

## Zakat Accounting Practices and Governance Challenges: A Case Study of PSAK 109 Implementation in a Regional BAZNAS

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### ABSTRACT

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This study aims to examine the implementation of zakat accounting practices based on PSAK 109 at BAZNAS Kabupaten Mamuju and to analyze their implications for transparency, accountability, and productive zakat governance. Employing a qualitative descriptive approach with a single case study design, data were collected through semi-structured interviews, participant observation, and document analysis. The analysis focuses on the recognition, measurement, presentation, and disclosure of zakat, infaq/sadaqah, and amil funds, as well as the reporting of productive zakat programs. The findings indicate that BAZNAS Kabupaten Mamuju has implemented basic zakat accounting procedures, particularly cash-based transaction recording and internal fund summaries. However, compliance with PSAK 109 remains partial, as the institution has not prepared a complete set of financial statements, including the statement of financial position, statement of changes in managed assets, cash flow statement, and notes to the financial statements. This incomplete reporting limits transparency and weakens accountability to stakeholders. Although productive zakat programs have generated positive short-term outcomes in supporting beneficiaries' economic activities, the absence of integrated accounting and monitoring mechanisms constrains the evaluation of long-term sustainability and social impact. The study concludes that PSAK 109 should be understood not merely as a technical accounting standard but as a governance instrument that supports accountability and trust in zakat institutions. Strengthening compliance, particularly in disclosure and integration with productive zakat reporting, is essential to enhance institutional credibility and the effectiveness of zakat as an instrument of Islamic social finance.

**Kata Kunci:** Zakat accounting; PSAK 109; Transparency; Accountability; Productive zakat

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## Introduction

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Zakat represents one of the most fundamental socio-economic instruments in Islamic economic thought, functioning not only as an act of worship but also as a mechanism for wealth redistribution and social protection. As a mandatory obligation for eligible Muslims, zakat is designed to reduce poverty, mitigate income inequality, and promote social justice through the systematic transfer of wealth from the affluent (muzakki) to eligible beneficiaries (mustahik) (Rahman & Zainuddin, 2020; Shafii & Yusoff, 2020). In contemporary Islamic economies, zakat has evolved beyond a purely religious obligation into a structured socio-economic institution that requires professional governance, accountability, and transparency in its management (Hassan & Ali, 2020; Khamis & Yahya, 2020). Consequently, the effectiveness of zakat institutions is increasingly assessed not only by the amount of funds collected and distributed, but also by the quality of their governance and financial reporting systems (Siraj & Pillai, 2020).

Indonesia, as the country with the largest Muslim population in the world, holds an exceptionally high potential for zakat collection. Recent studies estimate that national zakat potential reaches hundreds of trillions of rupiah annually (Nizar, 2022). However, despite this substantial potential, actual zakat collection remains significantly below its estimated capacity. One of the key factors frequently cited in the literature is public trust in zakat management institutions, which is closely linked to transparency and accountability in financial reporting practices (Sani & Muhammad, 2021; Saad et al., 2021). Empirical evidence consistently shows that donors' willingness to pay zakat through formal institutions is strongly influenced by the availability of credible, transparent, and standardized financial information (Ulil et al., 2025; Zahara et al., 2025).

To address governance challenges in zakat management, Indonesia has developed a regulatory framework emphasizing accountability and standardization. A central component of this framework is the issuance of Statement of Financial Accounting Standards (PSAK) No. 109 on Zakat and Infaq/Sadaqah Accounting by the Indonesian Institute of Accountants (IAI). PSAK 109 provides comprehensive guidance on the recognition, measurement, presentation, and disclosure of zakat-related transactions to ensure consistency and comparability across zakat management organizations (Organisasi Pengelola Zakat OPZ) (Sulaiman & El-Khatib, 2021; Muda & Abdullah, 2021). The standard requires OPZs to prepare a complete set of financial statements, including statements of financial position, changes in funds, changes in managed assets, cash flows, and notes to the financial statements, thereby strengthening transparency and public accountability (Abidah et al., 2024).

Conceptually, zakat accounting differs fundamentally from conventional commercial accounting. While profit-oriented entities focus on profitability and shareholder value, zakat institutions operate within a non-profit, faith-based framework emphasizing trust (amanah), social responsibility, and Sharia compliance (Ismail & Raimi, 2020; Noor & Awang, 2020). Financial reports of zakat institutions therefore serve a dual function: internally as management control instruments and externally as accountability tools for donors, beneficiaries, regulators, and the public (Deli & Irfan, 2023). In this sense, PSAK 109 functions not merely as a technical



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accounting guideline but as a governance mechanism linking reporting quality with institutional legitimacy (Hakimi et al., 2021).

