



Cash Waqf as an Instrument for the Economic Sustainability and Development of Islamic Educational Institutions: An Evaluative Study of Al-Ikhlash Modern Islamic Education Institute

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ABSTRACT

Cash waqf has increasingly been recognized as a potential instrument for supporting the sustainability of Islamic educational institutions. However, its effectiveness depends not only on the permissibility of cash waqf but also on how it is managed, transformed into institutional assets, and utilized for long-term development. This study aims to evaluate the implementation of cash waqf at Al-Ikhlash Modern Islamic Education Institute from Islamic jurisprudential and Indonesian legal perspectives and to examine its contribution to institutional sustainability and development. Employing a qualitative case study approach, the study draws on interviews, institutional documents, and relevant legal and scholarly sources. The data were analyzed through an evaluative framework covering jurisprudential legitimacy, legal compliance, waqf management, asset development, and institutional outcomes. The findings indicate that the implementation of cash waqf at Al-Ikhlash is broadly consistent with contemporary Islamic jurisprudence and Indonesian waqf regulations, particularly through the preservation of waqf capital and its conversion into durable assets. Cash waqf has supported the acquisition and expansion of land, development of educational facilities, and improvement of institutional capacity. These developments have coincided with growth in student enrollment, teaching personnel, and community participation. The study highlights that cash waqf can function not merely as a fundraising mechanism but as a developmental instrument that strengthens the long-term sustainability and institutional autonomy of Islamic educational institutions, while also identifying the need for stronger digital documentation and governance mechanisms.

ABSTRAK

Wakaf tunai semakin diakui sebagai instrumen potensial untuk mendukung keberlanjutan lembaga pendidikan Islam. Namun, keefektifannya tidak hanya bergantung pada kehalalan wakaf tunai, tetapi juga pada cara pengelolaannya, transformasinya menjadi aset lembaga, serta pemanfaatannya untuk pembangunan jangka panjang. Penelitian ini bertujuan untuk mengevaluasi implementasi wakaf tunai di Institut Pendidikan Islam Modern Al-Ikhlash dari perspektif fiqh Islam dan hukum Indonesia, serta mengkaji kontribusinya terhadap keberlanjutan dan pengembangan institusi. Dengan menggunakan pendekatan studi kasus kualitatif, penelitian ini mengandalkan wawancara, dokumen institusi, serta sumber hukum dan keilmuan yang relevan. Data dianalisis melalui kerangka evaluasi yang mencakup legitimasi fiqh,

kepatuhan hukum, pengelolaan wakaf, pengembangan aset, dan hasil institusional. Temuan menunjukkan bahwa pelaksanaan wakaf tunai di Al-Ikhlash secara umum sejalan dengan fiqh Islam kontemporer dan peraturan wakaf Indonesia, terutama melalui pelestarian modal wakaf dan konversinya menjadi aset yang tahan lama. Wakaf tunai telah mendukung akuisisi dan perluasan lahan, pengembangan fasilitas pendidikan, serta peningkatan kapasitas institusional. Perkembangan ini sejalan dengan pertumbuhan jumlah siswa, tenaga pengajar, dan partisipasi masyarakat. Studi ini menyoroti bahwa wakaf tunai tidak hanya dapat berfungsi sebagai mekanisme penggalangan dana, melainkan juga sebagai instrumen pembangunan yang memperkuat keberlanjutan jangka panjang dan otonomi kelembagaan lembaga pendidikan Islam, sekaligus mengidentifikasi kebutuhan akan dokumentasi digital dan mekanisme tata kelola yang lebih kuat.



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INTRODUCTION

Waqf has historically played an important role in supporting the social, economic, and educational development of Muslim societies. As a form of Islamic philanthropy, waqf is designed to preserve an endowed asset while generating continuous benefits for beneficiaries. Its historical contribution extends beyond religious activities to the financing of educational institutions, public facilities, healthcare, and other forms of social welfare. In contemporary contexts, waqf has increasingly been reconsidered as a strategic instrument for sustainable development, particularly as institutions seek alternative and more resilient sources of financing (Ainulyaqin et al., 2023; Mahrus et al., 2024).

