

Optimizing Financial Transparency and Accountability in Mosques: A Case Study Approach in Enhancing Reporting Practices

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Abstract: Financial reporting is essential for maintaining accountability and openness in non-profit organizations, including mosques. Notwithstanding the existence of worldwide financial reporting standards, mosques frequently have difficulties in conforming to standard practices owing to insufficient competence and the absence of established financial management frameworks. This case study analyses the financial reporting practices of a mosque in Malaysia, emphasizing critical issues such as the absence of standardized financial recording systems, procrastinated transaction paperwork, and restricted public financial disclosures. The study highlights the necessity for explicit financial separation between waqf and khairat monies, as each serves a unique function. It underscores the significance of streamlined financial recording methods to enhance openness, accountability, and community confidence. This research identifies essential areas for enhancement by comparing current behaviors with instructions provided by Malaysian religious authorities. Recommendations encompass the establishment of fundamental financial recording systems, the utilization of technology for real-time reporting, and enhanced adherence to financial regulations. The study adds to the expanding literature on financial accountability within religious non-profits and provides pragmatic suggestions for improving financial management in mosques. By using these methods, mosques can cultivate enhanced confidence between congregants and regulatory authorities, while assuring the appropriate management of donations and resources.

Keywords: *Financial Reporting, Mosque Accountability, Transparency, Waqf and Khairat Funds*

1. Introduction

Financial reporting plays a key role in upholding accountability and transparency within non-profit organizations. The existing body of research indicates that although there is widespread support for global financial reporting standards for non-profit organizations, the actual implementation of these standards encounters difficulties as a result of local customs and differences among stakeholders (Cordery et al., 2019). Several non-profit organizations have implemented national accounting standards, such as PSAK No. 45 in Indonesia, to augment openness and accountability. Nevertheless, the attainment of full compliance continues to provide a formidable obstacle (Tsunme et al., 2023). Empirical research has demonstrated a positive correlation between the adoption of enhanced governance practices and the enhancement of financial reporting within non-profit organizations. The findings underscore the importance of effective monitoring and supervision in improving the standard of financial reporting inside non-profit entities.

Mosques, which are a notable category of non-profit organizations in Muslim countries, play a crucial role in delivering religious, educational, and social services to their associated communities. As a prominent Islamic institution, mosques get financial support mostly from public donations in the form of infaq and waqf. Regrettably, the financial management of mosques has frequently been a matter of controversy, since there are concerns over the lack of transparency and accountability in the administration of mosque funds (Mahardika et al., 2022; Octisari et al., 2021; Puspita et al., 2022). While having an urgent requirement for proficient financial reporting protocols, the majority of these institutions tend to rely on basic accounting techniques rather than adhering to standardized conventions (Siregar et al., 2023; Sochib, 2023). The lack of standardized financial reporting methods between mosques results in variations in the level of transparency and ineffective financial information distribution as well as complicates the financial monitoring process. The present condition is further intensified by the inadequate level of expertise and understanding in financial management within a significant number of mosques, as committee members often lack formal education in financial institutions or accounting.

The importance of effective financial management in mosques cannot be overstated and an inadequate understanding of financial reporting obligations as well as internal control mechanisms can lead to a reduced degree of proficiency, thus affecting the transparency and accountability of mosque financial matters. Moreover, this phenomenon possesses the capacity to give rise to inefficiencies, non-adherence to regulatory requirements, and reduced trust among various stakeholders. In essence, improving efforts in mosque financial matters will help to ensure the responsible handling of both public and private donations and enhance the community's trust in the mosque's leadership (Kholmi, 2022; Nining, 2019). The primary objective of this study is to address the aforementioned problems by employing a case study methodology to investigate the financial reporting practices of a particular mosque in Malaysia. Specifically, the research aims to comprehensively examine the key concerns associated with the selected mosque on its current financial recording and reporting practices based on the existing protocols and guidelines from the regulatory authorities. The paper further proposes the implementation of a basic financial recording and reporting system for mosques, to improve effectiveness, openness and accountability in their financial operations.