Despite the availability of PSAK 109 for more than a decade, empirical studies indicate uneven implementation across zakat institutions. A growing body of literature documents varying levels of compliance, particularly among regional and local OPZs. Several studies report that while basic accounting records such as cash books and fund summaries are commonly maintained, many institutions fail to prepare a complete set of financial statements as mandated by PSAK 109 (Utama & Janah, 2024; Khasanah & Wahyuni, 2024). Deficiencies are frequently observed in cash flow statements, statements of changes in managed assets, and comprehensive notes to the financial statements (Potton, 2023; Jayusman et al., 2025).

These findings suggest that compliance with PSAK 109 is often partial rather than full. Research across various Indonesian regions reveals that zakat institutions tend to prioritize operational reporting over standardized disclosure, resulting in limited transparency (Romadhan et al., 2025). Many OPZs rely on simple cash-based recording systems without adequate disclosure of accounting policies, risk management practices, or the treatment of non-halal funds, thereby undermining PSAK 109's accountability objectives (Azyumardi Azra et al., 2025).

Transparency and accountability are particularly critical because zakat institutions manage public religious funds that are inherently trust-based. Inadequate disclosure weakens institutional credibility and reduces donor confidence. Empirical studies demonstrate a strong positive relationship between financial reporting quality and donor trust, suggesting that improved compliance with accounting standards can increase zakat contributions (Sani & Muhammad, 2021; Zahara et al., 2025). Conversely, weak reporting practices discourage donors from channeling zakat through formal institutions, limiting the social reach of zakat programs (Nazira & Prasetyo, 2025).

In recent years, zakat management discourse has increasingly emphasized a shift from consumptive distribution toward productive zakat programs aimed at sustainable economic empowerment. These programs—such as microenterprise financing and capital assistance seek to transform mustahik into economically independent individuals and future muzakki (Saad et al., 2021; Nizar, 2022). However, several studies highlight a disconnect between financial reporting and productive zakat management. Although PSAK 109 requires disclosure of changes in managed assets, many institutions fail to integrate accounting reports with program-level monitoring systems, resulting in limited evaluation of long-term sustainability (Nazira & Prasetyo, 2025).

These challenges are particularly pronounced at the regional level, where zakat institutions often face constraints related to human resources, accounting expertise, and information systems. Studies focusing on local BAZNAS offices reveal that compliance issues are not merely technical but institutional, reflecting governance and capacity limitations (Yulianti, 2025; Utama & Janah, 2024).

Given these gaps, this study examines the implementation of PSAK 109 at BAZNAS Kabupaten Mamuju to assess the extent of compliance and its implications



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for accountability and productive zakat governance. By adopting a qualitative case study approach, this research contributes to the Islamic social finance literature by positioning PSAK 109 not only as an accounting standard but also as a governance instrument essential for enhancing transparency, trust, and socio economic impact at the regional level.

## **Literature Review**

### **Zakat Institutions and Accountability in Islamic Social Finance**

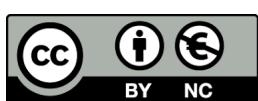
Zakat institutions play a central role in the Islamic social finance ecosystem, functioning as intermediaries that collect, manage, and distribute zakat funds in accordance with Sharia principles (Rahman & Zainuddin, 2020; Shafii & Yusoff, 2020). Unlike commercial entities, zakat organizations are entrusted with public religious funds, making accountability and transparency fundamental to their legitimacy (Hassan & Ali, 2020). Accountability in zakat management encompasses not only compliance with Sharia rules but also the responsibility to provide reliable and understandable information to stakeholders, including donors (muzakki), beneficiaries (mustahik), regulators, and the wider public (Siraj & Pillai, 2020).

The literature emphasizes that accountability in zakat institutions is multidimensional, covering financial accountability, program accountability, and ethical accountability (Khamis & Yahya, 2020). Financial accountability is primarily reflected in the quality of accounting records and financial reports, while program accountability relates to how effectively zakat funds are utilized to achieve socio-economic objectives (Saad et al., 2021). Several studies argue that weak accountability mechanisms reduce public trust and ultimately limit zakat collection, regardless of the institution's religious legitimacy (Sani & Muhammad, 2021; Zahara et al., 2025). Consequently, standardized accounting and reporting frameworks are widely viewed as essential instruments for strengthening governance and sustaining public confidence in zakat institutions (Hakimi et al., 2021).