One important development in contemporary waqf practice is the increasing recognition of cash waqf as an alternative form of endowment. Unlike conventional waqf, which has historically been associated primarily with immovable assets such as land and buildings, cash waqf enables individuals and communities to participate through monetary contributions. In Indonesia, the development of cash waqf has been supported by a formal legal framework, particularly Law No. 41 of 2004 concerning Waqf and subsequent regulations issued by the Indonesian Waqf Board (Badan Wakaf Indonesia/BWI). This regulatory development provides a legal basis for mobilizing monetary resources and directing them toward productive and socially beneficial purposes. The Indonesian framework also emphasizes the preservation of waqf principal and the sustainability of its benefits (Fahrurroji, 2019).

The relevance of cash waqf is particularly significant for Islamic educational institutions. Educational institutions require sustainable financial resources not only for routine operations but also for infrastructure development, human-resource development, student services, and institutional expansion. Previous research has demonstrated the potential of waqf to support educational institutions in Indonesia. Purbowanti and Muntaha (2017), for example, identified cash waqf as a potential source of material support for Islamic educational institutions and highlighted the experience of Pondok Modern Darussalam Gontor as an important example of educational waqf utilization. Similarly, research on higher education has shown that cash waqf can provide an alternative financing mechanism for educational development, although its implementation remains constrained by issues related to literacy, institutional capacity, fundraising, and management (Muayyad & Jatmiko, 2021). More recent research has further emphasized that the potential of cash waqf for education remains substantially greater than its actual realization, indicating the need for more effective models of management and empowerment (Shiddiqy et al., 2024).

Recent studies have also begun to examine cash waqf from the perspective of institutional modernization and sustainability. Abdullah and Razali (2024), for instance, demonstrate that cash waqf can provide opportunities for financial modernization in Islamic higher education institutions, particularly through improvements in fundraising, asset management, investment, and utilization of waqf proceeds. However, their findings also reveal continuing challenges related to awareness and administrative capacity. This suggests that

the effectiveness of cash waqf cannot be understood solely from the amount of funds collected. Rather, it depends on how the funds are governed, documented, transformed into productive assets, and integrated into the long-term development strategy of the institution.

The issue of governance is particularly important because waqf involves a fiduciary relationship between *waqif*, *nazhir*, beneficiaries, and the wider community. Transparency, accountability, participation, and professional management are therefore essential to maintaining public trust and ensuring the sustainability of waqf assets. Existing studies have emphasized the importance of strengthening accountability and transparency in waqf management, including through technological innovation and more systematic institutional governance (Hj. Mohaiyadin et al., 2022). The need for improved governance is also evident in recent discussions of educational waqf, where institutional capacity, managerial competence, and administrative systems remain important determinants of whether waqf can effectively support long-term educational development (Rahmatullah et al., 2026; Ulwan Fadhlurrahman et al., 2025).

Nevertheless, an important research gap remains. Much of the existing literature has examined cash waqf from a conceptual, normative, fundraising, literacy, or financing perspective. Other studies have explored its potential contribution to education, including higher education and Islamic boarding schools. However, relatively limited empirical research has simultaneously evaluated (1) the Islamic jurisprudential basis of cash waqf, (2) its compliance with Indonesia's legal and regulatory framework, (3) its actual institutional management practices, and (4) its observable contribution to the physical and organizational development of a specific Islamic educational institution. The thesis underlying this article identifies precisely this gap, noting that previous studies had not sufficiently integrated jurisprudential foundations, legal standards, practical implementation, institutional governance, and developmental impacts within a single evaluative framework.