The subsequent sections of this article are structured as follows: A literature review on accountability and transparency in the management of mosque finances is presented. The methodology utilized and the findings are elaborated in the subsequent section accordingly. The conclusion of this effort is presented in the final section.

2. Literature Review

Accountability and transparency are essential tenets in the financial management of mosques, significantly contributing to ethical stewardship and the efficient utilization of resources. Accountability denotes the responsibility of mosque leaders and financial management to furnish comprehensive and precise reports regarding the utilization of financial resources, ensuring that expenditures align with the mosque's objectives and serve the community (Muchlis et al., 2019). This involves the preparation of financial statements in compliance with established accounting standards and the implementation of internal controls to mitigate the risk of fraud or theft. (Yasin & Mokhtar, 2022). By cultivating a culture of accountability, mosque leaders may guarantee their role as responsible custodians of the trust bestowed upon them by their congregation, which is vital for preserving both the moral and operational integrity of the organization (Ga et al., 2021). Transparency entails the candid and forthright dissemination of financial information to the congregation, generally accomplished through the regular presentation of statements and financial data (Muchlis et al., 2019). Transparency guarantees that financial management processes are observable and accessible, facilitating the identification and resolution of any financial mismanagement or ethical issues. Consistently delivering financial reports, encompassing comprehensive income and expenditure figures, enables mosque members to comprehend the utilization of their donations. This strategy fosters confidence and credibility while promoting increased participation and sustained financial support from the community (War & Barlis, 2023).

Scholarly literature underscores the need to use standardized accounting systems as a means to enhance transparency and responsibility (Julkarnain, 2018). Numerous scholarly articles have also investigated the current use of accounting standards in the financial reporting protocols of mosques. The available literature suggests that a significant part of mosques continue to employ basic accounting techniques and have not completely embraced the accounting standards mandated by accounting regulations (Julkarnain, 2018; Siregar et al., 2023; Sohib, 2023). The absence of standardized financial reporting practices may result in inadequate reporting, thereby impacting the levels of openness and accountability (Diviana et al., 2020). To effectively implement the accounting standard, faith-based institutions must generate comprehensive financial statements encompassing statements of financial position, comprehensive income, cash flows, and accompanying comments to financial reports (Diviana et al., 2020; Siregar et al., 2023). Existing literature suggests that although certain mosques have undertaken initiatives to enhance financial accountability and transparency, there exists a prevalent requirement for improved comprehension and application of non-profit accounting principles within the realm of mosque financial management. (Asrori et al., 2020; Siregar et al., 2023).

Empirical research conducted on the financial administration of mosques in Indonesia has shown a prevalent dependence on basic procedures, underscoring the imperative for substantial enhancements. According to the

study conducted by Suarni et al. (2022), it was observed that the Dato' Tiro Islamic Centre Mosque employs a rudimentary manual protocol for documenting transactions, which deviates from the prescribed ISAK 35 criteria. The absence of comprehensive reporting highlights the imperative for regulatory modifications aimed at establishing standardized standards. In a similar vein, Siregar et al. (2023) observed that although the Al-Ikhlas Mosque demonstrates adherence to certain fundamental financial management principles, it fails to meet the comprehensive reporting standards mandated by ISAK 35 as a result of its restricted financial literacy. Kholmi (2022) underscored the need to streamline financial management procedures to augment openness and accountability. The author claimed that precise and unambiguous reporting may effectively match the operations of mosques with the expectations of the community. The study conducted by Diviana et al. (2020) showcased advancements made at Mosque Baitul Haadi through the implementation of financial statements that adhere to ISAK 35 standards, hence improving operational transparency and responsibility.

