

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter is the final chapter of this research. In this chapter, the researcher briefly sums up the findings of the research conducted to the six selected NGOs in Malaysia and the discussion made in the previous chapter. Then, the researcher also presents the contribution of the research according to the result of the study. The contribution is addressed to a few parties involved such as ROS, NGOs and public. The recommendation of the research is also stated for the upcoming researcher that intends to make further study relating to this research in the other perspective. This is as an improvement to the commission taken by the NGOs in the future other than reinforcing the reference relating to this issue.

This research has achieves the objectives stated in the first chapter. First is to study the management aspects of donation fund by NGOs in Malaysia. Secondly is to analyze the existing law relating to the donation management. Thirdly is to analyze the types of contracts used and the factors affecting the determination of commission rate of public donation by NGOs in Malaysia. Fourthly is to develop a syariah approach management model of commission taken from the public donation for the use of NGOs in Malaysia.

5.2 Conclusion of the Research

The purpose of the research is to develop a syariah approach management model of commission rate taken from the public donation by the NGOs. It was triggered when there is no guideline relating to the maximum limit of the commission rate taken. The discussions include the six selected NGOs and the objectives of the research are to study the management aspects of donation fund by NGOs in Malaysia, analyzing the existing law relating to the donation management, analyzing types of contract used and the factors affecting the determination of commission rate of public donation and developing a syariah approach management model of commission rate taken from the public donation for the use of NGOs in Malaysia. The research is very important to ensure that the commission rate taken is parallel to the elements outlined which is according to the syariah.

As to achieve the objectives that have been set, the researcher has chosen qualitative method in the form of document analysis and interview. Qualitative method is selected to gain deeper understanding and detailed information on the research. It also helps to explain the real circumstances of the problem in the research. Thus, it is very relevant to apply this method.

According to the research objectives, it can be concluded that the management of donation fund by NGOs is affected by eight aspects. There are target group and the percentage of distribution provided by NGOs in Malaysia and abroad, main source of the operation, method of donation collection and option to channel the donation. Besides, the NGOs also take into account the transparency of contribution, collaboration with other

NGOs, strategic partner of NGOs and the annual collection of donation. All these aspects help the NGOs to ensure that the donation management would not lead to the other problems throughout the fundraising and donation conducted.

Moreover, the law and regulation relating to the donation management is also discussed. It can be said that the NGOs registered under SSM have the guideline relating to the maximum limit of the donation collection that must be spent by them. However, the NGOs decided to take less than it as they want to maximize the donation to the needy people. Meanwhile, it varies with the NGOs registered under ROS where they are not provided any guideline. Thus, it leads to the different commission rate to each NGO.

As the NGOs do not have any specific guideline in taking commission, there are various commission rate decided by them. As for IRM, MAPIM and CSM, they applied the same percentage which is 12.5%. Then, Aman Palestin takes 40% followed by MVM that takes 20%. Meanwhile, Serantau Muslim decided not to take any commission from the public donation.

In addition, most of the NGOs applied the Islamic contracts except Serantau Muslim. As for *ijarah*, it has been applied by IRM, Aman Palestin, CSM and MVM. *Ji'alah* also has been applied by CSM. Meanwhile, *wakalah* has been applied by Aman Palestin, MAPIM and CSM too.

Furthermore, there are four factors that affect the determination of commission rate. It was caused by the wage of *amil*, referring to the syariah law, guideline from *mufti*, *zakah* institution and other NGOs and affected by the project and management cost.

In terms of the best commission rate that can be taken by the NGOs, the researcher thinks that 12.5% is the best commission rate. It is because the rate is supported by the strong argument where it was referred to the guideline of *mufti, zakah* institution and other NGOs other than it represents 1/8 of the *amil zakah*. As people know, *amil zakah* receives a wage of 1/8. Therefore, it would not be a problem if the rate is applied in taking commission to such NGO. Moreover, the rate is also seen to be fair to the NGOs and beneficiary as the main purpose of NGOs is to help those in need. Thus, it can be concluded that the rate of 12.5% is relevant and reasonable as the NGOs is only acts as a trustee between the donor and beneficiary. However, there are some NGOs who do not apply such commission but decided to take the relevant and reasonable commission rate. The commission taken is also supported by the strong argument and logically acceptable. This is because the main goal of their establishment is to channel the donation to the needy people.

As to ensure the commission rate taken is complying with syariah, there are a few elements that need to be followed by the NGOs in the management of taking commission. Firstly, the staff of the NGOs must be a Muslim. Secondly, the NGOs are suggested to manage the aspects of donation fund systematically. Thirdly, the NGOs are recommended to apply the contract of *ijarah, wakalah* or *ji'alah*. Fourthly, the NGOs are advised to take the commission between 12.5% to 20%. Fifthly, the NGOs need to inform the commission rate taken to the donor. Sixthly, the NGOs need to notify the donor relating the donation fund that has been channeled. Finally, the NGOs are advised to manage and keep the donation fund through syariah compliant bank.

As a conclusion, it can be stated that taking commission is permissible according to Islam. However, they still need to fulfill the important elements outlined to be in line with syariah. This is to ensure that the NGOs can be the best role model so that the people will believe what they do.