### **Zakat Accounting and the Conceptual Foundations of PSAK 109**

Zakat accounting is conceptually rooted in Islamic accounting principles, which emphasize fairness, transparency, and responsibility (amanah) (Ismail & Raimi, 2020). Unlike conventional accounting largely oriented toward profit measurement and investor decision making zakat accounting prioritizes stewardship and social accountability (Noor & Awang, 2020). Financial information in zakat institutions is therefore intended to demonstrate that resources have been managed in compliance with Sharia principles and distributed equitably to eligible beneficiaries (Sulaiman & El-Khatib, 2021).

In Indonesia, PSAK 109 serves as the primary accounting standard governing zakat, infaq, and sadaqah transactions. The standard regulates four core dimensions: recognition, measurement, presentation, and disclosure (Abidah et al., 2024). PSAK 109 requires zakat institutions to prepare a complete set of financial statements, including a statement of financial position, statement of changes in funds, statement of changes in managed assets, cash flow statement, and notes to the financial statements (Muda & Abdullah, 2021). The inclusion of notes is particularly important,



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as it provides explanations of accounting policies, fund allocation mechanisms, and disclosures related to non-halal funds and risk management (Potton, 2023).

The literature views PSAK 109 not merely as a technical guideline but as a governance tool that bridges financial reporting and institutional accountability (Hakimi et al., 2021). Proper implementation of PSAK 109 is expected to enhance comparability among zakat institutions, facilitate external oversight, and improve stakeholders' ability to assess institutional performance (Jayusman et al., 2025). However, achieving these objectives depends heavily on the consistency and completeness of implementation in practice.

### **Empirical Studies on PSAK 109 Compliance**

Empirical research on the implementation of PSAK 109 reveals varying levels of compliance across zakat institutions. A substantial number of studies report partial compliance, particularly among regional and local zakat organizations (Utama & Janah, 2024; Khasanah & Wahyuni, 2024). These institutions generally maintain basic accounting records, such as cash books and summaries of zakat receipts and disbursements, but fail to produce a complete set of financial statements as required by the standard (Romadhan et al., 2025).

Common shortcomings identified in the literature include the absence of cash flow statements, lack of statements of changes in managed assets, and incomplete or missing notes to the financial statements (Potton, 2023; Jayusman et al., 2025). Disclosure of non-halal funds is also frequently overlooked, despite being explicitly required by PSAK 109 (Azyumardi Azra et al., 2025). These deficiencies indicate that compliance is often limited to operational reporting rather than full standard-based financial disclosure.

Several studies attribute partial compliance to internal constraints such as limited accounting expertise, insufficient training, and the absence of integrated accounting information systems (Mayasofa et al., 2025). Others emphasize institutional and regulatory factors, including weak supervision, limited external audits, and inadequate alignment between local regulations and national accounting standards (Yulianti, 2025). Collectively, these findings suggest that PSAK 109 compliance is shaped by both technical capacity and organizational governance.

### **Financial Reporting, Transparency, and Public Trust**

Transparency is widely recognized as a critical determinant of public trust in zakat institutions (Sani & Muhammad, 2021). Financial reporting plays a central role in transparency by providing stakeholders with verifiable information about how funds are collected, managed, and distributed (Siraj & Pillai, 2020). The literature consistently demonstrates a positive relationship between transparent financial reporting and donors' willingness to channel zakat through formal institutions (Zahara et al., 2025; Saad et al., 2021).

Studies on nonprofit and religious organizations indicate that standardized financial reporting enhances perceived credibility and reduces information asymmetry between management and stakeholders (Hassan & Ali, 2020). In the context of zakat institutions, transparency is particularly important because donors typically lack direct control over fund utilization (Nazira & Prasetyo, 2025).



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Incomplete financial reports, limited disclosures, and restricted public access to financial information undermine accountability and may discourage future donations (Sani & Muhammad, 2021).

Despite this, many regional zakat institutions still treat financial reports as internal administrative documents rather than public accountability instruments (Utama & Janah, 2024). The absence of publicly accessible reports and incomplete disclosures limits the effectiveness of PSAK 109 in achieving its transparency objectives, reinforcing findings from broader nonprofit accounting literature (Hakimi et al., 2021).

