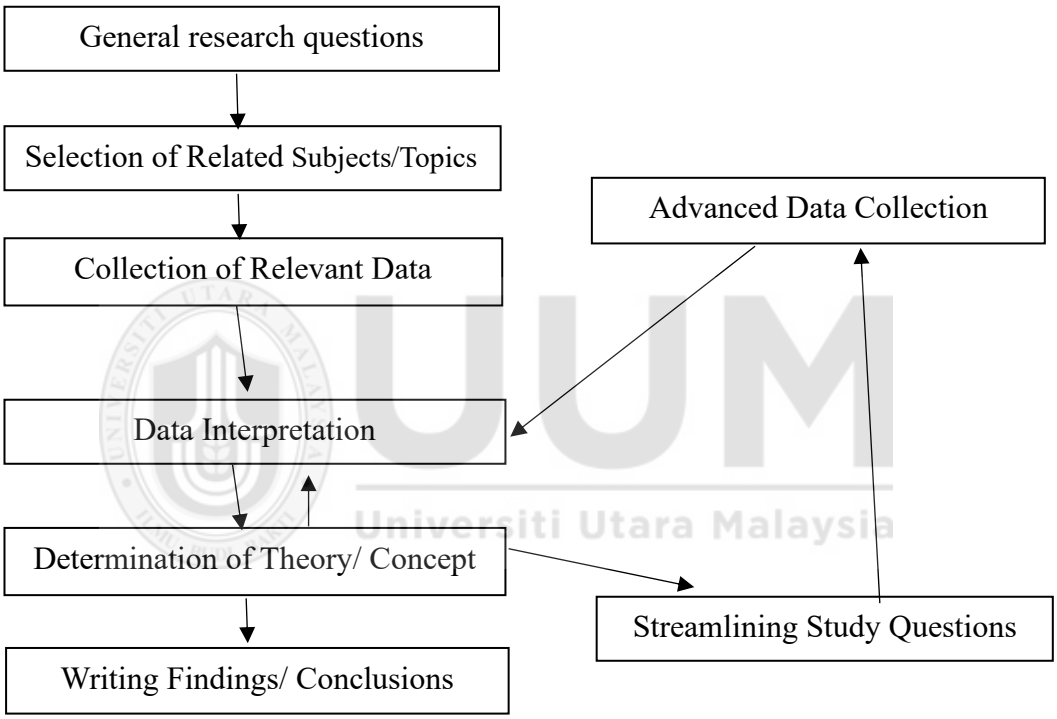
capable of providing credible insights for the study. Furthermore, Creswell stresses the significance of involving participants who are willing to openly share their experiences or narratives. Conducting interviews in a comfortable environment can promote openness and honesty among participants, fostering an atmosphere where they feel comfortable sharing information without reservation or discomfort.

Table 3.6: Data collection procedure



Source: Othman Lebar (2009)

Depending on the participants' preferences, either in-person or video call interviews were undertaken. The language used during the interviews was either Bahasa Malaysia or English, based on the participants' choice. Each participant was guaranteed full confidentiality, and the interviews typically lasted around one hour. In-person interviews were held at each participant's place of employment. Participants were also given the option to choose between audio-taping and note-taking for the interview,

with both methods being acceptable to the researcher. The entire interview process spanned approximately three weeks in April 2023.

3.7 Data Collection

This study employs the interview method to gather information directly from the interviewees.

3.7.1 Target Mosques

The interview method employed aims to directly gather information from mosque officials regarding the financial management of the mosque. This approach facilitates an accurate analysis of issues arising from the financial and administrative aspects of the mosque. Three mosque officials from the Kubang Pasu district were interviewed for this purpose. Additionally, interviews were conducted with the imams of the Sharifah Fatimah Mosque, Kemunting, Al Fateh Mosque, Tanjung Pauh and Abidin Mosque, Sungai Laka. These interviews are crucial for obtaining insights into the specific management practices of mosques in the Kubang Pasu area. Questions pertaining to the appointment process of mosque committee members, their responsibilities, adherence to mosque policies, and financial management procedures were posed during these interviews.

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3.7.2 Questionnaire (Mosque Committee)

This questionnaire was answered by the mosque committee whether Imam, Bilal, Siak or Treasurer who have knowledge about the position of financial management of the mosque. This is important to get accurate information related to management and financial knowledge among mosque administrators in the Kubang Pasu district. The question will be divided into three parts:

Section A: General Information

Section B: Mosque Financial Information (Year 2024)

Section C: Mosque Management Information

Section D: Financial Management Information & Mosque Financial Literacy Among Imams

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3.8 Conclusion

This chapter has explained the study method and study strategy. It also describes the study design, the development of the interview protocol, and the interview process. This chapter ends with the data collection process.

CHAPTER FOUR

RESULT & DISCUSSIONS

4.1 Introduction

This chapter delves into the responses gathered from the interview participants. It begins with an overview of the general information of the study participants. The discussion then proceeds to analyze the feedback provided by the participants regarding the management and financial literacy among mosque administrators in the Kubang Pasu district.

4.2 Descriptive Analysis

Rather of attempting to explain events, qualitative descriptive investigations seek to provide a comprehensive account of what happened. Qualitative descriptive studies focus on describing phenomena rather than trying to explain them, as opposed to phenomenological, ethnographic, and grounded theory research. They offer detailed accounts and interpretations of the observed events, providing rich descriptions without necessarily aiming for deeper theoretical insights or explanations (Ayton, 2023).