This gap is particularly relevant because the legitimacy of cash waqf in contemporary Islamic jurisprudence does not automatically guarantee effective institutional implementation. Classical Islamic jurisprudence contains differences of opinion concerning monetary waqf, while contemporary scholarship has generally developed more flexible positions under conditions that preserve the principal and ensure sustainable benefits. Therefore, evaluating cash waqf requires attention not only to whether its practice is legally permissible but also to whether its management realizes the underlying objectives of waqf, including the preservation of wealth and the achievement of public benefit. The Indonesian regulatory framework provides an additional dimension of evaluation because cash waqf operates within a formal institutional and legal environment.

Against this background, Al-Ikhlahash Modern Islamic Education Institute in Kuningan, West Java, provides an important empirical case. Established in 1990, the institute combines elements of traditional Islamic education with a modern educational system and emphasizes religious knowledge, academic competence, character formation, leadership, and student self-reliance. Waqf, particularly cash waqf, has become an important component of the institution's strategy for strengthening financial independence and supporting educational development. Field evidence indicates that cash waqf has been used to acquire land and develop educational facilities, while contributions have come from alumni, parents, teachers, and the surrounding community.

The Al-Ikhlahash case is particularly significant because the institution has not treated cash waqf merely as a mechanism for collecting donations. Instead, collected funds have been converted into fixed assets, including land and educational facilities. The research documents the use of cash waqf for expanding waqf land and supporting the development of facilities such as classrooms, student accommodation, laboratories, mosques, and health services. The institution's experience therefore provides an opportunity to examine how monetary waqf can be transformed into durable institutional assets and subsequently contribute to educational development.

The empirical evidence further indicates that the effects of cash waqf extend beyond physical infrastructure. At Al-Ikhlahash, waqf has encouraged the participation of students, teachers, alumni, families, and the surrounding community. Waqf activities have consequently become connected to the institution's educational and social environment rather than functioning solely as a financial mechanism. The research also identifies a relationship between institutional development and increasing public confidence, reflected in the growth of student enrollment and the expansion of teaching personnel. At the same time, the institution continues to face governance challenges, particularly the absence of a fully integrated digital documentation and reporting system.

This experience suggests that the contribution of cash waqf to the sustainability of Islamic educational institutions cannot be measured simply by the amount of money collected. What matters is how these funds are managed, whether their use remains consistent with Islamic and legal principles, and how effectively they are transformed into assets and services that support the institution's long-term development. Looking at cash waqf from this perspective allows the discussion to move beyond its legal permissibility and toward a broader understanding of its practical role in strengthening Islamic educational institutions.

Accordingly, this study aims to evaluate the implementation of cash waqf at Al-Ikhlash Modern Islamic Education Institute from Islamic jurisprudential and Indonesian legal perspectives and to examine its contribution to the institution's sustainability and development. More specifically, the study addresses three questions: (1) What is the position of Islamic jurisprudence and Indonesian law regarding cash waqf? (2) To what extent does the implementation of cash waqf at Al-Ikhlash comply with Islamic principles and applicable regulations? and (3) What impacts has cash waqf had on the development of the institution? These questions correspond directly to the three objectives identified in the original research.

This study offers a different perspective by bringing together the normative and empirical dimensions of cash waqf within a single evaluation. Rather than looking at cash waqf only in terms of its legal status, fundraising potential, or role as a source of educational financing, it traces how cash contributions move from jurisprudential and legal recognition into actual institutional management and, ultimately, tangible development outcomes. The experience of Al-Ikhlash shows how cash waqf can be transformed into durable educational assets while also supporting institutional capacity, encouraging community participation, and strengthening public confidence. At the same time, the case reveals several governance limitations that need to be addressed to sustain and improve the model. In this way, the study adds an empirically grounded perspective on developmental cash waqf in Islamic educational institutions, complementing recent efforts to develop more effective waqf models for educational empowerment and institutional sustainability (Abdullah & Razali, 2024; Shiddiqy et al., 2024).