### **Productive Zakat and the Shift Toward Economic Empowerment**

Recent developments in zakat management emphasize a shift from consumptive distribution toward productive zakat programs aimed at sustainable economic empowerment (Nizar, 2022). Productive zakat initiatives such as microenterprise financing and capital assistance seek to transform mustahik into economically independent individuals and future muzakki (Saad et al., 2021).

The literature highlights that the success of productive zakat programs depends not only on the amount of funds distributed but also on governance quality, monitoring, and evaluation mechanisms (Rahman & Zainuddin, 2020). Effective monitoring requires reliable financial and non-financial information, including data on fund utilization, asset management, and program outcomes (Nazira & Prasetyo, 2025). Accounting and reporting systems therefore play a crucial role in supporting productive zakat initiatives.

However, several studies observe that productive zakat programs are weakly integrated with financial reporting systems (Romadhan et al., 2025). While disbursements are recorded administratively, changes in managed assets and long-term outcomes are rarely reflected in standardized financial statements, limiting the evaluation of sustainability and socio-economic impact (Mayasofa et al., 2025).

### **Linking PSAK 109 Compliance and Productive Zakat Governance**

Although the literature on PSAK 109 compliance and productive zakat is extensive, these two strands are often treated separately. Studies on PSAK 109 tend to focus on technical compliance, while research on productive zakat emphasizes social impact and beneficiary outcomes (Utama & Janah, 2024). As a result, limited attention has been given to how deficiencies in financial reporting affect the governance and sustainability of productive zakat programs.

Several scholars argue that incomplete implementation of PSAK 109 particularly the absence of notes to the financial statements and statements of changes in managed assets reduces fund traceability and weakens accountability for productive zakat programs (Potton, 2023; Jayusman et al., 2025). Without comprehensive disclosures, stakeholders cannot adequately assess whether productive zakat initiatives are effectively managed or aligned with institutional objectives. This gap is especially pronounced in regional zakat institutions, where governance and capacity challenges tend to be more severe (Yulianti, 2025).

### **Research Methodology**



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This study adopts a qualitative descriptive research design using a single case study approach, with BAZNAS Kabupaten Mamuju as the unit of analysis. A qualitative approach is appropriate because the research seeks to explore in depth the implementation of zakat accounting practices based on PSAK 109 within a specific institutional context. The case study design allows for a comprehensive examination of real-world accounting practices, organizational processes, and contextual factors such as institutional capacity and local governance that influence compliance, accountability, and productive zakat management. This approach is particularly relevant for regional zakat institutions, where accounting practices are shaped not only by formal standards but also by human resource limitations and local regulatory environments.

The research was conducted at BAZNAS Kabupaten Mamuju during the 2023–2024 fiscal years to capture recent financial reporting practices and current implementation of PSAK 109. The population of the study includes individuals involved in zakat management, financial reporting, and program implementation. Informants were selected using purposive sampling based on their roles and knowledge related to zakat accounting and productive zakat programs. Key informants consisted of BAZNAS leadership, financial officers, personnel managing productive zakat programs, and representatives of affiliated Unit Pengumpul Zakat (UPZ). Data collection continued until data saturation was achieved, indicated by the absence of new relevant information from additional interviews.

This study utilizes both primary and secondary data. Primary data were obtained through semi-structured interviews and participant observation to capture practical insights into accounting processes, reporting practices, and program implementation. Secondary data were collected from institutional documents, including financial records, cash books, fund summaries, and internal reports related to the “Mamuju Sejahtera” productive zakat program, as well as regulatory documents such as PSAK 109 and relevant zakat regulations. Data analysis followed an interactive qualitative analysis model consisting of data reduction, data display, and conclusion drawing and verification. Through thematic coding, narrative presentation, and compliance matrices, empirical findings were systematically compared with PSAK 109 requirements and relevant theoretical frameworks to ensure analytical rigor and consistency.

## Results and Discussion

### Results

#### Implementation of Zakat Accounting Practices

The results indicate that BAZNAS Kabupaten Mamuju has implemented basic zakat accounting practices, primarily focused on cash-based recording. Financial transactions related to zakat, infaq/sadaqah, and amil funds are documented through a General Cash Book, which records receipts and disbursements supported by physical transaction evidence. In addition, the institution prepares internal summaries of operational expenditures, including personnel costs, administrative expenses, and program-related expenditures. This pattern of accounting practice is consistent with findings from previous studies, which show that many regional zakat institutions rely



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on simple cash-based recording systems as their primary accounting mechanism (Utama & Janah, 2024; Romadhan et al., 2025).