4.2.1 Profile of Mosque and Participants

The distributions of mosques and the participant' profiles are presented in the table below. Table 4.2.1 indicates that a total of three mosques in the Kubang Pasu District were selected: Sharifah Fatimah, al-Fateh, and Abidin Mosques, located in both rural and urban areas. The participants for this interview included individuals holding the positions of imam, bilal, or members of the mosque committee. Most participants were aged between 50 and over 70 years old. Among the surveyed participants, the Abidin Mosque participants held a degree and was a former soldier. The participants from Al-Fateh Mosque was a former bank officer, while the participants from Sharifah Fatimah Mosque had previously worked in the government sector.

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Table 4.2.1: Profile of Mosque and Participants

Name of the Mosque	Qariah	Position
Sharifah Fatimah Mosque	Kemunting	*Bilal*
Al-Fateh Mosque	Tanjung Pauh	*Imam*
Abidin Mosque	Sungai Laka	Member of the Mosque Committee

4.2.2 Mosque Financial Information

Table 4.2.2.1 presents the financial information for the Sharifah Fatimah, al-Fateh, and Abidin mosques.

Table 4.2.2.1: Income of Sharifah Fatimah Mosque

Income	Monthly	Yearly
Religious Office	None	None
Mosque Fund	Yes	Yes
Others • Rental House • Crops • Charity Sale	None	None

Table 4.2.2.2: Income of al Fateh Mosque

Income	Monthly	Yearly
Religious Office	RM 40,000	RM 417,000
Mosque Fund	Confidential	Confidential
Others • Rental House • Crops • Charity Sale	RM 1000	None

Table 4.2.2.3: Income of Abidin Mosque

Income	Monthly	Yearly
Religious Office	-	RM 11214.88
Mosque Fund	-	RM 100,183.20
Others • Rental House • Crops • Charity Sale	- RM5180.00 -	None

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Based on Table 4.2.2.1, the study revealed differences in income among the three mosques. Firstly, the Sharifah Fatimah Mosque does not receive any allocations from the religious office, either monthly or yearly. Instead, this mosque's income comes from mosque funds collected on a monthly and yearly basis. Additionally, the mosque does not have any other income sources such as rental house, crops, or charity sales.

Based on Table 4.2.2.2, the Al-Fateh Tanjung Pauh Mosque receives allocations from the religious office amounting to RM40,000 monthly and RM417,000 yearly. Additionally, this mosque collects funds on both a monthly and yearly basis, but the total amount is kept private by the mosque committee. Other sources of income for the mosque include crops, estimated to bring in RM1, 000 monthly.

The income of Abidin Mosque in table 4.2.2.3, it receives an estimated allocation of RM 112, 14.88 from the religious office. Additionally, it collects RM 100,183.20 annually from mosque funds. Other sources of income for this mosque include land revenue amounting to RM 5,180.

Overall, the income for all mosques comes primarily from mosque funds, with additional sources of income such as rental properties and charity sales.

Table 4.2.3.1 shows the types of funds owned by Sharifah Fatimah's mosque, al-Fateh's mosque and Abidin's mosque

Table 4.2.3.1: Type of funds Sharifah Fatimah's Mosque

Friday Fund	Yes
Orphan Fund	Yes
Endowment Fund	Yes
Other	Yes • Welfare • The Poor People • Preaching • *Waqf*

This table shows the Sharifah Fatimah Mosque obtains a variety of funds, including the Friday Fund, Orphan Fund, and Endowment Fund. Additionally, this mosque allocates funds for welfare, the poor, preaching activities, and waqf.

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Table 4.2.3.2: Type of funds al Fateh's Mosque

Friday Fund	Yes
Orphan Fund	Yes
Endowment Fund	Yes
Other	None

This table demonstrates that the Al Fateh Mosque also obtains a variety of funds, such as the Friday Fund, Orphan Fund, and Endowment Fund. However, unlike the Sharifah Fatimah Mosque, it does not receive any other types of funds.

Table 4.2.3.3: Type of funds Abidin's Mosque

Friday Fund	Yes
Orphan Fund	Yes
Endowment Fund	Yes
Other	Yes • Rental Fund • Hari Raya Fund • Development Fund • Welfare Fund

For the Abidin Mosque, it obtains a variety of funds, including the Friday Fund, Orphan Fund, and Endowment Fund. Additionally, this mosque receives other funds such as rental funds, Hari Raya funds, development funds, and welfare funds.

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Table 4.2.4.1 shows expenses of Sharifah Fatimah's mosque, Al Fateh's mosque and Abidin's mosque.

Table 4.2.4.1: Expenses of Sharifah Fatimah's Mosque

Expenses	Monthly	Yearly
Speaker Fees	RM 2178.91	RM 26147.00
Committee Allowance	None	None
Utilities **(Electricity & Water)**	None	Electricity - RM 32626.10 Water - RM 2213.40
Mosque Maintenance	RM 5733.10	None
Feast	RM 4395.30	None
Donations / Help	RM 24096.00	None

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Sharifah Fatimah Mosque's expenses typically cover speaker fees, utilities, mosque maintenance, events, and community assistance. The mosque allocates RM 2,178.91 monthly and RM 26,147.00 yearly for speaker fees. Unlike some mosques, it does not prepare any community allowance. Additionally, RM 34,839.50 is spent on electricity and water payments, with maintenance costs totaling RM 5,733.10. The mosque also allocates RM 4,395.30 for preparing feasts during the Yassin reading ceremony and RM 24,096 for donations or assistance to those in need.

Table 4.2.4.2: Expenses of al Fateh's Mosque

Expenses	Monthly	Yearly
Speaker Fees	RM 4500	None
Committee Allowance	RM 7000	None
Utilities **(Electricity & Water)**	None	None
Mosque Maintenance	None	None
Feast	RM 500	None
Donations / Help	RM 1000	None

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According to the second table, Masjid Al Fateh Tanjung Pauh's expenses are detailed on a monthly basis. The mosque spent a total of RM 4,500 to pay speaker fees, while the allowance for the mosque committee amounted to RM 7,000 per month. Additionally, the mosque provides a light meal feast every Thursday after the Yassin reading ceremony, costing RM 500 per month, and allocates RM 1,000 monthly for donations or assistance to those in need.