In their recent study, Yeni et al. (2021) Provided a comprehensive account of the effective execution of robust financial management methods at Fatimah At-Tuwaijiry Mosque. The authors highlighted the strategic allocation of finances and the cultivation of a culture of transparency. An investigation carried out by Octisari et al. (2021) Revealed shortcomings in the execution of ISAK 35 at mosques located in Kedungbanteng. These inadequacies were predominantly attributed to inadequate levels of awareness and training. Furthermore, the research undertaken by Mahardika et al. (2022) and Puspita et al. (2022) Has demonstrated that specific mosques located in Malang City and Bengkulu City have made notable advancements in improving their financial procedures by implementing training programs and standardization activities. Nevertheless, significant improvements are still necessary to attain full compliance with non-profit accounting requirements. In conclusion, the research suggests that enhancing transparency and accountability in Indonesian mosques requires upgrading financial reporting procedures, fostering a deeper comprehension of accounting standards, and employing training and technology judiciously.

The literature study about the financial management procedures of mosques in Malaysia reveals a varied and complex research landscape. Several research studies have indicated that some mosques have implemented effective financial reporting systems and robust internal controls to effectively manage their income and expenditures (Shaharuddin & Sulaiman, 2015). The aforementioned methods highlight the significance of precise financial documentation and increased accountability on mosque leaders to enhance efficiency and effectiveness in performance (Adil et al., 2013). However, subsequent studies indicate notable deficiencies, specifically in the domains of budgetary control, performance evaluation, and accountability, hence indicating the necessity for improvements in these specific areas (Nining, 2019). To enhance financial management practices and promote accountability, it is imperative to use effective procedures such as performance reviews, regulatory compliance, and social audits. (Nining, 2019). Notwithstanding certain advancements, a considerable number of mosques continue to exhibit deficiencies in their financial policies and reporting procedures (Shaharuddin & Sulaiman, 2015).

Further research has uncovered enduring challenges in the field of financial management. According to Nining (2019), the use of performance assessments, regulation, and social auditing serve as mechanisms for upholding accountability; yet, there persist certain obstacles in this regard. Mohamed et al. (2023) delineate challenges about fund management, regulatory compliance, and facility management, highlighting the divergence in governance approaches among different states. Zain et al. (2015) emphasize the lack of standardized accounting methods, which hinders the effective implementation of accountability and transparency measures. Said et al. (2013) Highlight the importance of robust internal controls and proactive committee involvement in fundraising efforts as a means to improve financial performance and provide crucial support to mosque initiatives. Furthermore, a study conducted by Wan Zakaria et al. (2020) reveals that a significant majority of mosques in Kuala Nerus, specifically 79%, continue to depend on manual accounting systems. This reliance detrimentally impacts operational efficiency and heightens the likelihood of errors. Despite the implementation of enhanced cash handling protocols, including regular inspections and secure storage, a notable proportion of mosques, specifically 39.1%, persist in manual cash handling before depositing funds. This practice presents a potential vulnerability to misappropriation, as highlighted by Wan Zakaria et al. (2020).

In summary, the academic literature about the effective administration of mosque finances underscores notable progress as well as persistent obstacles. Empirical evidence highlights the imperative nature of adhering to

standardized accounting methods to enhance financial openness and accountability. While many mosques have demonstrated significant advancements through the implementation of thorough financial reporting and robust management processes, numerous other mosques continue to depend on crude systems that do not meet formal criteria (Diviana et al., 2020; Suarni et al., 2023; Yeni et al., 2021). Insufficient financial literacy among administrators, inadequate training, and a lack of standardized procedures persistently hinder the effectiveness of financial administration (Kholmi, 2022; Siregar et al., 2023). In the context of Malaysia, it is evident that while several mosques demonstrate proficient financial controls, there exists a pervasive lack of budgetary management and performance evaluation, hence highlighting the necessity for enhanced practices and adherence to accounting standards (Nining, 2019; Shaharuddin & Sulaiman, 2015). The continued use of manual accounting methods and the absence of appropriate financial policies serve to intensify these issues (Wan Zakaria et al., 2020). In general, the existing body of literature suggests a significant requirement for improved financial reporting protocols, a more comprehensive comprehension of accounting principles, and the adoption of training and technological interventions to promote improved accountability and transparency in the financial management of mosques in Indonesia and Malaysia (Mahardika et al., 2022; Said et al., 2013; Siregar et al., 2023; Zakariyah et al., 2017; Zulfahmi et al., 2024). The significance of continuing enhancements in financial operational procedures is shown by the constant endeavors to foster transparency, strike a balance between comprehensive reporting and simplicity, and augment community participation strategies.

