



An Overview of The NZF Zakat Distribution Strategy

You may be wondering how NZF decides to spend Zakat in the ways it does. We've spent years immersed in the theory and practice of Zakat. Here's a quick summary of everything that we know today, a guide for you to understand why and how we do what we do.

The Function of Zakat

Zakat is one of the five pillars of Islam. Islam primarily describes a state of subservience. The Prophet (peace be upon him) stated that Islam - that is the same state of subservience - "is built on five" distinctive acts. Being built on suggests many things; that these five things form the basis of true subservience to Allah, and in being a basis it follows that everything else in the faith follows on from them. When these foundations are implemented individually and collectively as institutions, it paves the way for subservience to flourish in the lives of those in society, resulting in a society committed to Allah. Considering this, Zakat ultimately functions to uphold Islam at an individual and communal level.

The Eight Categories of Zakat

What we know with certainty is that the Qur'an has mentioned eight different categories to whom Zakat can be given. A literal translation of the verse reads as follows:

"Alms (Zakat) are meant only for the poor, the needy, those who administer them, those whose hearts need winning over, to free slaves and help those in debt, for God's cause, and for travellers in need. This is ordained by God; God is all knowing and wise." (Qur'an 9:60)

Zakat distribution resources the community through the eight categories in such a way that barriers to ongoing faithfulness at both an individual and collective level are reduced or removed altogether. This is supported by the writings of the great exegete of the Qur'an Imam al-Tabari (d.310 AH)¹ that the eight categories of Zakat can be summarised into two essential functions:

1. Fulfilling the needs of the Muslims
2. Assisting and strengthening Islam

It is worth noting that even the first objective has a critical function to play not just in providing a believer with the material resources he/she requires for essential needs, but in their sense of belonging to the Muslim community and in their ability to maintain a healthy and sustainable state of subservience. In one prayer, the Prophet (may Allah's salutations and peace be upon him) sought refuge in Allah from

¹ Tafsir al-Tabari

“disbelief and poverty”². In another statement, he indicated that poverty leads to disbelief³.

The Zakat Distribution Programmes of NZF

Considering the two essential functions of Zakat which incorporate the eight categories, NZF has devised two flagship programmes:

1. The Economic Empowerment Programme

The Economic Empowerment Programme aims to improve somebody’s long-term situation by meeting the costs of basic essentials such as food, shelter, clothing and travel costs. The grant also funds empowerment activities that help people in hardship reduce their expenses or increase their income, and often includes job training, legal costs and debt relief.

Every applicant is assessed according to the criteria of all four Islamic schools of law. From a Hanafi law perspective, the applicant must be below the *Nisab* (poverty line). Whilst according to the other schools, the applicant must not have enough funds (*Kifayah*) to meet his needs and expenses. This assessment is carried out by the Programme Officers.

2. The Leadership Investment Programme

The Leadership Investment Programme invests in emerging Muslim leaders and organisations that are working for Islam to flourish in the UK. They seek to improve one or more of the following:

- a. Public perception towards Islam and Muslims
- b. Religious scholarship and religious literacy
- c. The representation of Muslims in the UK

A number of scholars and students are supported through this programme with costs of education and training who, owing to their inability to afford the related fees, fall below the *Nisab* and *Kifayah* assessments discussed above. As a result, they qualify for Zakat based on unaffordability and net wealth being below the *Nisab* threshold.

Organisations which are working for Islam to flourish in the UK are funded under category seven ‘in the cause of Allah’. According to the majority of schools in Islamic law, this category does not have to meet the unaffordability criteria to receive Zakat. This is totally understandable given that this category is not to make a person financially independent, but to establish Islam. This is the common view practiced in many different parts of the world that the category “in the cause of Allah” is to support activities in establishing Islam. This is also the resolution of the OIC Islamic Fiqh Academy – A global scholarly council composed of over 50 senior scholars and practitioners from across the world.

NZF operates in a way to satisfy the requirements of all the schools of Islamic law. To ensure that the Zakat distribution meets the Hanafi school criteria for the category “in the cause of Allah”, NZF has in place a *Wakalah* framework devised by Hanafi

² Sahih ibn Hibban

³ Al-Tabarani and al-Bayhaqi

Muftis in the UK who have advised NZF on this practice. This Wakalah framework ensures that the Zakat distribution meets the validity criteria set by the Hanafi school.

The Three Principles for Effective Zakat Distribution

A simple but profound conclusion that has significant implications is that Zakat can only fulfil its overarching purpose as a function of its effective, strategic distribution. Zakat payment alone fulfils the individual obligation. Our research shows that Zakat distribution is most effective when underpinned by three principles: unity, local focus, and balanced spending.

1. Unity: Zakat collection is pooled together to enable coordinated and measured distribution.

Throughout history, Zakat collection and distribution was a governmental department and function. The Qur'an alludes to the existence of a united body for Zakat collection "The Zakat Collectors" (9:60). The greater the unity in Zakat collection, the more beneficial the distribution will be.

2. Local Focus: Zakat distribution focuses on the society where it is collected.

There is a strong emphasis in primary sources of Islam concerning the localising of Zakat. The Prophet sent Mu'adh to Yemen and said, "Invite the people to testify that none has the right to be worshipped but Allah and I am Allah's Messenger, and if they obey you to do so, then teach them that Allah has enjoined on them five prayers in every day and night (in twenty-four hours), and if they obey you to do so, then teach them that Allah has made it obligatory for them to pay the Zakat from their property and it is to be taken from the wealthy among them and given to their poor." (Sahih al-Bukhari)

Imran bin Husain (may Allah be pleased with him), a Companion, was appointed as a Zakat collector at the time of the Umayyads. When he returned from his mission, he was asked, "Where is the money?" Imran said, "Did you send me to bring you money?" I collected it the same way we used to at the time of the Messenger of Allah and distributed it the same way we used to." (Sunan Abu Dawud)

The Maliki, Shafi'i and Hanbali schools are of the opinion that Zakat should be distributed locally except when there is a surplus or in emergencies. The Hanafi school states that it is disliked sending Zakat overseas whilst there is a local need.

3. Balanced spending: Zakat is distributed across the eight categories mentioned in the Qur'an (9:60).

The overarching objectives of Zakat as outlined by classical scholars such as Imam al-Tabari (d.310 AH) can never be attained unless Zakat is spent across the eight categories. These categories address all the root problems in life which hinder an individual's or community's subservience to Allah. Each category addresses a restraint in the lives of individuals and the society at large which weakens their ability to practise Islam. It is only through the holistic distribution across these divinely selected categories that the true power of Zakat all the shackles be removed from a society fully committing itself to God.

This shows the importance of systemization, local focus and balanced spending for effective Zakat. The weakness of any one of them weakens Zakat, and the weakness of Zakat weakens Islam.

Our vision is for Islam to flourish in society as a source of prosperity and harmony for all. Our mission is to distribute Zakat transformatively within the United Kingdom.

We believe our vision statement represents the overarching reason as to why Zakat was instituted by the All-Knowing, Most Wise, that is for Islam to flourish at an individual and communal level in society; this is to the best extent that we have been able to understand His Will with intense prayer, experience, consultation, reflection and research over the six and a half years since the organisation's inception.