Table 4.2.4.3: Expenses of Abidin's Mosque

Expenses	Monthly	Yearly
Speaker Fees	RM 3800	RM 40,000
Committee Allowance	RM 100	None

Utilities **(Electricity & Water)**	RM 21,710	None
Mosque Maintenance	RM 22,368	None
Feast	RM 10676.80	RM 82,480.35
Donations / Help	RM 22887.14	None

Reviewing the expenses of Abidin Mosque, the mosque allocates RM 3,800 monthly for speaker fees and provides a mosque committee allowance of RM 100 monthly. Emphasizing the importance of facility upkeep, the mosque invests approximately RM 22,368 monthly in maintenance to repair damages and procure necessary tools. Additionally, there's a special donation fund of RM 22,887.14 maintained to assist villagers involved in road accidents and similar situations. Furthermore, the mosque allocates RM 10,676.80 monthly and RM 82,480.35 yearly for feasts. Additionally, the mosque extends assistance to orphans, single mothers, individuals with special needs, translators, and Al-Quran teachers.

Table 4.2.5.1 shows the Sharifah Fatimah's mosque, Al Fateh's mosque and Abidin's mosque assets.

Table 4.2.5.1: Sharifah Fatimah's Mosque assets

Assets	Amount
Savings in the Bank	Bank Islam – RM 511,897.61 Bank Rakyat- RM 205,992.92
Buildings (others than mosques)	RM 188000.00
Land	None

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Vehicle	None
Waqf property	RM 70027.00

According to Table 4.2.5.1, the study revealed that three mosques possess substantial assets such as bank deposits, buildings, land, and waqf properties. For instance, Masjid Sharifah Fatimah has bank savings of RM 511,897.61 in Bank Islam and RM 205,992.92 in Bank Rakyat. Additionally, the mosque owns a building valued at RM 188,000 and waqf property worth RM 70,027. These assets are the result of contributions and donations from the local community, including village residents, retired government employees, and business professionals.

Table 4.2.5.2: Al Fateh's Mosque assets

Assets	Amount
Savings in the Bank	RM 300,000
Buildings (others than mosques)	None
Land	2
Vehicle	1
Waqf property	Land, Building and Tower

The study, as shown in the second table, revealed that al Fateh Mosque possesses a variety of assets. These include bank savings totaling RM 300,000 and land donated by community members and businesspeople. Furthermore, there are waqf properties like buildings and a mosque tower, which were donated by a retiree who wished for these contributions to become permanent assets.

Table 4.2.5.3: Abidin mosque's assets

Assets	Amount
Savings in the Bank	RM 250,319.79
Buildings (others than mosques)	None
Land	Palm Oil, Rubber and Graveyard
Vehicle	1
Waqf property	Land, Palm Oil

In the table provided, it is noted that the Abidin Sungai Laka Mosque holds a bank balance of RM 250,319.79. This amount is sourced from contributions made by the local community and business members. The mosque facilitates donations and charitable activities, such as Islamic festivities and events, through QR code scanning. Furthermore, it owns additional assets like burial grounds, oil palm, and rubber plantations, all managed by appointed committee members near the mosque premises

Table 4.2.6.1 shows the frequency of mosque exhibits the financial position.

Table 4.2.6.1: Frequency of mosque exhibits financial

	Weekly	Monthly	Yearly
Sharifah Fatimah Mosque	Yes	Yes	Yes
Al-Fateh Mosque	Yes	Yes	Yes
Abidin Mosque	None	Yes	None

Based on table 4.2.6.1, it shows how frequently the mosques announce and display their financial status to inform the congregants visiting the mosque. Examining the table, Masjid Sharifah Fatimah and Masjid al Fateh present their fundraising and donation results weekly and monthly throughout the year. This demonstrates transparency in managing finances to address any concerns among congregants attending the mosque. In contrast, Masjid Abidin reveals its financial position one month after collections. This is because villagers attend prayers to understand how their donated funds are being used.

4.2.3 Mosque Management Information

Table 4.3.3.1 shows the frequency of the mosque conducts activities in a week.

Table 4.3.3.1: Frequency of the mosque conducts activities

	1-2 times	3-5 times	6 times above
Sharifah Fatimah Mosque			/
Al-Fateh Mosque			/
Abidin Mosque			/

According to table 4.3.3.1, research shows that three mosques hold sermons or lectures after prayers more than six times a week. These sessions include lectures after the Fajr prayer, weekly lectures, and gatherings to recite Surah Yasin on Friday nights. With these spiritual engagements, each mosque draws in congregants who attend and donate money to the mosque's collection box.

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Table 4.3.4.1 shows the estimated number of pilgrims attending the mosque.

Table 4.3.4.1 Sharifah Fatimah's Mosque number of pilgrims

Morning Prayers	400-500	Ishak Prayers	300
Zohor Prayers	200	Monthly Talk	200
Asar Prayers	200	Weekly Lectures	200
Maghrib Prayers	300	Yasin's Reading	250

Based on Table 4.3.4.1, the study found that the attendance of worshippers at Masjid Sharifah Fatimah during prayers is very encouraging. This is due to several factors that attract the local community to pray at the mosque. These include ample parking facilities and the mosque's strategic location near residential areas. Additionally, the mosque offers excellent amenities such as a comfortable prayer area, clean restrooms, and effective air conditioning, which draw many people to attend. Attendance is also boosted by special programs like religious lectures, study circles, and celebrations of Islamic holidays. This reflects the effective leadership and management of the mosque, with a charismatic and friendly committee.