However, analysis of financial documents reveals that the accounting system remains procedural rather than standard-based. While transaction records are maintained consistently, the accounting process does not extend to the preparation of a complete set of financial statements as required by PSAK 109. Financial reporting is therefore limited to internal documentation and has not yet evolved into standardized external financial statements. Similar conditions have been documented in other local OPZs, where accounting practices emphasize administrative control rather than full standard compliance (Potton, 2023; Khasanah & Wahyuni, 2024).

### **Compliance with PSAK 109 Requirements**

Assessment of PSAK 109 compliance reveals that BAZNAS Kabupaten Mamuju demonstrates partial compliance. The institution prepares a statement of changes in zakat, infaq/sadaqah, and amil funds; however, other mandatory components are absent. Specifically, no formal statement of financial position, statement of changes in managed assets, cash flow statement, or notes to the financial statements were identified during document analysis. This pattern reflects a broader trend observed in empirical studies, which report that many zakat institutions comply selectively with PSAK 109 requirements, focusing primarily on fund movement reporting (Abidah et al., 2024; Jayusman et al., 2025).

Furthermore, asset and liability classifications are not clearly defined, and there is no explicit recognition or disclosure of non-halal funds, despite such disclosure being required under PSAK 109. The absence of notes to the financial statements also results in non-disclosure of accounting policies, measurement bases, and fund allocation mechanisms. These findings are consistent with prior research highlighting recurring weaknesses in disclosure practices among regional zakat institutions (Azyumardi Azra et al., 2025; Mayasofa et al., 2025).

Overall, these results suggest that compliance at BAZNAS Kabupaten Mamuju remains limited to operational reporting rather than comprehensive financial accountability, a condition widely documented in the literature on zakat accounting compliance (Romadhan et al., 2025).

### **Transparency and Accessibility of Financial Information**

The results also indicate that financial reports at BAZNAS Kabupaten Mamuju are primarily used for internal administrative purposes. There is no systematic publication of financial statements through publicly accessible media such as official websites or annual reports. Consequently, access to financial information for external stakeholders, including donors and the wider public, remains limited. This condition aligns with previous findings that many regional zakat institutions treat financial reporting as an internal obligation rather than a public accountability instrument (Utama & Janah, 2024; Yulianti, 2025).

The lack of publicly disclosed financial statements restricts stakeholders' ability to evaluate institutional performance and accountability. Empirical studies have shown that limited disclosure and restricted access to financial information weaken



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transparency and may reduce public trust in zakat institutions (Sani & Muhammad, 2021; Zahara et al., 2025).

### **Implementation of Productive Zakat Programs**

In terms of zakat utilization, BAZNAS Kabupaten Mamuju has implemented productive zakat programs through business capital assistance under the "Mamuju Sejahtera" program. The program targets selected mustahik who meet administrative and eligibility criteria, with verification conducted prior to fund disbursement. This approach reflects the broader shift in zakat management toward economic empowerment and sustainability (Nizar, 2022; Saad et al., 2021).

The results indicate positive short-term outcomes, particularly in supporting small-scale economic activities and increasing beneficiaries' income levels. However, post-disbursement monitoring and evaluation remain limited, with no structured mechanism to track business sustainability, asset growth, or long-term economic transformation of beneficiaries. Similar limitations have been reported in other productive zakat initiatives, where program evaluation relies largely on qualitative or administrative assessments (Nazira & Prasetyo, 2025).

Moreover, financial reporting does not reflect changes in managed assets related to productive zakat, making it difficult to trace the long-term utilization and impact of funds allocated for economic empowerment. This reporting gap has been identified in previous studies as a major weakness in productive zakat governance (Romadhan et al., 2025; Mayasofa et al., 2025).

## **Discussion**

### **Partial Compliance with PSAK 109 and Institutional Capacity**

The finding of partial compliance with PSAK 109 aligns with prior empirical studies on regional zakat institutions, which consistently report that local OPZs tend to implement basic accounting records without completing all required financial statement components (Utama & Janah, 2024; Jayusman et al., 2025). From an institutional perspective, this condition reflects limitations in accounting expertise, human resources, and supporting information systems, rather than deliberate non-compliance (Yulianti, 2025).

PSAK 109 emphasizes not only transaction recording but also structured presentation and disclosure. The absence of a statement of financial position and notes to the financial statements indicates that accounting practices at BAZNAS Kabupaten Mamuju remain operational rather than accountability-oriented. This finding supports theoretical arguments that accounting standards function effectively only when supported by sufficient institutional capacity and governance commitment (Hakimi et al., 2021).