3. Methodology

The proposed research methodology of a case study approach is well-suited to investigate the financial reporting practices of a mosque. This qualitative strategy enables a comprehensive examination of a range of data sources, including the mosque's financial records, internal policies and procedures, and any relevant archival documentation, which is the central aim of this research (Crowe et al., 2011). It also allows the researcher to delve into the intricate details of the mosque's financial management systems, shedding light on the current challenges, shortcomings and limitations, providing valuable insights that can inform the development of a simplified and more transparent reporting system. (Asrori et al., 2020). The qualitative nature of the case study methodology also enables the researcher to engage with the key stakeholders, such as the mosque's financial management committee, through semi-structured interviews to gain a comprehensive understanding of the current practices, challenges, and potential solutions. This multi-faceted data collection approach ensures a thorough examination of the financial reporting mechanisms, enabling the researcher to identify the specific areas that require improvement. (Asif et al., 2019; Yaacob et al., 2015).

This understanding can then be used to propose practical solutions that simplify the reporting process and enhance the overall financial accountability and transparency of the mosque (Mohamed et al., 2014; Yaacob et al., 2015). The Financial Management Coordination Guidelines for Mosques and Suraus Across Malaysia, issued by the Department of Islamic Development Malaysia (JAKIM), serve as the primary reference for evaluating the financial management practices of the chosen mosque in this case study. The guideline's main goal is to function as a reference for the financial administration of mosques, specifically focusing on improving the competence, responsibility, and honesty of its committee members. Additionally, it promotes a culture of methodical and open management and administration of financial procedures and internal control inside mosques. The study also refers to the Guideline for Mosques and Suraus issued by Melaka State Islamic Religious Council as well as the Enactment on Administration of the Religion of Islam (State of Melaka) 2002. These guidelines also serve as a regulating mechanism for the authority overseeing mosque financial management, with a specific focus on preserving the mosque's integrity. In proposing the basic recording and reporting practices for the mosque, references are also made to the relevant financial accounting standards and Melaka State Fatwa Council, particularly on the definition and classification of waqf and khairat funds.

4. Findings and Discussion

The primary objective of this investigation is to address the challenges associated with the financial administration of a particular mosque. This study aims to conduct a comprehensive examination of the primary constraints of its current financial recording and reporting procedures. The study aims to improve the efficacy, transparency, and accountability of the mosque's financial operations by providing a basic financial recording and reporting system. The summary of observations is represented in Table 1.

Table 1: Summary of Observations

| Key Observations* | Explanation |
|---|--|
| Donation Boxes | Donation boxes are classified into two categories: immovable and portable. The stationary steel bins attached to the mosque wall are intended for waqf and khairat contributions. The portable boxes are made of wood and fitted with locks, used during important meetings, while plastic containers are typically utilized for gathering immediate donations during religious classes. |
| Access to Donation Box and the Counting Practices | Two authorized individuals, the treasurer and the Imam, hold the keys to the donation boxes. Contributions in these boxes are counted by the Imam every other day after the Isya prayer. Weekly, after Friday prayers, the treasurer, Imam, and a committee member open and count the donations. |
| Donation Box Handling and Fund Transfer | All funds extracted from the donation box are maintained by the Imam, as no safe deposit box is evident at the mosque. The funds are designated as the mosque's petty cash for the week. Any unutilized money is subsequently transferred to the treasurer every week after the completion of each Friday prayer session. |
| Petty Cash Allocation and Excess Fund Management | The Treasurer will record the excess cash received from the donation boxes as a petty cash fund and allocate the funds to address the mosque's short-term financial need. If the sum is excessive, the funds are subsequently deposited into the bank account. Nonetheless, no definitive cash sum has been established as the threshold for the petty cash fund. |
| Financial Recording Process | The treasurer is tasked with maintaining a cash book to record all financial inputs and outflows. The documentation of financial transactions is generally deferred due to the absence of a designated deadline. The financial records of the waqf fund and the khairat fund lack clear delineation, despite their differing objectives. |
| Financial Reporting and Disclosure Practice | The cash book is presented exclusively during the committee meeting, which generally takes place bi-monthly. The mosque administration does not engage in the public disclosure of financial information for its congregants, nor is there an apparent demand for such disclosure from the community, as asserted by the treasurer. |
| Financial Transparency | Financial reports are not displayed on the Mosque noticeboard. The sole observable financial data is the aggregate collection from each weekly Friday prayer, which is, however, not presently updated. |
| Petty Cash and Major Purchases | The chairman typically dictates the allocation of petty cash to meet the mosque's immediate financial requirements. For a significant acquisition above RM5,000, the chairman will submit the proposal during the meeting for assessment and resolution. |