RESEARCH METHOD

This study employed a qualitative case study approach to examine the implementation of cash waqf at Al-Ikhlash Modern Islamic Education Institute in West Java, Indonesia. A qualitative case study was considered appropriate because the research focuses on understanding the implementation of cash waqf within its actual institutional, social, and religious context, rather than measuring the relationship between predetermined variables. Case study research enables researchers to examine a contemporary phenomenon in depth while taking into account the context in which it occurs (Yin, 2011). In this study, the case of Al-Ikhlash was examined through two complementary dimensions: a normative dimension, which evaluates the position and implementation of cash waqf from Islamic jurisprudential and Indonesian legal perspectives, and an empirical dimension, which examines how cash waqf has been managed and utilized and how it has contributed to the development of the institution.

The study used both primary and secondary data. Primary data were obtained through in-depth interviews with key institutional informants, particularly the director of Al-Ikhlash Modern Islamic Education Institute and the head of its waqf foundation. The interviews explored the history and mechanism of cash-waqf implementation, sources of waqf funds, management and documentation practices, utilization of waqf funds, community participation, institutional challenges, and the perceived contribution of cash waqf to institutional development. These interview findings were complemented by institutional records and documentary evidence concerning waqf assets, land acquisition, educational facilities, and changes in the number of students and teachers. Secondary data were drawn from relevant Islamic legal sources, Indonesian waqf legislation, contemporary scholarly literature, and previous studies on cash waqf and the development of Islamic educational institutions. The combination of interview evidence and documentary materials allowed the study to examine the institutional case from multiple sources rather than relying on a single account (Moleong, 2007).

The normative analysis was conducted inductively by examining Islamic jurisprudential discussions on cash waqf and comparing the views of classical and contemporary scholars with the Indonesian legal framework governing cash waqf (Bowen, 2009). Particular attention was given to the preservation of the waqf principal, the continuity of its benefits, the validity of the waqf declaration, the conversion of cash into productive or fixed assets, and the requirements of waqf management. These normative standards were subsequently compared with the actual practices identified at Al-Ikhlash. In this way, the analysis did not merely determine whether cash waqf was permissible, but assessed the extent to which its implementation corresponded with relevant Islamic principles and Indonesian regulations.

The empirical data were analyzed using the interactive model which involves data condensation, data display, and conclusion drawing and verification. This model treats qualitative analysis as an interactive process in which data are continuously selected, organized, interpreted, and verified throughout the research process (Miles et al., 2019). In the present study, the collected interview and documentary materials were first condensed according to the three central concerns of the research: the jurisprudential and legal position of cash waqf, the conformity of cash-waqf implementation at Al-Ikhlash with relevant principles and regulations,

and the contribution of cash waqf to institutional development. The relevant evidence was then organized and displayed thematically to identify patterns linking waqf management practices with institutional outcomes. Finally, conclusions were drawn by continuously comparing empirical findings with the normative framework and verifying the consistency of the emerging interpretation across the available sources.

Through this analytical process, the study was designed to answer three interconnected questions: (1) What is the position of cash waqf in Islamic jurisprudence and Indonesian law? (2) To what extent does the implementation of cash waqf at Al-Ikhlash comply with Islamic principles and applicable regulations? and (3) What impacts has cash waqf had on the development of the institution? The methodological design therefore connects the normative evaluation of cash waqf with an empirical assessment of its institutional consequences, allowing the study to evaluate cash waqf not only as a legally permissible form of waqf, but also as an instrument for the sustainability and development of an Islamic educational institution.

RESULT AND DISCUSSION

THE JURISPRUDENTIAL AND LEGAL POSITION OF CASH WAQF

The position of cash waqf has developed considerably from the classical jurisprudential understanding of waqf to contemporary interpretations. In classical Islamic jurisprudence, waqf was generally associated with assets whose substance could be preserved while their benefits continued to be utilized, particularly land and other immovable property. This understanding explains why several classical jurists were cautious about the permissibility of cash waqf, since money is ordinarily consumed through expenditure and therefore appears difficult to preserve as an enduring waqf asset. The literature reviewed in this study indicates, however, that contemporary Islamic jurisprudence has developed a more flexible understanding of the issue, particularly when the principal of the waqf is preserved and its benefits are directed toward legitimate and sustainable purposes (Sulistiani, 2022; Sup, 2021; Wijaya & Sumarni, 2024).