5.3 Contribution of the Research

In this subtopic, this research helps to contribute to the three parties which are ROS, NGOs involved and the public. This is as a guideline to them and for the next action to avoid other issues happened in the future.

5.3.1 Registrar of Societies (ROS)

Based on the findings of the research, the researcher found that SSM has sets up the requirement of taking commission in the guideline of forming the company. Meanwhile, ROS does not set up any law, act or special requirement relating to the maximum limit of the commission to the NGOs registered under them. Therefore, this research is expected to help ROS in creating at least one easy guideline about the syariah approach of maximum limit in taking commission from the donation collection to those NGOs. ROS just need to set up the maximum limit in taking commission while the NGOs itself will decide the commission rate according to their respective management of the organization. If the NGOs do not obey to the guideline outlined and takes the commission exceed from the maximum limit, further action may be taken to that NGOs.

5.3.2 Non Governmental Organizations (NGOs)

Each NGO has to make the right decision to decide the relevant and sufficient commission rate which does not excessive or too much. This is because the main purpose of the establishment of every NGO is to channel the donation to those in need. They are allowed to take the commission but it must not exceed than it should be. The researcher sees that some of the NGOs interviewed inform that the common of maximum limit in taking commission for each NGO is not more than 30% to 35% or not more than 50% for those who registered under SSM. Therefore, this research can help the NGOs to decide the best commission rate which is not more than 20%. This is to keep maintain the sensitivity of all the NGOs and also to the donation channeled by the donors.

5.3.3 Public

This research is also expected to help the people who wish to make the donation to be acknowledged about the background of the NGOs. The researcher also recommends to the public to ask first the commission rate taken by the NGOs to avoid the donation is being misused. The public has the right to know the commission rate taken and the percentage of the donation channeled. This is because most of the NGOs do not declare the commission rate taken to the public as they have to keep maintains the sensitivity of the other NGOs. Thus, the best way to know the commission rate taken is by asking the question directly to them.

5.4 Recommendation of the Research

As this study is limited to the research limitation set up in the first chapter, so there are some aspects which are still not studied yet by the researcher. Therefore, a few further researches are recommended to the upcoming researcher so that it can increase the reference relating to the commission rate of the NGOs.

The study conducted by the researcher gives a detailed overview about the commission rate taken from the public donation by the NGOs in Malaysia. This research is conducted to the six NGOs only. Thus, it is proposed that the further research is conducted to the other six NGOs in Malaysia as to know the commission rate taken by them and get to compare to the commission rate of the NGOs interviewed by the researcher in this research. Indirectly, it can make the NGOs to be parallel to the syariah approach in the commission taken. It also can be a reference to the other NGOs so that it does not stray far from the actual purpose of the establishment of the NGOs.

Besides, this study uses the qualitative method which is through interview relating to the commission rate taken by each NGO. Hence, the researcher suggests that further research should be use the quantitative method through questionnaire form to a number of respondents especially to the regular donors. It aims to know whether the respondent acknowledges or not that each NGO is allowed to take the commission and do they know about how much the commission rate taken by each NGO in Malaysia.

Moreover, this research is focused to the NGOs in Malaysia only. So, the researcher recommends the upcoming research should involve the comparison study

between the commission taken by the NGOs in Malaysia and the other Asian country. This is as one of the efforts to strengthen the commission taken among two countries.

In addition, this research focuses to the commission rate of the NGOs and the factors that affecting the commission rate. Therefore, the researcher suggests that the upcoming research need to be done relating to the effect of the commission limit to the NGOs and the regular donor. This is to ensure that the NGOs get to manage the donation wisely and the donation channeled by the donor is truly delivered to the needy in line with the purpose of the donation made.

5.5 Conclusion

As a conclusion of this chapter, this research answered the questions and the objectives that were set at the beginning of the study. The researcher explains that the NGOs play various important aspects in the donation management systematically. The researcher found that the commission rate taken by the NGOs is still under control and not too much. Even though NGOs under SSM only have the guideline relating to the maximum limit of the donation collection that must be spent by them while NGOs under ROS have no specific guideline, the researcher hopes that the commission taken is adequate and does not exceed the limit which leads to the issue of misusing of the donation. The factor affecting the commission rate is also strong and not just for the sake of the organization. This is very important to ensure that the donation is truly delivered to the needy because it is a trust from the donors and the NGOs serve as a representative to channel the donation. Thus, each NGO involved has to be honest and integrity in taking

the commission and delivering the donation. The important elements of syariah approach management model of commission rate are also stated so that the NGOs can follow it and parallel to the syariah approach of NGOs in taking the commission.

Besides, this research is expected to contribute to the related parties like ROS, NGOs involved and the public so that they can take appropriate action to improve the lack for the sake of the well-being in the future. The researcher also recommends further research to the upcoming researcher to strengthen the source of reference on the issue of commission rate in Malaysia.

The impact of this study is it helps the NGOs by providing solution to the commission rate that can be taken from the donation fund. Then, it helps to strengthen the management of public donation based on the accountability and integrity principles. The researcher also really hopes that this study could help all the parties involved either directly or indirectly.