

Strategic Alliance between Bank and University in Sustaining Cash Waqf Fund in Malaysia

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Abstract: Cash waqf is a trust fund established with money to support services to mankind in the name of Allah. Cash waqf is important because it is created in the form of movable waqf (money) to establish liquid money in order to finance services and develop waqf property or to support and build an educational institution (schools or universities) or orphanage houses in the name of Allah s.w.t. In order to sustain cash waqf fund, numerous efforts should be carried out to ensure that the waqf fund is enough to finance the economic activity. One of the efforts that have a good potential in sustaining cash waqf is through strategic alliance between bank and university. The main objective of this paper is to identify the practice of strategic alliance between bank and university in Malaysia towards the sustainability of the cash waqf fund. This paper also aims to identify and to propose other initiatives that can be benchmarked by bank and university in Malaysia, in order to enhance the benefits of the strategic alliance. The methodology of this paper is a qualitative research through data analysis of secondary data from websites and previous studies, and also from primary data that has been gained from interview with Yayasan Wakaf Malaysia and Perbadanan Wakaf Selangor, that are related to strategic alliances in sustaining cash waqf fund. The study finding based on the two universities waqf fund shows that the strategic alliance between bank and university in Malaysia is based on the transaction collaboration, whereby bank act as the collecting agent to the university waqf fund. This study also finds that that there are other initiatives that can be benchmarked by bank and university in order to enhance the benefits of the strategic alliance between bank and university in sustaining cash waqf. The information on the strategic alliance between bank and university in sustaining cash waqf or waqf fund is scarce. Therefore, this study is expected to add some information on the related study in the future. Study on the strategic alliance between bank and university in sustaining cash waqf could benefit both parties which involve in the collaboration financially and socially. Other than charitable objective that can be achieved through the distribution of cash waqf to the beneficiaries, bank and university could also reducing cost in certain business activity like research and development through sharing of resources. The strategic alliance also could help bank and university in developing good image that would bring the sustainability of both organizations.

Keywords: Cash Waqf, strategic alliance, bank and university in Malaysia.

1. INTRODUCTION

Waqf management in Malaysia mostly focusing on the management on waqf land therefore, waqf management agencies like Islamic Religious Councils and Waqf, Zakat and Hajj Department (JAWHAR) are committed to enhance waqf potential and its benefits through cash waqf. During the Ottoman Sultanate, cash waqf had also served the role financier, granting loans to people in need of them (Cizakca, 2000). Realizing that cash waqf is a great alternative for individual who do not have an immovable asset but rather have movable assets i.e cash, for donating, this waqf instrument can play a major role in boosting socioeconomic development through waqf fund. Therefore, cash waqf needs to be sustained for an endless period of time as it is needed to support waqf institution in Malaysia.). Previous study by Alias (2012) finds that the cash waqf schemes of general purpose (*waqf al am*) have still not generated sufficient funds of scale to carry out program with impact. All in all it can be said that cash waqf development at Malaysia is still at infancy level. According

to Hassan (2008), as waqf institutions are governed by different laws and regulations, the nature of the administration of these institutions may differ from one state to another and may lead to administrative problems. This might lead to the cause of inefficiency in cash waqf collection in Malaysia. Without sufficient income, the financial sustainability of the waqf is sacrificed resulting in continual dependence on state assistance. Waqf fund primarily channeled into programme spending and very little into institutional sustainability. Therefore it is crucial to ensure the sustainability of the fund as it has a great potential to be a financial instrument in the national development.

In Malaysia, university has play active role in sustaining cash waqf fund. The effort is also supported by collaborations with several banks in order to increase cash waqf collection to finance academic activities and charity programme. This collaboration should be a stepping stone in proactive effort to develop and expand the strategic alliance in sustaining cash waqf fund. The aim of this study is to identify the practice of the strategic alliance between bank and university in the sustainability of cash waqf fund in Malaysia. This study is also to identify other joint efforts that can be made between these two organizations in sustaining cash waqf fund, for it to be a major financial instrument in the socioeconomic development. The objective of the study is also to identify the benefits of the strategic alliance between bank and university in sustaining cash waqf fund in Malaysia. Study on the strategic alliance between bank and university in sustaining cash waqf fund is important as both of the organizations are important and have significance influence in promoting the benefits of the cash waqf to the public. This study is important as it could add information in the study of the strategic alliance in sustaining cash waqf, as the literature in this scope of study is scarce.