The contemporary position is also reflected in the Indonesian regulatory framework. Cash waqf has been formally recognized within Indonesia's waqf legislation, particularly through Law No. 41 of 2004 concerning Waqf and the subsequent regulatory framework issued by the Indonesian Waqf Board (BWI). BWI Regulation No. 1 of 2009 defines cash waqf as movable property in the form of money that can be managed productively, with the resulting benefits directed to the *mauquf 'alayh*. This regulatory recognition provides an important institutional basis for the development of cash waqf beyond the traditional model of land-based waqf (Fahrurroji, 2019).

From the perspective of Islamic jurisprudence, therefore, the contemporary permissibility of cash waqf does not mean that the principle of waqf has been fundamentally altered. Rather, the form of the endowed asset has changed while the central principle remains the preservation of the waqf asset and the continuity of its benefit. This distinction is important when assessing the practice at Al-Ikhlash. The institute does not treat the collected cash as ordinary operational funds to be consumed for short-term expenditure. Instead, the funds are directed toward the acquisition of fixed assets, particularly land, which subsequently becomes part of the institution's waqf assets. Such a mechanism is consistent with the contemporary understanding of cash waqf in which monetary contributions are transformed into durable assets whose benefits can continue to serve the intended beneficiaries (Sulistiani, 2022; Sup, 2021).

This finding is particularly relevant because the Indonesian regulatory framework emphasizes productive management rather than merely collecting cash contributions. Law No. 41 of 2004 establishes the legal foundation for waqf management in Indonesia, while BWI Regulation No. 1 of 2009 provides more specific guidance concerning the management and development of cash waqf. Consequently, the transformation of cash contributions into land and educational facilities at Al-Ikhlash can be examined not simply as fundraising activity, but as an institutional process of converting temporary monetary resources into long-term waqf assets.

COMPLIANCE OF CASH WAQF PRACTICES AT AL-IKHLASH

The field findings indicate that the implementation of cash waqf at Al-Ikhlash is generally consistent with the central requirements identified in contemporary Islamic jurisprudence. The institute's practice involves the collection of monetary contributions and their subsequent use for acquiring land and developing educational facilities. The available evidence shows that the funds are not simply consumed as routine operational expenditure but are converted into assets intended to provide continuing benefits for the institution and its beneficiaries.

This practice is consistent with the principle that waqf should preserve the underlying asset while allowing its benefits to be continuously utilized. Sulistiani (2022) emphasizes that cash waqf can be managed within

both Islamic law and Indonesia's positive legal framework, while Sup (2021) highlights the contemporary legal reasoning that permits cash waqf when its management maintains the essential value of the waqf and directs its benefits toward appropriate purposes. The Al-Ikhlash case provides an empirical illustration of this approach because cash contributions were converted into land and other durable institutional assets rather than being treated simply as unrestricted donations.

The implementation also involves formal declarations and documentation of waqf transactions. This aspect is important because the validity and sustainability of waqf depend not only on the intention of the *wakif* but also on the clarity of the legal status of the endowed property. Solihah and Abdulghani (2022) emphasize the importance of formal documentation and certification in strengthening the legal certainty of waqf land. The experience of Al-Ikhlash similarly shows an increasing effort to formalize its waqf assets, although the historical development of the institute indicates that some waqf assets existed in practice before their formal registration. The institute's officially registered waqf land reached approximately 2.9 hectares, while some additional assets had previously been used for institutional purposes before being formally declared as waqf.

This situation reveals an important distinction between substantive compliance and administrative maturity. Substantively, the practice of converting cash waqf into durable educational assets is compatible with contemporary waqf principles. Administratively, however, the institute still has room to strengthen its documentation, registration, reporting, and governance systems. This observation is consistent with the broader literature, which identifies governance, accountability, and professional management as important conditions for optimizing the social and developmental potential of cash waqf (Budiman, 2011; Kasanah, 2019; Suryadi & Yusnelly, 2019).