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Table 4.3.4.2: Al Fateh's Mosque number of pilgrims

Morning Prayers	250	Ishak Prayers	260
Zohor Prayers	100	Monthly Talk	32
Asar Prayers	100	Weekly Lectures	9
Maghrib Prayers	250	Yasin's Reading	4-5

Based on the table above, the attendance of worshippers for prayers at Masjid al Fateh Tanjung Pauh is also very encouraging. From my observations while interviewing the imam of the mosque, I found that the mosque is located in the Jitra area, which is close to several higher education institutions such as the Polytechnic, Teacher Training Institute, and IKBN. Additionally, the mosque is near a main road, making it easy for people to stop and perform their prayers.

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Regarding facilities, the mosque has improved various amenities such as the prayer space, restrooms, ablution areas, and even has a café for the convenience of the attendees. The presence of people at the mosque is also influenced by those working in the public and private sectors in the Jitra area.

Other factors influencing attendance include individual awareness and commitment to congregational prayers and mosque activities. Various *da'wah* programs and lectures organized by the mosque attract and encourage more worshippers to attend.

Table 4.3.4.3: Abidin's mosque number of pilgrims

Morning Prayers	60-80	Ishak Prayers	70
Zohor Prayers	35	Monthly Talk	80
Asar Prayers	36	Weekly Lectures	70
Maghrib Prayers	80	Yasin's Reading	170

The schedule above shows the number of congregants attending prayers at Masjid Abidin Sungai Laka. According to the attendance figures, the mosque frequently attracts large crowds for prayers due to its proximity to the Changlun residential area and nearby villages. Additionally, it serves as a stopover for locals returning to their hometowns by bus, where they rest and perform the Subuh prayer in the morning. From my observations, the mosque offers various amenities such as bathrooms, a comfortable prayer area, and ample parking. The mosque committee organizes various activities to attract people, including Maghrib lectures, meals after Isya prayers, and family days. This is all possible due to the mosque's strong financial support, which helps keep it lively and active.

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Table 4.3.4.4 presents the Likert scale responses from all the three mosques about their management and financial literacy.

1- Strongly disagree 2- Disagree 3- Not sure 4- Agree 5- Strongly agree

Table 4.3.4.4: Responses from respondents about management and financial literacy.

		Sharifah Fatimah Mosque	**Al-Fateh Mosque**	**Abidin Mosque**
This mosque has financial constraints in daily management		4	1	2
The congregation`s response to contributing to this mosque fund is very encouraging		4	5	5
This mosque develops and gets financial returns from owned waqf property		3	4	4
This mosque needs to generate its own economy to cover the expense		4	2	4
The following are the main factors that limit this mosque from organizing its programs:	Lack of Response from the Congregation	2	2	4
	Financial Constraints	4	2	2

The table above shows that the three mosques have varying opinions on management and financial literacy.

For instance, respondents from Sharifah Fatimah Mosque agree that the mosque faces financial constraints in daily management, and the congregation's response to

contributing to the mosque fund is very encouraging. They also believe that the mosque needs to generate its own income to cover expenses. However, respondents are unsure if the mosque develops and gains financial returns from its waqf property. Additionally, they disagree that a lack of response from the congregation is the main factor limiting the mosque from organizing its programs. Finally, respondents agree that financial constraints hinder the mosque from organizing its programs.

Next, respondents from al Fateh Mosque strongly disagree that the mosque faces financial constraints in daily management and strongly agree that the congregation's response to contributing to the mosque fund is very encouraging. They disagree that the mosque needs to generate its own income to cover expenses. All responders concur, nevertheless, that the mosque uses its waqf property for development and financial advantage. Additionally, they agree that a lack of response from the congregation and financial constraints are the main factors limiting the mosque from organizing its programs.

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Respondents from Abidin Mosque disagree that the mosque faces financial constraints in daily management and strongly agree that the congregation's response to contributing to the mosque fund is very encouraging. They do concur, nevertheless, that the mosque must make money of its own to pay for operations and that it develops and benefits financially from its waqf land. Additionally, they agree that a lack of response from the congregation is a main factor limiting the mosque from organizing its programs, but they disagree that financial constraints are the main limiting factor.

4.3 Level of Financial Literacy in Mosque Management

When asked about the level of financial literacy in mosque management, the three mosque committee members provided a unanimous response: all members of the mosque management committee, including the imam, *bilal, siak,* chairman, secretary, and treasurer, need to have a thorough understanding of mosque finances. In their own words:

> *"..... the imam, bilal and all mosque committees need to know about the financial literacy of the mosque" (R1)*

> *“.... The committee needs to have experience in clerical and administrative fields, especially those who hold the position of mosque treasurer..."(R2)*

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> *"....The mosque should send its committee members, particularly those responsible for managing finances (treasurer), to financial literacy & management seminars." (R2)*

> *"....The individuals who need to be knowledgeable about finances are the treasurer, the auditor, and the imam. The imam, in particular, needs to understand financial matters to prevent any leakage." (R3)*

4.4 Management Methods in Managing Mosque Finances

This section outlines various methods used by mosque administrators to manage mosque finances. Each mosque employs a unique approach to fundraising, reflecting their individual ideas and creativity. The following summarizes the results of the interviews.