*Notes: Observations above are based on the Guidelines for the Coordination of Financial Management for Mosques and Surau Throughout Malaysia, established by the Department of Islamic Development Malaysia, JAKIM (*Garis Panduan Penyelarasan Pengurusan Kewangan Masjid Dan Surau Seluruh Malaysia*, 2021)

Source of Revenues

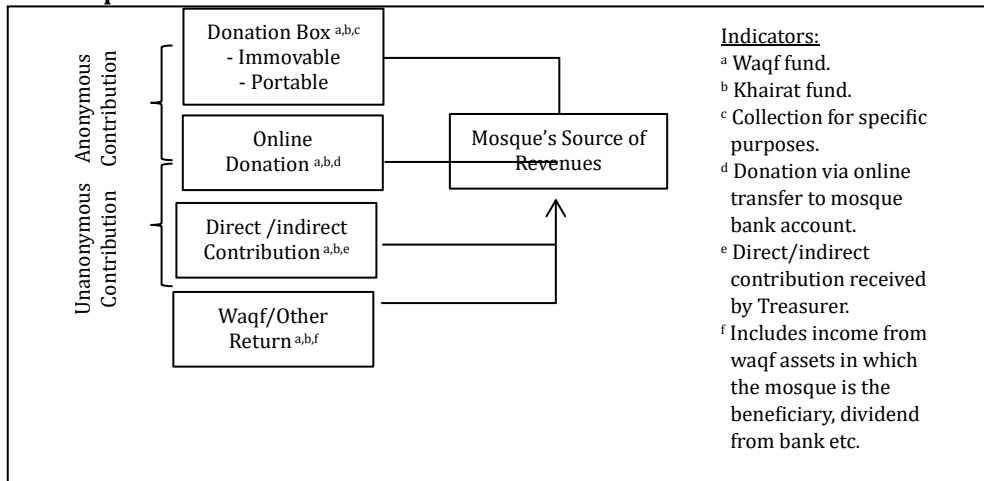
Typically, the revenue of a mosque is derived from three primary sources: public donations, financial support from the government, and other funds generated through activities such as rent collection and investment returns, which are managed by the mosque's committee members. There are two categories of public donation, namely the waqf fund and the khairat fund. The purpose of collecting waqf funds is to finance mostly capital expenditures, including the expansion of buildings, maintenance, repairs, infrastructure, and physical amenities required to satisfy the current and future needs of the mosque building and waqf assets. Meanwhile, the khairat fund collection is utilized to meet the mosque's operating expenses, which encompass supporting the management and administration costs, as well as funding diverse programs that provide benefits to the congregation members and the surrounding communities. These expenses include providing financial incentives to speakers at the mosque, staging banquets, and holding rituals for the breaking of the fast.