The governance issue is particularly relevant because cash waqf involves a relationship of trust between *wakif*, *nazhir*, beneficiaries, and the wider community. Budiman (2011) emphasizes the importance of accountability in waqf institutions, while more recent research has highlighted transparency and digital governance as areas requiring further development in waqf management. Mohaiyadin et al. (2022), for example, discuss the challenges of accountability and transparency in waqf management and the potential role of digital technologies in addressing them. The Al-Ikhlash experience similarly indicates that strengthening documentation and digital reporting would provide an important opportunity to improve institutional governance.

CASH WAQF AND THE DEVELOPMENT OF EDUCATIONAL ASSETS

One of the clearest empirical dimensions of the Al-Ikhlash experience is the transformation of cash waqf into tangible educational assets. The institute's cash waqf program was used to acquire land and support the development of educational infrastructure. One major project involved the acquisition of approximately 1.3 hectares of land for the development of the female campus in Ciawi Lor, supported by IDR 777.6 million in waqf contributions. Additional funds were subsequently collected for land acquisition in Blok Padem–Ciawigebang, the Sawah Biru area, and the construction of a bridge for the male campus.

These cases illustrate how cash waqf can function as a mechanism for converting relatively flexible monetary contributions into relatively permanent institutional assets. This pattern is consistent with the concept of productive waqf, in which waqf is managed not merely for immediate consumption but to create assets and benefits that can continue over time (Choiriyah, 2017; Fasa et al., 2016). Similar research on cash waqf and educational institutions has also emphasized the potential of waqf to support educational infrastructure and institutional development. Napitupulu et al. (2021), for example, identify cash waqf as a potential source of financing for the development of Islamic higher education institutions, while Shiddiqy et al. (2024) highlight management, policy, *nazhir* capacity, and institutional partnerships as important factors in maximizing the educational potential of cash waqf. In the same manner Rizal et al. (2020) stated that waqf are able to financing educational institution even at higher education institution.

The Al-Ikhlash case adds an institutional dimension to this discussion. The contribution of cash waqf is visible not only in the accumulation of financial resources but in the physical transformation of the institution. Waqf land and cash waqf have supported the development of classrooms, dormitories, mosques, laboratories, health facilities, and additional campus areas. The development of these facilities has provided the physical foundation for expanding educational services and accommodating a growing institutional community.

The findings also show that waqf development at Al-Ikhlash is closely connected to community participation. The expansion of waqf land has involved individual and collective contributions from alumni, teachers, parents, and members of the surrounding community. This pattern supports the argument that waqf can operate as a form of social capital, in which trust and participation contribute to the sustainability of institutional programs (Anam, 2018; Putnam, 1993). At Al-Ikhlash, community participation therefore functions not only as a source of financial resources but also as a social mechanism supporting the continuity of the institution's educational mission.

CASH WAQF, STUDENT ENROLLMENT, AND HUMAN RESOURCE DEVELOPMENT

The developmental effects of cash waqf are also visible in the growth of the institute's educational community. The thesis data show substantial changes in student enrollment over time. The number of students increased from relatively small numbers during the early years of the institute to approximately 600 at its peak, followed by a period of decline after the separation of the male and female campuses and subsequent institutional restructuring. From around 2014 onward, however, the institution experienced renewed growth, with student enrollment reaching 490 in 2021 before stabilizing at approximately 418 students in the 2023/2024 academic year.

This development needs to be interpreted carefully. The increase in enrollment cannot be attributed exclusively to cash waqf because enrollment is influenced by multiple factors, including educational quality, institutional reputation, program development, and community confidence. Nevertheless, the field evidence indicates that the development of waqf-supported infrastructure provided an important enabling condition for institutional expansion. The availability of classrooms, dormitories, laboratories, health facilities, and separate campus areas increased the institute's capacity to provide educational services.