> *"...grant permission to the children of the congregation to collect money after the Friday prayer…" (R1)*

> *"The mosque will hold a meeting for committee members to present and discuss financial matters with everyone, including the Imam, Bilal, and Siak. We will also update the congregation on the accumulated financial position." (R1)*

> *"To access the mosque fund, two committee members must be present, and calculations should be conducted exclusively among the committee." (R2)*

> *"The mosque does not employ the practice of transferring funds from one individual to another; rather, it relies solely on a single common fund placed at various locations within the mosque." (R2)*

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".... there are mosque congregations using the QR code scanning method to donate money to the mosque..." (R2)

"... Every night, Siak opens all the mosque's collection boxes to gather the donation money. Afterwards, he leaves the donation box doors open and unlocked. At dawn, Siak closes and locks the donation box doors again..." (R3)

".., The Siak will place a small donation box in the corner of the mosque, and it will be passed from one member of the congregation to another…"(R3)

"…The mosque funds will be counted collectively with the mosque committee, following which the treasurer will conduct a secondary calculation before entering the amount into the financial records…" (R3)

"….All documents will be prepared by the treasurer, verified by Auditor 1, and confirmed by the mosque's imam..." (R3)

4.5 Challenges in Managing Mosque Finances

The challenge in managing the mosque's funds involves ensuring adequate financial resources for daily operations, maintenance, and development projects, while also maintaining transparency and accountability in financial management to meet the needs of the congregation and the local community. Mosque administrators face several challenges in managing finances and handling the money donated by the community, particularly from the congregation that attends. This was highlighted in a recorded interview.

> *"...during the collection of funds from the mosque's treasury, there has unfortunately been a theft, resulting in the loss of the money…." (R1)*

> *"...after filing a police report, the stolen mosque funds cannot be recovered, and the thief has used the stolen money to make a car deposit…" (R1)*

> *"...The challenge of holding the position of mosque treasurer is significant for them due to factors such as age, level of cognitive ability, and health, which may impact their effectiveness in the role..."(R2)*

> *"... appointed a part-time clerk to help the treasurer manage financial data..."(R2)*

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"...The challenge in financial management lies in finding a treasurer who can fully commit to overseeing the mosque's finances..."(R2)

"...In rural mosques, there is a committee comprising elderly individuals, posing a challenge for them to learn about the use of computerized systems for entering financial data..."(R2)

"...There are no challenges as long as the treasurer manages the mosque's finances. However, the treasurer faces challenges when collecting individually, whereas collective collection and calculations pose no difficulty..." (R3)

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4.6 Respondents' Perception towards Financial Literacy and Management

All respondents have different perceptions regarding the management and financial literacy of the three mosques.

At Sharifah Fatimah Mosque, all committee members, including the *imam, bilal*, and *siak*, need to understand financial management and literacy. For Al Fateh Mosque, while all committee members need to be knowledgeable about financial management and literacy, the mosque has appointed a treasurer and one clerk to help manage its finances. Meanwhile, at Abidin Mosque, only the administrative committee needs to know about financial management and literacy, while the *imam, bilal,* and *siak* focus

on their specific tasks. Additionally, this mosque has an auditor to review the finances before reporting to the religious office in Kubang Pasu.

Regarding the methods of collecting funds, Sharifah Fatimah Mosque assigns the congregation's children to collect donations or funds during Friday prayers once a week. At Al Fateh Mosque, the *siak* and treasurer are assigned to collect donations after Friday prayers. For Abidin Mosque, the treasurer collects donations after Isyak prayers. To prevent theft, this mosque does not close the funds box but instead empties it after each collection.

All three mosques receive community donations, which are used to fund various Islamic programs and to maintain and repair their aging facilities. However, the Sharifah Fatimah Mosque faces the issue of unrecoverable lost funds, while the al Fateh Mosque is challenged by the difficulty of finding a reliable treasurer. No particular challenges were reported by respondents for the Abidin Mosque.

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4.7 Conclusion

This chapter reported the findings of the management and financial literacy among mosque administrator in Kubang Pasu district, the challenges of mosque management and the responsibilities of mosque committees in managing mosque financial.

CHAPTER FIVE

CONCLUSION & RECOMMENDATION

5.1 Introduction

This chapter includes a summary, conclusions, implications, and recommendations based on the conducted research. The discussion is organized into the following sections: a summary of the study, implications of the findings, future research directions, limitations of the current study, challenges faced during the research, and recommendations for organizational application.

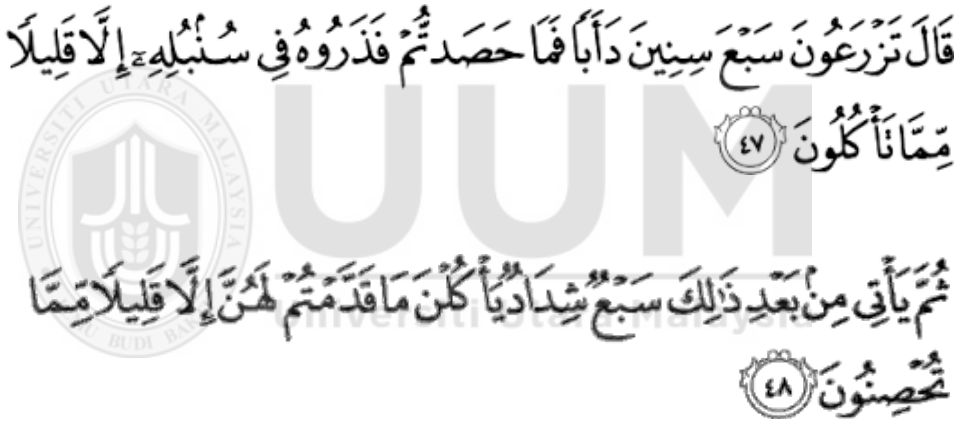
5.2 Summary

From the findings, the researcher discovered that the key figures responsible for mosque administration across the three studied mosques—Sharifah Fatimah Mosque, Al Fateh Mosque, and Abidin Mosque such as the *imam, bilal, siak,* and committee members, demonstrate a certain level of financial literacy. This suggests that they possess a foundational understanding of financial management principles crucial to running mosque operations. However, their financial knowledge is somewhat limited, lacking the depth needed for more complex financial decision-making and strategic planning.