2. LITERATURE REVIEW

According to Htay et al. (2012), based on the history, the first Islamic waqf is the Mosque of Quba' in Madinah al Munawwarah, which was built upon the arrival of the Prophet Muhammad (s.a.w) to this town in 622 A.D. The above kinds of waqf normally referred as the religious waqf and there are other kinds of waqf such as philanthropic waqf which also include the waqf for educational purposes and posterity of family waqf. Since the beginning, education had been financed through the waqf institution and as an example according to Kahf (2003), in Palestine there were 60 waqf schools supported by waqf properties in Palestine, Turkiye and Syria (of which 40 had been established by Ayubite governors. This shows that waqf is a potential financial instrument in the development of religious institutions as well as education institutions.). According to Sadiq (2002) waqf asset cannot be disposed, its ownership cannot be transferred, only its benefits are to be used for the specific purpose(s), which is (are) mainly charitable in nature, and It is a voluntary charity characterized by perpetuity Cash waqf is created in the form of movable waqf (money) to establish liquid money in order to finance services and develop waqf property or to support and build an educational institution (schools or universities) or orphanage houses in the name of Allah s.w.t. Cash waqf is usually formed as a financing method to. The waqf will receive cash instead of property or land and will use it for the financing instead of relying on banks or financial institutions. (Magda, 2009)

a. Waqf history:

There are many papers mentioning history of waqf started from the period of eight-century until the fifteenth (Shlykov 2011). Still, the exercise of waqf has started during Prophet (pbuh) era when he built Quba' Mosque in Madinah to ensure there is proper venue for Muslims to perform *solah* and to gather Muslims in deepen Islam. This step was followed by building up Nabawi Mosque using cash waqf to gather the greater number of Muslims in the first year of *Hijrah* (Kahf 2010). Wafa (2010) had mentioned that in 1576 in Istanbul, thousands of waqf institutions had been developed as services to the public, and in order to ensure the continuity of this institution, individual assets also had been contributed to the waqf fund. Wafa (2010) also mentioned that according to a research, three quarter of the Ottoman Empire land is the waqf land, half of the Algerian land is waqf, one over three of the Tunisian land is waqf. Other than property waqf, cash waqf also attracted many contributors. According to Zuraidah et al. (2011), in Al-Quran it is mentioned that waqf institutions are for the humans to do good deeds for the society, as Allah decreed:

‘O ye who have believed, bow and prostrate and worship your Lord and do good – tahttou may succeed’. (Al-Haj 17:77).

Traditionally waqf in Malaysia is in the form of land, mosque, grave yard and religious school and related equipments. Currently efforts are being made to develop waqf lands that have potential for development. Federal Government in order to develop and enrich waqf, has established Waqf, Zakat and Hajj Department (JAWHAR) to assist in the co-building endowment at the state level. In Malaysia, waqf property is under jurisdiction of the Islamic Religious Council and can be divided into two types of waqf which are specific waqf and general waqf. According the Yaacob (2013) waqf property

can be divided into three types of waqf like specific waqf or combination waqf (*waqf mushtarak*), family waqf (*waqf fi ahli*) and general waqf (*waqf khayri*).

i. Specific Waqf:

Specific waqf actually is combination of general waqf and family waqf. Under this type of waqf, the purpose and the beneficiaries has been defined by the endowment provider. For example, A has endowed a piece of land and determined the use of the land to be used as burial plot or mosque. Therefore, the type of endowment is named specific endowment.

ii. Family Waqf:

The beneficiaries or persons characterized by the founder and endowed initially upon one self. Example ; a father endowed a piece of land to his son.

iii. General Waqf:

The general endowment was an unspecified charitable uses by waqif. This waqf dedicated to the benefit of public. Example; B endowed land without expressed their land use. Land endowed that's up to the council to determine the religion of the land use as to be school or 'bazaar'.

b. Waqf Management in Malaysia:

According to Mohsin (2009), many Muslim countries including Malaysia had been followed the similar act to create movable waqf i.e cash waqf in order to generate the socio economic of ummah in particular and the state in general, through realization of the great historical role of waqf institution. Waqf administration in Malaysia is regulated and managed under different laws and regulations within the purview of the States Islamic Religious Council (SIRC) consisting of thirteen states and federal territories (Mahamood, 2006). Among the authorities in waqf management in Malaysia are Yayasan Wakaf Malaysia, and also state authority like Perbadanan Wakaf Selangor which lies under the jurisdiction of Selangor State Religious Council (Majlis Agama Islam Selangor).