The same pattern can be observed in the development of teaching staff. The number of teachers increased from 37 in 2010 to 56 in 2024, despite several fluctuations during the intervening period. This growth reflects the institution's increasing need for teaching personnel as educational programs and student numbers expanded. The development of human resources is particularly important because physical infrastructure alone does not guarantee educational quality. Professional and adequately supported teachers are necessary to translate institutional resources into educational outcomes (Effendi, 2021).

The relationship between waqf and human resource development is therefore broader than the provision of buildings. At Al-Ikhlash, waqf has also become part of the institution's educational culture. Students and teachers are introduced to the values of waqf and charitable giving, while teachers have participated directly in waqf activities, including contributing construction materials. Such participation turns waqf from a passive funding mechanism into an educational experience through which institutional members develop a stronger sense of responsibility and social participation.

Furthermore, waqf as one of Islamic philanthropy are able to provide some scholarship for students and potential human assets for Al-Ikhlash (Fajri et al., 2025). Indeed, as part of human resource development cash waqf in Al-Ikhlash considered as productive waqf in developing human resource by empowering their stakeholder (Windia & Hisanah, 2021). The participation of students, even their family and local community shows their understanding and perception on waqf as Islamic philanthropy is more than important but beneficial in impacting their economic development (Hakim & Hakim, 2025; Latif et al., 2021b, 2021a; Susdarwono & Arafat, 2024). Definitely, productive waqf are able to assist educational institution in predicament time, provide free medical support, free meal, and other aspect to protect sustainability at hard time (Imari et al., 2024; Kusmayadi & Noviyanti, 2021; Nugraha et al., 2022; Susilo et al., 2025).

This finding is consistent with earlier research on Islamic educational institutions, which suggests that waqf can contribute simultaneously to physical development, community participation, and the strengthening of institutional values (Rizal et al., 2020; Susilo et al., 2021). In this sense, the developmental role of cash waqf at Al-Ikhlash extends beyond financial support and becomes connected to the formation of an institutional culture in which beneficiaries can also become future contributors.

GOVERNANCE, TRANSPARENCY, AND INSTITUTIONAL SUSTAINABILITY

The findings indicate that the management of cash waqf at Al-Ikhlash incorporates several elements of accountability and community-based oversight. Information concerning waqf contributions and their utilization is communicated to relevant members of the community, while the wider institutional community participates in maintaining and supervising waqf assets. This approach is consistent with the understanding that waqf governance requires trust, transparency, and accountability between the *nazhir* and *waqif* (Budiman, 2011; Kasanah, 2019).

Community participation is particularly significant in the Al-Ikhlash model. The institute does not rely exclusively on external donors but also mobilizes internal members, alumni, and the surrounding community. The participation of teachers and students in waqf activities contributes to a stronger sense of ownership, while alumni and community members provide financial and material support for institutional development. The relationship between participation and sustainability is also consistent with social capital theory, which emphasizes trust, networks, and participation as resources that facilitate collective action (Putnam, 1993).

At the same time, the findings identify a governance limitation that should not be overlooked. The institute's reporting and documentation system remains largely dependent on internal administrative practices and has not yet developed into a fully integrated digital waqf management system. This limitation is relevant because the growing scale of waqf assets and community participation requires increasingly systematic documentation, reporting, and monitoring. Recent literature similarly identifies transparency, accountability, and digitalization as important areas for strengthening contemporary waqf governance (Hj. Mohaiyadin et al., 2022).

This governance dimension also relates to the broader principle of *maqasid al-shariah*. The management of waqf assets at Al-Ikhlash is directed toward educational development, preservation of institutional assets, and the provision of continuing benefits. The use of waqf for educational infrastructure can therefore be viewed in relation to the protection of religion (*hifz al-din*) through Islamic education and the protection of wealth (*hifz al-mal*) through the preservation and development of waqf assets (Aprilianto, 2018; Saptono, 2018; Zatadini & Syamsuri, 2019). The educational environment supported by these assets also provides a setting for intellectual development, which is relevant to the broader objectives of Islamic education.