There are two immovable affixed types of donation boxes situated within the mosque premises. The first box functions as the collecting box for the waqf fund, while the adjacent box is designated for the collection of the khairat fund. The boxes are prominently displayed at the main entrance, strategically positioned to make it

convenient for contributors to put in their cash donations. In addition to the physical donation box, the mosque also received online contributions from the public. The mosque has established banking relationships with two notable financial organizations that strictly follow the rules of Syariah (Islamic) Law. The first bank account is specifically allocated for the waqf fund, which is intended for the advancement of the mosque and other essential capital outlays. On the other hand, the second bank account is primarily used for various operational expenses associated with the mosque. Although public donation forms the main source of income for the mosque, the mosque also generated income by leasing its waqf asset. According to the treasurer, currently, there are two sources of monthly revenue: one from renting out a house and the other from operations related to a palm oil plantation. The tenant remits the house rental payment directly to the bank account, whereas the proceeds from the palm oil plantation are received in physical currency.

An authorized individual is granted access to both immovable-affixed-typed donation boxes designated for the waqf fund and the khairat fund on alternate days, excluding Fridays. The donated amount will be computed, and the petty cash report will be promptly reviewed. Every week, following the Friday prayer session, the two boxes are opened by a minimum of two permitted individuals in expectation of receiving a significant contribution. The treasurer will transfer any sum over the specified threshold for petty cash into the bank account. As per the treasurer, there is a separate donation box designated for collecting voluntary contributions from the participants of a certain religious class, which is intended for the invited speaker. The donation box is portable and primarily passed around among the female congregants during the lesson. The portable donation box will be passed on to a designated individual to open, count, and collect all the money obtained. These funds will then be sent to the speaker of the day. There is a lack of official documentation for this collection. The sole goal of this is to enable female congregants to contribute to the predominantly male preacher. Typically, male members of the congregation swiftly offer their contributions to the preacher during the handshake that occurs after the group prayer.

Figure 1: Mosque's Source of Revenues



Apart from funds received anonymously through the donation boxes, the mosque will issue an official receipt for each direct contribution received. Initially, the treasurer is primarily responsible for receiving contributions and producing formal receipts. Occasionally, certain contributors just pass their funds to any of the committee members. Afterward, the committee member will hand over the donated amount to the treasurer before issuing formal receipts. Meanwhile, the official receipt for a donation made through an internet transfer to the mosque's bank account is only prepared after the amount has been confirmed as indicated in the bank statement.

Categories of Expenses

The financial records of the mosque reveal several typical charges associated with its operation. This analysis delineated four types of expenditures: Waqf and Development, Programs and Activities, Cemetery Management, and Mosque and Surau Management. Waqf & Development encompasses mostly capital expenditures associated with the Mosque, including renovation costs, maintenance, and fixtures and fittings. The second category, Programs and Activities, encompasses all expenses incurred for the benefit of congregants and the

community, including costs associated with religious classes, contributions to disadvantaged community members, expenses for youth activities, and additional related charges. Cemetery management expenses encompass provisions for gravediggers, alongside landscaping and maintenance of the cemetery grounds. Finally, the expenses categorized under Mosque and Surau management encompass allowances disbursed to mosque officials and attendants, in addition to utility expenditures. The list of expenses is presented in Table 2: Categories of Mosque Expenses and Sources of Funding.

Table 2: Categories of Mosque Expenses and Sources of Funding

| Categories | List of Expenses | Sources of Funding |
|---------------------------------------|---|---|
| 1. Waqf Assets and Mosque Development | <ul style="list-style-type: none"> - Renovation activities - Maintenance cost - Fixtures and Fittings | Waqf fund |
| 2. Programs and Activities | <ul style="list-style-type: none"> - Financial incentives for speakers - Miscellaneous costs in organising Islamic classes - Financial incentives to young congregants on academic achievement - Contribution to flood victims* - Contribution to the deceased family members* - Contribution to the young congregants* - Contribution to Hari Raya Celebration* | Khairat fund <i>*Notes: Disbursement of specific collections organized by the mosque committee to the intended recipients.</i> |
| 3. Mosque Administration | <ul style="list-style-type: none"> - Allowance for mosque officials - Utility Bills | Khairat fund |
| 4. Cemetery Management | <ul style="list-style-type: none"> - Gravedigging expenses - Allowance for Gravediggers - Landscaping and Maintenance | Khairat fund |