### **Financial Reporting and Accountability Implications**

From an accountability perspective, incomplete financial statements significantly weaken the institution's ability to demonstrate stewardship over zakat funds. Accountability theory emphasizes that public and nonprofit organizations must provide transparent and comprehensive information to justify the use of entrusted resources (Hassan & Ali, 2020; Siraj & Pillai, 2020).



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The lack of disclosure regarding accounting policies, fund allocation mechanisms, and non-halal funds increases information asymmetry between management and stakeholders. This condition contradicts the normative objectives of PSAK 109, which positions financial reporting as a public accountability tool rather than merely an internal administrative function (Sulaiman & El-Khatib, 2021). Empirical evidence suggests that standardized and transparent reporting enhances donor trust and institutional legitimacy (Sani & Muhammad, 2021; Zahara et al., 2025).

### **Transparency Practices in Regional Zakat Institutions**

The absence of publicly accessible financial reports reflects a broader pattern among regional zakat institutions, where compliance with accounting standards does not necessarily translate into transparency (Utama & Janah, 2024). This finding reinforces earlier research indicating that transparency depends not only on record availability but also on disclosure orientation and communication strategies (Hassan & Ali, 2020).

In nonprofit governance, transparency requires proactive dissemination of financial information. Failure to publish financial reports limits stakeholders' ability to evaluate performance and undermines the governance role of accounting standards (Hakimi et al., 2021).

### **Productive Zakat Governance and Reporting Integration**

The implementation of productive zakat programs demonstrates BAZNAS Kabupaten Mamuju's commitment to economic empowerment rather than consumptive distribution, consistent with contemporary zakat management theory (Nizar, 2022). However, limited integration between financial reporting and productive zakat monitoring reflects a structural weakness.

PSAK 109 requires reporting on changes in managed assets, which could serve as an accounting mechanism to trace productive zakat utilization. The absence of such reporting reduces traceability and hinders systematic evaluation of program effectiveness. This finding supports previous literature highlighting a disconnect between zakat accounting and program performance evaluation (Nazira & Prasetyo, 2025; Romadhan et al., 2025).

### **Synthesis and Implications**

Overall, the results and discussion indicate that partial compliance with PSAK 109 at BAZNAS Kabupaten Mamuju is not merely a technical accounting issue but a governance challenge. Incomplete financial reporting limits transparency, weakens accountability, and constrains the institution's capacity to manage productive zakat programs sustainably. These findings reinforce the argument that PSAK 109 should be understood as a governance instrument rather than a procedural requirement (Hakimi et al., 2021). Strengthening compliance particularly in disclosure and reporting integration has the potential to improve accountability, enhance stakeholder trust, and support the long-term effectiveness of productive zakat initiatives at the regional level.

### **Conclusion and Recommendations**

#### **Conclusion**

This study concludes that the implementation of zakat accounting at BAZNAS Kabupaten Mamuju remains partially compliant with PSAK 109. While basic



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accounting practices such as cash recording and fund summaries are consistently applied, the institution has not yet prepared a complete set of financial statements as required by the standard. Key reporting components, including the statement of financial position, statement of changes in managed assets, cash flow statement, and notes to the financial statements, are absent.

The findings further indicate that partial compliance has tangible implications for financial transparency and accountability. Incomplete reporting limits stakeholders' ability to assess how zakat funds are managed and reduces the effectiveness of accounting as a governance mechanism. Although productive zakat programs have generated positive short-term outcomes for beneficiaries, the lack of integrated reporting and systematic monitoring constrains the institution's capacity to evaluate long-term sustainability and socio-economic impact.

Overall, the study demonstrates that PSAK 109 should be viewed not only as a technical accounting standard but as a strategic governance tool that supports accountability, transparency, and sustainable zakat management at the regional level.

### Recommendations

Based on the findings, several recommendations are proposed. First, BAZNAS Kabupaten Mamuju is encouraged to prioritize the preparation of notes to the financial statements and gradually complete other mandatory financial statement components under PSAK 109. Second, zakat institutions should integrate accounting reports with productive zakat monitoring frameworks to enhance traceability and impact evaluation. Third, regulators and zakat authorities are advised to strengthen training and technical assistance programs for regional zakat institutions, particularly in accounting and digital reporting systems. Finally, future research is recommended to conduct comparative or multi-case studies across regional zakat institutions and to explore the role of digital accounting systems in improving compliance, transparency, and zakat performance.

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