c. Yayasan Wakaf Malaysia (Wakaf Foundation Malaysia):

The Wakaf Foundation Malaysia (YWM) was established on 23 July 2008 under the 1952 Trustee Act (Incorporation) by the department of Waqf, Zakat and Hajj (JAWHAR). At present, nineteen of the members of the board are a combination of religious practitioners, academicians and professionals. The current waqf property is land, building and cash. It has enhanced the image of YWM that leads to the effectiveness and the efficiency of the organization correspondingly with its vision "Being a leading organization in the agenda for strengthening the community through waqf instrument". At the same time, it provides an authority to encourage Muslim to contribute to the waqf fund. Consequently, YWM has formed an agenda that enables generating capital resources fulfilling the spiritual needs that enable one to become a rabbani human being (insan rabbani). The YWM focuses on five main functions which are the collection of waqf fund, development of waqf property, Social Welfare Development Programme, Promotion and Publishing Programme and the Economic Development Programme (YWM, Buletin 2013).

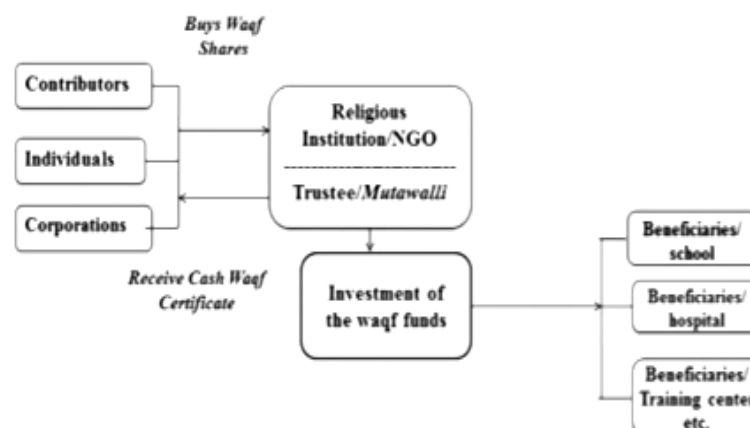
d. Selangor Endowment Corporation (Perbadanan Wakaf Selangor):

On 30th October 2009, His Royal Highness (HRH) Sultan of Selangor has commanded the establishment of Perbadanan Wakaf Selangor (Selangor Endowment Corporation) under Selangor Islamic Religious Council (MAIS). Perbadanan Wakaf Selangor (PWS) has been incorporated on 1st July 2011 according to HRH Sultan's decree. Currently PWS has seven (7) board members, that is chaired by Y.A.D Dato' Setia Ramli Bin Mahmud and the Chief Executive Officer is Y.Bhg Mr. Abu Bakar Bin Yang. PWS manages the waqf fund under the Waqf Enactment (Selangor State) No.7, 1999 and Selangor Waqf Corporation Order 2011 and according to Islamic Religious Administration Enactment (Selangor State) 2003 (amendment 2008), to achieve its main objective to enhance added value in waqf property management and nurture the waqf practices towards an efficient and holistic muslims economic development, according to shari'ah rules. PWS is one of the pro active waqf fund management body in Malaysia that is responsible to give advice to MAIS regarding policies, methods and steps that have to be executed to encourage waqf property and products development. This corporation also involve in planning and organizing the development of waqf property and products, managing and maintaining waqf properties including amenities and infrastructures on the waqf property, acting as the coordinator in waqf property and products management and also encourage and coordinating the research and development in every aspects of waqf property and products.