Furthermore, the study revealed that each of these mosques encounters unique challenges specific to their operational environments. These challenges could arise from a range of factors, including fund misappropriation, problems with committee members, or system and technology-related issues. Despite these challenges, the

mosque management teams have shown resilience and adaptability by developing tailored solutions to overcome their specific obstacles. This indicates that while their financial literacy may not be highly advanced, their practical experience and problem-solving skills allow them to navigate the complexities of mosque administration effectively.

Moreover, Islam also advocates for Muslims to acquire financial planning knowledge to prevent future hardships. This is illustrated in the words of Allah SWT in Surah Yusuf, verses 47 to 48, which state;


قَالَ تَزْرَعُونَ سَبْعَ سِنِينَ دَأَبًا فَمَا حَصَدتُّمْ فَذَرُوهُ فِي سُنۢبُلِهِۦٓ إِلَّا قَلِيلًا
مِّمَّا تَأْكُلُونَ ٤٧
ثُمَّ يَأْتِي مِنۢ بَعْدِ ذَٰلِكَ سَبْعٌ شِدَادٌ يَأْكُلْنَ مَا قَدَّمْتُمْ لَهُنَّ إِلَّا قَلِيلًا مِّمَّا
تُحْصِنُونَ ٤٨

"*He (Yusuf) said: 'You should plant for seven consecutive years as usual; then whatever you harvest, leave it in its spikes except for a little which you may eat. After that will come seven difficult years which will consume what you have stored for them, except for a little which you have preserved ".*

(Surah Yusuf, 47-48)

Islam also discourages extravagance in spending and stresses the necessity of saving and careful financial management. The words of Allah SWT in Surah al-Furqan, verse 67;

وَٱلَّذِينَ إِذَآ أَنفَقُواْ لَمۡ يُسۡرِفُواْ وَلَمۡ يَقۡتُرُواْ وَكَانَ بَيۡنَ ذَٰلِكَ قَوَامٗا ٦٧

"And those (who are blessed by Allah) who, when they spend, are neither extravagant nor stingy, but hold a moderate course between the two (extremes of excess and stinginess)."

(Surah al-Furqan: 67)

The Prophet Muhammad (SAW) said;

"Allah SWT grants mercy to a person who strives to earn wealth through lawful means, spends it moderately and wisely, and saves the surplus for times of need and hardship."

(Narrated by Ibn an-Najjar)

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The hadith underscores that in Islam, there is no restriction on accumulating wealth as desired, as long as it is acquired through lawful means sanctioned by Allah SWT. By pursuing halal sources of wealth, Muslims ensure their welfare, avoid dependency, and earn rewards by spending their wealth in the path of Allah SWT.

5.3 Implication of Study

Researchers highlight the study's implications based on its overall findings. The study on management and financial literacy among mosque administrators in the Kubang Pasu district is deemed significant, as several mosques in the area demonstrate

exemplary financial management and religious activities. This is evident from the high attendance at congregational prayers in certain mosques. This success stems from the congregation's trust in the mosque committee's financial management, which is conducted transparently and efficiently without any doubts or misappropriations. Consequently, the community feels more confident in donating funds, as the mosque's activities often receive strong public support. Moreover, well-equipped and comfortable facilities also greatly enhance attendance at congregational prayers. This success begins with the presence of a capable and trustworthy mosque committee managing finances and organizing the mosque's activities effectively.

5.4 Limitation

In interpreting the results of this study, the researcher should consider several limitations. The first restriction was the survey that was provided to the committee of the mosque. The honesty and responsibility of the responders may have an impact on the validity and accuracy of the results. There is a possibility that some committee members might hide or choose not to disclose management weaknesses.

While conducting this study, the researcher encountered several problems in obtaining the required information from respondents, specifically the mosque committee. For example, some committee members did not fully cooperate during the interviews. Some perceived the research effort as a threat, fearing it might reveal problems in mosque management, particularly those related to financial issues.

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Lastly, this study is limited to a survey conducted on only three mosques in the Kubang Pasu District. Therefore, general conclusions drawn from the results may not accurately represent the financial management status of other mosques.

5.5 Contribution of the Study

This study made significant contributions by shedding light on the financial literacy levels among mosque administrators in Kubang Pasu. By analyzing their understanding and competence in managing financial matters, the study provided a clearer picture of how equipped these administrators are to handle financial responsibilities.

Moreover, the study delved into the specific methods and strategies these mosque administrators utilize for financial management. This included an examination of their budgeting practices, financial planning, and overall management of mosque funds. The findings offered valuable insights into the effectiveness of these methods and how they contribute to the overall financial health of the mosques.

The study also identified the challenges that mosque administrators face in managing finances. These challenges could range from a lack of financial resources and expertise to difficulties in maintaining transparency and accountability. Researcher explored the various solutions that administrators have implemented to overcome them.

By doing so, the study provided a comprehensive understanding of the financial management landscape within mosques in Kubang Pasu and offered recommendations for improvement.

5.6 Future Research and Recommendation

To enhance this study, several recommendations are put forward for future researchers. These suggestions aim to refine the scope, methodology, and overall impact of the research, ensuring that subsequent studies build upon and expand the findings presented here.

Firstly, researchers could broaden the study's scope by comparing financial management practices between mosques in Kubang Pasu district and those in other districts. This comparison could help identify best practices and enable the adoption of more effective financial management strategies. Additionally, developing a Financial Training Module for mosque administrators is crucial for strengthening the financial management systems of these administrators. Such modules could cover areas like fund management, investments, and long-term financial planning, ultimately improving the administrators' efficiency in managing mosque finances.

