

## Islamic Center of Melville (ICM) Policy

### Zakat Distribution Policy

Responsible Executive/office: Executive Committee and ICM CEO

Responsible Committee/Officer: Zakat Committee

Date Issued: First Approved by ICM Board of Directors on June 1st, 2024

Date Last Revised: [Islamic Center of Melville CEO will complete as needed]

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## CONTACTS

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## I. STATEMENT OF POLICY

In the Name of Allah—the Most Compassionate, Most Merciful.

Whatever you lend out in usury to gain value through other people’s wealth will not increase with God, but whatever you give in charity, in your desire for God’s pleasure, will earn a manifold increase. (Qur’an 30:39)

﴿ وَمَا آتَيْتُمْ مِنْ رَبًّا لِيَرْبُوَ فِي أَمْوَالِ النَّاسِ فَلَا يَرْبُو عِنْدَ اللَّهِ وَمَا آتَيْتُمْ مِنْ زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَئِكَ هُمُ الْمُضْعِفُونَ ﴾  
الروم (39)

## II. REASON FOR THIS POLICY

This document is intended to be the Policy Document to provide a framework for future Zakat distribution. This has been compiled following discussions with the committee of Zakat, executive Committee and Approval of Board of Directors. It should be reviewed annually.

## III. DEFINITIONS

**Beneficiaries:** Individuals, households, or communities that receive benefit through the provision of aid and/or services both directly and indirectly.

**Sadaqat:** Voluntary charity that may be given by donors at any time and may be used to fulfill any charitable need of the organization or individual recipients.

**Zakat:** One of the five pillars of the Islamic faith requiring Muslims who meet the necessary criteria to give a part of their wealth each year to a charitable cause.

The following verse outlines the recipients:

﴿ إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمَوْلَّاتِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً

مِنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴾ (٦٠) التوبة

“Sadaqat / (Zakat) is for the poor and for the needy and for those employed to collect [Zakat] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler – an obligation [imposed] by Allah. And Allah is Knowing and Wise.” (Quran 9:60)

## IV. INDIVIDUALS AND ENTITIES AFFECTED BY THIS POLICY

- A. Zakat is the third of five core pillars of Islam and by Qur'anic ranking, is next after Prayer in importance. It has been interlinked with Prayer 28 times in the Qur'an. The distribution of Zakat and its use has been outlined in the Qur'an, demonstrated in the prophetic traditions and explained further by the Islamic scholars of the past and present.

The above verse singles out eight types of people deemed eligible to receive Zakat.

They have been identified as:

- Al-Fuqara' (The poor)
- Al-Masakin (The needy)
- Al-Amilina Alayha (Administrators of Zakat)
- Al-Mu'allafah Qulubuhum (Reconciliation of Hearts)
- Fir-Riqab (those in Bondage)
- Al-Gharimin (Those in Debt)
- Fī-Sabilillah (In the Cause of Allah)
- Ibn al-Sabil (The Wayfarer)

### B. ICM's ZAKAT DISTRIBUTION CATEGORIES

Zakat is spent in the following categories only {unless specified by the donor}:

1. al-Fuqara' (the poor)
2. al-Masakin (the needy)
3. al-Gharimin (the debtors)
4. Fī-Sabilillah (In the Cause of Allah)

## V. EXCLUSIONS

- Submission of an application by an applicant does not constitute an obligation on ICM to approve the form and is contingent on availability of funds and ICM local community members' needs.
- Maximum money paid to applicant is \$2500, otherwise an approval by the executive committee is required.

## VI. ADMINISTRATIVE RESPONSIBILITIES

### A. ZAKAT SCREENING CRITERIA

Every applicant must go through qualitative and financial screenings as follows:

Qualitative screening criteria:

All applicants must fulfil the following criteria:

1. The applicant must be Muslim.
2. The reason for applying to ICM must be lawful.
3. The Zakat cannot be used to fund services directly, unless the beneficiary consents to using their Zakat payment to fund a service. In that instance, Zakat will be paid through Wakala (proxy).

Financial screening criteria:

1. An applicant must be regarded as Faqir (poor) from a Shariah perspective according to the Hanafi definition of poverty.
2. Local applicants' net income must be below expenses to be eligible for Zakat.

### B. APPLICANT ASSESSMENT

For hardship grants, the following documentation is required and must be reviewed:

- o Bank statements wherever possible
- o ID of all beneficiaries
- o Proof of debt/loans
- o Legal/governmental/financial/referral correspondences

Personal assets such as one's house, car, clothes, household appliances, technological devices are not taken into consideration when assessing a beneficiary. The recipient may own a house and a car, yet he may still receive Zakat.

### C. ZAKAT DISTRIBUTION PRINCIPLES

1. Zakat should be distributed within one year of collection, if possible. The Zakat account should be reviewed & audited annually.
2. Zakat does not necessarily have to be paid in cash. Zakat can be distributed in kind as long as the value covers the Zakat liability.
3. The Zakat payment should be unconditional.
4. A service cannot be stipulated in lieu of a Zakat payment.