Financial Recording and Reporting Practices

The treasurer stated that the mosque's present financial recording method consists solely of cash inflows and outflows from the mosque fund. The financial records of the waqf fund and the khairat fund lack clear separation, despite their distinct purposes. It was also found that the recording of financial transactions is typically postponed, as the mosque management does not practice public disclosure of financial statements for congregants, nor is such disclosure requested by the community. Despite the guideline issued by the state religious authority explicitly addressing the necessity for such disclosure, the mosque management is not treating it with proper seriousness, mostly attributed to the insufficient enforcement by the religious authority itself. Considering these findings fundamentally undermine the concepts of accountability and transparency, the mosque's finance committee members need to reveal the mosque's financial position, as this would elucidate any unarticulated concerns regarding its financial management.

The financial reporting and transparency issues of mosques identified in this study are frequently documented in prior research. Although financial disclosure is essential, it seems the mosque is not sufficiently prioritizing the compilation of financial reports, resulting in inadequate financial disclosures. The basic template for financial disclosures about weekly and monthly collections is prominently displayed on the mosque's noticeboard; nonetheless, the financial information seems outdated. However, interviews with the several mosque's attendees revealed no apparent indications of dissatisfaction among community members regarding the mosque's financial affairs. Figure 2 below depicts the reporting of the Waqf and Khairat funds according to the classifications of expenses derived from the examination of mosque expenditures in this study.

Figure 2: Proposed Waqf Fund and Khairat Fund Reporting

| a) Waqf Fund Reporting | | | b) Khairat Fund Reporting | | |
|--|----|-------|---|----|-------|
| Particulars | RM | RM | Particulars | RM | RM |
| Opening balance | | x,xxx | Opening balance | | x,xxx |
| <u>Add: Revenue</u> | | | <u>Add: Revenue</u> | | |
| - Donation boxes | xx | | - Donation boxes | xx | |
| - Online contribution | xx | | - Online contribution | xx | |
| - Direct/indirect contribution | xx | xxx | - Direct/indirect contribution | xx | xxx |
| - Waqf/other return | | | - Waqf/other return | | |
| <u>Less: Waqf Asset & Mosque Development</u> | xx | | <u>Less: Programs and Activities Management</u> | xx | - xxx |
| - Renovation expenses | xx | - xxx | - Financial incentives for speaker | xx | |
| - Mosque maintenance | | | - Miscellaneous costs | xx | - xxx |
| - Assets acquisition | | | <u>Mosque Administration</u> | | |
| Closing balance | | x,xxx | - Allowances for mosque officials | xx | |
| | | | - Utility bills | xx | - xxx |
| | | | <u>Cemetery Management</u> | | |
| | | | - Gravedigging expenses | | |
| | | | - Allowance for gravediggers | | |
| | | | - Landscape and maintenance | | |
| | | | Closing balance | | x,xxx |

5. Conclusion and Recommendations

The financial reporting and disclosure challenges faced by mosques, while similar to those found in previous studies, require effective strategies for improvement. Despite a lack of enforcement by authorities and no direct demand from congregants, the need for timely financial transparency is clear. While adopting full accounting standards is seen as the best solution, it remains impractical for small and medium-sized mosques. Currently, mosques are only required to provide basic cash flow reports under state regulations. However, this study highlights significant opportunities to improve financial transparency and reporting practices within mosques. A key improvement needed is the clear separation of income into the waqf fund and the khairat fund. This distinction would aid regulatory compliance and enhance financial management, especially regarding expenditures, budgeting, and strategic planning for future projects. Mosque committee members must understand the importance of maintaining this segregation to ensure proper fund allocation and oversight. Simplifying cash flow recording through technology is vital, particularly to manage contributions and expenses tied to both funds. Further research into user-friendly financial platforms is essential, and adopting advanced technology for real-time reporting could greatly improve accountability and transparency.

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