Next, researchers should consider involving the community in the financial management of mosques. Engaging community members in this process is crucial for enhancing transparency and accountability. This could include the use of technology, such as implementing an online financial reporting system that allows community to access financial information. Researchers could also explore how mosque-led

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programs, such as entrepreneurship courses or financial aid initiatives, impact the local economy. This approach could underscore the mosque's role not only as a religious institution but also as a hub for socio-economic development.

Moreover, developing a more effective internal audit system is essential to ensuring transparent and accountable financial management within mosques. This system should be both efficient and easy to implement. It may involve training administrators on conducting financial audits and utilizing technology to streamline the audit process. Researchers can also identify and explore new sources of income for mosques, such as investing in halal assets or launching small businesses managed by the mosque. This approach can help mosques become more financially resilient and reduce their reliance solely on donations.

Last but not least, the use of modern technology, such as financial management applications or blockchain, could enhance transparency and efficiency in managing mosque finances. Researchers could examine the potential of these technologies and assess how they can be implemented in a cost-effective manner.

5.7 Conclusion

This chapter provides a comprehensive discussion of the study. It begins with an introduction that sets the context for the study and outlines its objectives. Following this, a summary of the study recaps the key findings and insights gained. The chapter then explores the implications of these findings, detailing their significance and potential impact on the field. Recommendations for future research are offered to guide

subsequent investigations and build upon the current study. Additionally, the chapter addresses the limitations encountered during the research, acknowledging any constraints that may have influenced the results. Finally, it highlights the study's contributions, emphasizing how it advances knowledge and understanding in the subject area.

All the research objectives outlined for this study have been successfully achieved, demonstrating that the study has addressed its key goals effectively. However, to further enhance the research, future researchers are encouraged to build upon this work by addressing potential areas for improvement. This might involve refining methodologies, exploring additional variables, or expanding the scope to include broader or more diverse contexts. By doing so, future studies can provide deeper insights and contribute to a more comprehensive understanding of the topic.

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APPENDICE A

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PERMOHONAN UNTUK DAPATKAN DATA KAJIAN BAGI TUJUAN TUGASAN PENYELIDIKAN IJAZAH SARJANA.

Dengan segala hormatnya perkara di atas dirujuk.

2. Adalah dimaklumkan bahawa nama berikut adalah pelajar Ijazah Sarjana Pengajian Perniagaan Islam (MIBS) di Pusat Pengajian Perniagaan Islam (IBS), Universiti Utara Malaysia. Pelajar ini sedang menjalankan penyelidikan yang bertajuk "**PENGURUSAN DAN LITERASI KEWANGAN DALAM KALANGAN IMAM MASJID DI DAERAH KUBANG PASU KEDAH"** bagi melengkapkan keperluan tesis Ijazah Sarjana. Sehubungan dengan itu, saya pohon kerjasama tuan/puan untuk membantu pelajar saya ini melengkapkan penyelidikan tersebut.

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PROGRAM	:	**IJAZAH SARJANA PENGAJIAN PERNIAGAAN ISLAM (MIBS)**
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3. Kerjasama dan perhatian Ybhg Tuan berhubung perkara ini amatlah dihargai dan didahului dengan ucapan ribuan terima kasih. Semoga usaha yang dilakukan ini mendapat keredhaan dan keberkatan Allah SWT di dunia dan akhirat.

Sekian dan salam hormat.

"BERKHIDMAT UNTUK NEGARA"
"KEDAH SEJAHTERA- NIKMAT UNTUK SEMUA"
"ILMU BUDI BAKTI"

Saya yang menjalankan amanah,

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APPENDICE B

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Tuan,

PERMOHONAN UNTUK DAPATKAN DATA KAJIAN BAGI TUJUAN TUGASAN PENYELIDIKAN IJAZAH SARJANA

Dengan segala hormatnya perkara di atas adalah dirujuk.

2. Sukacita dimaklumkan bahawa pentadbiran ini telah meneliti permohonan yang telah dikemukakan oleh pihak tuan berkaitan permohonan data kajian untuk tujuan tugasan penyelidikan Ijazah sarjana bagi pelajar tersebut : Nama: **Hazwan bin Hasni, Program: Ijazah Sarjana Pengajian Perniagaan Islam (MIBS), No. Matrik: 830554.**

3. Sehubungan itu, pentadbiran ini tiada ketegahan dan memberi kebenaran untuk menjalankan kajian tersebut di masjid-masjid berikut :

(1) Masjid Sharifah Fatimah, Kemunting
(2) Masjid Al-Fateh, Tanjung Pauh
(3) Masjid Abidin, Sungai Laka

4. Oleh yang demikian, pelajar tuan bolehlah berhubung terus dengan pihak masjid yang berkenaan bagi mendapatkan data kajian yang diperlukan.

Segala kerjasama dan perhatian puan dalam perkara ini didahului dengan ucapan terima kasih.

Sekian.

"BERKHIDMAT UNTUK AGAMA DAN NEGARA"
"KEDAH SEJAHTERA-NIKMAT UNTUK SEMUA"

Saya yang menjalankan amanah,

(SYEIKH MUHAMMAD SUHAIMI BIN HAJI SALEH, BCK.)
Pegawai Agama Daerah Kubang Pasu
Kedah Darul Aman

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s.k.: 1. Tuan Imam
Masjid Sharifah Fatimah, Kemunting

2. Tuan Imam
Masjid Al-Fateh, Tanjung Pauh

3. Tuan Imam
Masjid Abidin, Sungai Laka

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APPENDICE C

SECTION A: GENERAL INFORMATION

BAHAGIAN A: MAKLUMAT UMUM

1. Name of the Mosque / *Nama Masjid*:

   _____

2. Village / *Qariah* : _____

3. Position / *Jawatan:*

☐ Imam

☐ Bilal

☐ Ahli Jawatankuasa Masjid / *Member of the Mosque Committee*

☐ Lain-lain, sila nyatakan / *Others, please state* _____

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SECTION B: MOSQUE FINANCIAL INFORMATION (YEAR 2024)