Taken together, the evidence places institutional sustainability at the intersection of three processes: asset development, educational expansion, and community participation. Cash waqf provides the financial mechanism through which these processes can interact, while governance determines whether the resulting assets and benefits can be maintained over time. This relationship is particularly relevant to current discussions of cash waqf for education, where the central challenge is not merely increasing collection but establishing management models capable of converting waqf resources into sustainable educational benefits (Shiddiqy et al., 2024).

CONCLUSION

This study examined cash waqf at Al-Ikhlash Modern Islamic Education Institute from three interconnected perspectives: Islamic jurisprudence and Indonesian law, the conformity of its implementation with these normative frameworks, and its contribution to institutional development. The findings show that, although cash waqf was viewed cautiously in classical jurisprudence, contemporary Islamic scholarship recognizes its permissibility when the principal is preserved and its benefits are directed toward sustainable and legitimate purposes. This position is supported by the Indonesian legal framework, particularly Law No. 41 of 2004 on Waqf and the regulations governing cash waqf management. At the institutional level, the Al-Ikhlash practice is broadly consistent with these principles, as cash contributions have been transformed into durable assets, particularly land and educational facilities, rather than being treated merely as short-term operational funds. The findings further demonstrate that cash waqf has contributed to the institution's development by supporting land expansion, infrastructure provision, educational services, and the growth of students and teachers, while also strengthening community and alumni participation. The main novelty of this study lies in connecting these three dimensions within a single empirical assessment: cash waqf is not examined merely as a legally permissible funding instrument, but as a developmental mechanism whose effectiveness depends on the interaction between Sharia compliance, legal certainty, asset transformation, institutional management, and community participation. The Al-Ikhlash experience therefore illustrates how cash waqf can evolve from monetary contributions into durable educational assets and, in turn, support the sustainability and development of an Islamic educational institution.

This study has several limitations that should be considered when interpreting its findings. As a qualitative case study of a single Islamic educational institution, the findings reflect the particular historical, organizational, and social context of Al-Ikhlash and therefore should not be generalized directly to all Islamic educational institutions. In addition, the assessment of institutional impact relies primarily on interview evidence, institutional records, and observed developments, rather than on a longitudinal quantitative assessment of the financial returns or broader socioeconomic effects of waqf. Despite these limitations, the study has practical implications for Islamic educational institutions and waqf managers by highlighting the importance of strengthening documentation, digital reporting, institutional governance, and public education on cash waqf alongside the development of physical assets. For policymakers and the Indonesian Waqf Board, the findings suggest the importance of providing practical guidance and capacity-building mechanisms that enable educational institutions to manage cash waqf professionally without imposing excessive administrative burdens. Future research could extend this study through comparative cases involving several Islamic educational institutions, longitudinal analysis of waqf asset growth and institutional performance, or mixed-method approaches that quantitatively examine the relationship between cash waqf, educational capacity, financial sustainability, and community empowerment. Such studies would help determine whether the developmental pattern observed at Al-Ikhlash can be replicated across different institutional and regional contexts.

Author's Contributions

Muhsin Arafat: Conceptualization, Methodology, Investigation, Data curation, Formal analysis, Writing original draft, review & editing.

Ahmad Muhammad Husni: Research method, Validation, Writing –review & editing.

Imam Haryadi: Data curation, Formal analysis, Writing, review & editing.

All authors have read and approved the final version of the manuscript

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Declarations of Ethical Considerations

Participation in the study was voluntary, and informed consent was obtained from all participants prior to the interviews. Participants' identities were anonymized using respondent codes to ensure confidentiality.

Use of artificial intelligence (AI)

The authors declare that no generative artificial intelligence (AI) tools were used in the preparation, analysis, or writing of this manuscript.

Conflict of Interest

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