### D. ADMINISTRATIVE PROCEDURE

- Before any Zakat donation is made to ICM, the executive committee and or the Board of Directors will undertake an assessment for trustees' consideration as to whether the payment is in line with this policy.
- If there is uncertainty on the part of ICM as to whether a donation would be in line with this Policy, the matter will be referred to IMAM of the masjid for his advice.

Here is a summary of how we handle the Zakat funds:

- **Collection:** We accept Zakat from our community through different channels such as online payments, bank transfers, and direct donations at our center. We maintain a separate account exclusively for Zakat funds to ensure there is no mixing with other types of funds.
- **Verification of Need:** We have established a Zakat Committee which is responsible for assessing the needs of the applicants. This involves verifying their financial situation and confirming they meet the eligibility criteria to receive Zakat as set out in Islamic law. We prioritize helping the most vulnerable members of our community.
- **Distribution:** We distribute Zakat funds with the utmost care, ensuring that they reach the intended recipients in a dignified manner. Our distribution includes direct cash aid, food/food vouchers, rent and utility assistance, medical aid, educational support, and more.
- **Record Keeping:** Every transaction related to Zakat is recorded for audit purposes.

These records include the source of funds, amount collected, the recipient's information, and the amount disbursed. This ensures we maintain a high level of transparency and can verify that all funds are used appropriately.

- **Reporting:** We prepare monthly reports for the ICM Board of Trustees which includes zakat funds collected, distributed, and the balance left in the zakat account. We prepare an annual Zakat Report detailing how the funds were used. This report is shared with ICM founders during the Annual Meeting. It is also shared with our donors and the wider community to ensure

complete transparency. It includes information on how many individuals and families were helped, the types of assistance provided, and the impact of the support.

We understand the significance of the task entrusted to us, and we strive to handle every Zakat dollar with the utmost respect and care. Our goal is to serve our community faithfully and help alleviate poverty and hardship in line with the teachings of Islam.

## VII. RELATED DOCUMENTS, FORMS AND TOOLS

<http://www.icmny.org/zakatapplication>

## VIII. WEBSITE ADDRESS FOR THIS POLICY

<https://icmny.org/services/>

## IX. HISTORY AND UPDATES

The Zakat policy was first Approved by ICM Board of Directors on June 1st, 2024

## X. Questions and Answers

Who is eligible to receive Zakat money?

- Zakat money can only be given to those who meet certain criteria, as outlined in Islamic teachings.
- The poor and the indigent, and to those who work on [administering] it, and to those whose hearts are to be reconciled, and to [free] those in bondage, and the debt-ridden, and for the cause of God, and to the wayfarer.

How can I apply to receive Zakat money?

- To apply for Zakat at ICM or on line, you must complete and submit to the ICM office the Zakat application obtained from the office, with all supporting documents. If an application is submitted without the required documents, it is considered incomplete and will be rejected.

What is the Zakat review process?

- Once a completed application, including all supporting documents, is submitted, it is sent to the Zakat committee for review.
- The Zakat committee will confirm eligibility, assess the need, and verify documents.
- If approved, the committee will recommend an amount to be paid.
- Approved applications are submitted to the accounting office so payment can be processed.
- Approved applicants will be notified when their check is ready for pick-up.
- The committee meets periodically.

How is the amount of Zakat money I receive determined?

- The amount of Zakat money you receive will depend on several factors, including your financial situation, your family size, your expenses, and the availability of funds in the Zakat Account.

Can I apply for Zakat for my family?

- There is one application per household. You can assist a family member or friend in completing the application if they have difficulty doing so on their own. However, the name on the application and the recipient must be the same.

How long after I submit my application can I expect a response?

- Response times vary based on when your application is submitted. Most applicants will be sent a response within a week. Some cases may take longer.

Is there anything I can do to appeal for more money if I receive less than I need?

- Due to limited funds, most recipients receive less than they need. There is no formal appeal process.

Can I choose how to spend the Zakat money I receive?

- The Zakat money you receive should be used for the reasons listed when you applied. It is intended to be used for basic needs such as food, shelter, and clothing. However, you may be able to use the funds for other necessary expenses, such as medical bills or education costs.

Is receiving Zakat money confidential?

- Yes, our process is confidential. To respect the privacy and safety of applicants, we regularly shred sensitive documents.

## **XI. Approval**

<b>Policy Title:</b> Zakat Distribution Policy	<b>Policy date:</b> June 1 <sup>st</sup> , 2024	<b>Policy number:</b> ICM1.0
Title/Office	Name	Signature
Chairperson of Zakat Committee	Dr. Ehab Elemam	
President/CEO of ICM	Dr. Talaat Abdelmoneim	
Chairman, Board of Directors	Mr. Essam Ibrahim	