BAHAGIAN B: MAKLUMAT KEWANGAN MASJID (TAHUN 2024)

- **Maklumat boleh dalam bentuk jumlah sebenar atau jumlah anggaran** / *Information can be in the form of actual amounts or estimated amounts*

Pendapatan / *Income*

Pendapatan / ***Income***	**Bulanan** / ***Monthly***	**Tahunan** / ***Yearly***
Pejabat Agama / R*eligious Office*		
Tabung Masjid / *Mosque fund*		
Sumber Lain / *Other sources* ● **Rumah Sewa** / *Rental House* ● **Hasil Tanah** / *Crops* ● **Jualan Amal** / *Charity Sale*		
Jumlah / *Amount*		

Jenis-jenis tabung yang dimiliki oleh masjid (tandakan X) / T*he types of funds owned by the mosque (mark X)*

Tabung Jumaat / *Friday fund*	
Tabung Anak Yatim / *Orphan Fund*	
Tabung Wakaf / *Endowment Fund*	

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Lain-lain (Senaraikan…) / *Other (List…)*	

Perbelanjaan / *Expenses*

Perbelanjaan / *Expenses*	**Bulanan / *Monthly***	**Tahunan / *Yearly***
Bayaran Penceramah / *Speaker Fees*		
Elaun AJK / *Committee allowance*		
Utiliti (Api Air) / *Utilities (Fire Water)*		
Penyelenggaraan Masjid / *Mosque maintenance*		
Jamuan / *Feast*		
Derma / Bantuan / Donations / Help		
JUMLAH/ *AMOUNT*		

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Aset Masjid / *Mosque assets*

Aset / ***Assets***	**Jumlah (RM) /** ***Amount (RM)***
Simpanan di Bank */ Savings in the Bank*	
Bangunan (selain dari masjid) / *Buildings (other than mosques)*	
Tanah */ Land*	
Kenderaan / *Vehicle*	
Harta Wakaf (senaraikan….) / *Waqf property (list….)*	
JUMLAH / ***AMOUNT***	

Kekerapan pengurusan masjid menghebahkan / mempamerkan kedudukan kewangan masjid kepada para Jemaah adalah secara (tandakan X)

The frequency with which the mosque management publicizes/exhibits the financial position of the mosque to the congregation is (mark X)

Mingguan / *Weekly*	
Bulanan / *Monthly*	
Tahunan / *Yearly*	

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SECTION C: MOSQUE MANAGEMENT INFORMATION

BAHAGIAN C: MAKLUMAT PENGURUSAN MASJID

1) **Kekerapan masjid menjalankan aktiviti dalam seminggu /** *How often the mosque conducts activities in a week*

a) Ceramah / *Speech*

	1 – 2 kali / ***1-2 times***		**3 – 5 kali /** ***3-5 times***		**6 kali ke atas /** ***six times above***

b) Lain-lain / *others* _____

2. **Anggaran bilangan jemaah yang menghadiri /** E*stimated number of pilgrims attending*

Solat Subuh *IMorning prayers*		**Solat Isyak /** *Isyak Prayer*	
Solat Zohor / *Zohor prayer*		**Ceramah Bulanan /** *Monthly Talk*	
Solat Asar / *Asar Prayer*		**Kuliah Mingguan /** *Weekly Lectures*	
Solat Maghrib / *Maghrib Prayer*		**Bacaan Yasin /** *Yasin 's reading*	

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3. **Sila jawab menggunakan skala di bawah** */ Please answer using the scale below*

1- Sangat tidak setuju / *Strongly disagree* 2- tidak setuju / *disagree*
3- tidak pasti / *not sure* 4- setuju / *agree* 5- sangat setuju / *strongly agree*

- Masjid ini mempunyai kekangan kewangan dalam pengurusan harian

 This mosque has financial constraints in daily management ☐

- Sambutan jemaah dalam menyumbang kepada tabung masjid ini adalah sangat menggalakan

 The congregation's response to contributing to this mosque fund is very encouraging ☐

- Masjid ini membangunkan dan mendapat pulangan kewangan dari harta wakaf yang dimiliki

 This mosque develops and gets financial returns from owned waqf property ☐

- Berikut merupakan faktor utama yang menghadkan masjid ini dari menganjurkan program-programnya:

 The following are the main factors that limit this mosque from organizing its programs:

a) Kurang Sambutan dari Jemaah ☐

Lack of Response from the Congregation

b) Kekangan Kewangan ☐

Financial Constraints

- Masjid ini perlu menjana ekonominya sendiri bagi menampung perbelanjaannya

Berikan contoh (rumah sewa, koperasi, dll) _____

This mosque needs to generate its own economy to cover the expense

Give an example (rental house, cooperative, etc) _____

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SECTION D: FINANCIAL MANAGEMENT INFORMATION & MOSQUE FINANCIAL LITERACY AMONG IMAMS

BAHAGIAN D: MAKLUMAT PENGURUSAN KEWANGAN & LITERASI KEWANGAN MASJID DALAM KALANGAN IMAM

1) Pada pendapat Tuan, sejauh manakah para pentadbir masjid perlu mempunyai tahap celik dalam pengurusan kewangan masjid?

In your opinion, to what extent should mosque administrators have a level of literacy in mosque financial management?

2) Apakah kaedah pengurusan yang dilaksanakan untuk menguruskan kewangan masjid?

What management methods are implemented to manage the finances of the mosque?

3) Apakah cabaran yang sering dihadapi dalam menguruskan kewangan masjid?

What are the challenges often faced in managing mosque finances?

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Photo session after interviewing with Imam and mosque committee

Sharifah Fatimah Mosque

Al Fateh Mosque

Abidin Mosque

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