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With the Name of Allah, Most Gracious, Most Merciful

Zakat for the Hidayah Academy Scholarship Fund
Supporting Needy Families to Afford Sending Their Children to Hidayah

Zakat, the third pillar of Islam offers an important resolution to the problem of economic disparity through redistributing wealth to the most vulnerable of the community. With Zakat, the obligation to assist the less fortunate in overcoming their difficulties while preserving their dignity rests upon the most privileged members of the community.

Hidayah Zakat Fund Mechanism

Zakat usually involves three primary agents: (1) the Zakat payer, (2) the Zakat recipients, and (3) the Zakat distributor. While the role of the Zakat payer is clear, it is important to clarify how the second and third agents relate to Hidayah Academy.

1) Zakat Recipients

Zakat recipients are individuals who are deemed eligible to receive Zakat funds in accordance with Islamic law. According to the Quran, Zakat is exclusively distributed to eight categories of people, (1) the poor (al-Fuqarā'), (2) the needy (al-Masākīn), (3) Zakat administrators, (4) those whose hearts are to be reconciled (new Muslims, sympathizers, etc.), (5) Bondsmen and bondswomen (not anymore relevant), (6) the debt-ridden (al Ghārimīn), (7) in the cause of God, and (8) The wayfarer.

It is the consensus of scholars from the four different Madhāhib that Zakat recipients must be people and the expression "in the cause of God" refers to soldiers, it DOES NOT include institutions, building, mosques, schools, etc.

As a school, Hidayah Academy is NOT considered a Zakat recipient, however, Hidayah has students whose families fall under three of the eight categories mentioned earlier (the poor (al-Fuqarā'), the needy (al-Masākīn), and the debt-ridden (al Ghārimīn)). These families are eligible to receive Zakat funds, which they can use to pay for their children's education. This is where the Hidayah Academy Zakat Fund comes into play as a Zakat distributor, collecting Zakat funds from donors and distributing them to eligible families.

The Zakat Recipient's possession (Tamlīk)

It is the consensus of the four Madhāhib that the Zakat recipient must gain possession of what is given to him as Zakat for the categories of the poor (al-Fuqarā') and the needy (al-Masākīn). Regarding the category of the debt-ridden (al Ghārimīn), the Maliki and Hanbali schools do not consider possession to be a condition of validity.

2) Zakat Distributors

The Zakat distributor is responsible for collecting and distributing Zakat funds to the rightful recipients. In this case, the Hidayah Academy Zakat Fund will function as the Zakat distributor, which will gather Zakat contributions from donors and allocate them to eligible students in need. Some families initially deny being eligible for Zakat, but after entering their details into the Hidayah financial assistance software the result shows that they qualify as Zakat recipient under the category of “the needy (al-Masākīn)”. The Hidayah Academy Scholarship Fund will ensure that funds are properly collected, distributed, and utilized to assist the underprivileged students at Hidayah Academy.

Methods of Distribution

The donor has the option to select the method of distributing their Zakat.

Option One: This option is in accordance with the four Madhāhib, the Hanafi, Maliki, Shafi, Hanbali. The Hidayah Academy Scholarship Fund will provide checks made payable to "Hidayah Academy" with the amount due and distribute them to the families so that the condition of Zakat possession can be met. The families can then use the checks to pay their fees to Hidayah Academy.

Alternatively, the donor may choose to sponsor a family or student directly. The Hidayah Academy Scholarship Fund will send the donor invoices related to the selected student or family, and the donor can write a check made payable to "Hidayah Academy". The checks will be presented to the families, who can then use them to pay Hidayah Academy.

Option Two: This option is valid according to the Maliki and Hanbali Madhāhib only. In this case, the Hidayah Academy Scholarship Fund will utilize the funds to directly settle any past dues owed by the families, without first handing the funds over to the families.

Alternatively, the donor may choose to directly sponsor a family or student, and the Hidayah Academy Scholarship Fund will send him invoices related to the selected student or family. The donor can then write a check or checks made payable directly to "Hidayah Academy" without handing it over to the family first.

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