Other than the ordinary immovable waqf property, PWS is managing several cash waqf products like Saham Wakaf Selangor (Selangor Waqf Shares), Skim Infaq (Infaq Scheme) and Sahabat Korporat (Corporate Partners). Saham Wakaf Selangor is a way of cash waqf that involves acquiring of shares that are offered by MAIS (the waqf trustee of Selangor state), in order to give the shares as waqf for the benefits of the ummah. Therefore, capital to develop and buying waqf property like land and real estate can be gained through the sales of waqf shares. In addition, this product is hoped to create awareness among muslims to encourage them to involve in waqf as it can be seen as a potential system to enhance socioeconomic development. Other than that, PWS also facilitate muslims to donate to the waqf fund through monthly salary deduction under Skim Infaq, and also build a partnership through Sahabat Korporat with several private companies and Government linked company (GLC), in order to increase the waqf fund. Other than that, PWS has also launched a new and innovative product called Wakaf Seni in 2013, in order to get more people involves in waqf. This has been done through the involvement of people from the entertainment industry who would like to donate a part of their payment from the entertainment industry to the waqf fund. Among the target people from the industry are song writers, film producers and celebrities. In year 2006 to 2012, PWS has managed to distribute more than RM 200,000 of the waqf fund mostly to the development and upgrading of Islamic religious places, like *surau* and mosque. The waqf fund also goes to the development of waqf clinics, maintainance of muslims cemetery and the books waqf programme. PWS also distributes the waqf benefits (*manfaat wakaf*) that have been received from the rental fees of the *Bazar Rakyat* (Community Shop) and rented waqf land to the partnered mosques. PWS shows excellent achievements throughout its establishment that makes it one of the benchmark to the other waqf fund management bodies throughout this country (<http://www.wakafselangor.gov.my>).

e. Contemporary Application of Cash Waqf:

Nowadays, most Muslim countries recognized the potential of reforming the management of cash waqf. They fulfilled their social responsibilities and served their societies through the institution of waqf which is non-profit institution without any cost to government (Mohsin,2009). The basic of waqf itself is to serve the welfare of society at large and provide necessity for sustainable public utilities. According to Mannan(1999) contribution of cash waqf to socio-economic developing countries is significant. Fund collected trough cash waqf certificate program was allocated into several area including agricultural, education, health and infrastructure. Mostly the mobilization of this fund for poverty alleviation programs and other public service development and the most important things is it is expected to alleviate poverty in Indonesia.To be specific, in Malaysia, waqf property is under jurisdiction of the State Islamic Religious Council. Therefore, the *mutawalli* of the waqf property is the Islamic Religious Council of different states in Malaysia, or any organization that has been given authorization to act as the trustee by the Council.



Source : Mohsin (2013)

Figure1: Modus Operandi for Waqf Share Scheme

f. The Role of Banking Institutions in Sustaining Cash Waqf :

In Malaysia, banking institutions and universities can play major roles in expanding and sustaining cash waqf. According to Ismail (2009) cash waqf carries several advantages which give great benefit to all parties, including the financial institutions, investor and societies. Therefore, collaboration programme between these two institutions can be enhanced in order to boost the socio economic development that has been established in Malaysia using cash waqf, as well as benefits

both parties in their related business and activity. Perbadanan Wakaf Selangor has develop a strategic alliance with Bank Muamalat Malaysia Berhad (BMMB) in the collection of cash waqf through the initiative named Wakaf Selangor Muamalat (www.muamalat.com.my), while Yayasan Wakaf Malaysia has established collaboration with several banks, like Maybank Islamic and Bank Islam Malaysia Berhad to collect cash waqf on their behalf (Buletin Yayasan Wakaf Malaysia, Januari-Jun 2013).

g. The Role of Universities in Sustaining Cash Waqf:

Cash waqf has plays major role in the development of Islamic education institutions. According to Danna (2007), the Al Azhar University was built through the cash waqf fund and invested most of its cash waqf fund to build the storage warehouse at the Suez Canal. In addition, the Egyptian government also borrowed the waqf fund from Al Azhar University for government consumption. In Malaysia, universities play major roles in establishing and also sustaining cash waqf fund. In example, Universiti Putra Malaysia has play major role in helping Jabatan Wakaf, Zakat dan Haji (JAWHAR) by conducting research on agriculture in order to develop waqf land that can produce cash for the waqf fund (<http://www.upm.edu.my>). Other than that, university like International Islamic University (IIUM) has established endowment fund to help its students who are financially in need to pursue their studies (Laldin,2012).

h. Strategic Alliance between Bank and University in Sustaining Cash Waqf:

In promoting the benefits of cash waqf and enhancing public response to contribute to the waqf fund, a strategic alliance between bank and university should have taken place. Austin (2000) has defines three types or stages of strategic collaboration which are philanthropic, transactional, and integrative. In the philanthropic stage, the nature of the relationship is largely that of charitable donor and recipient. This characterizes most nonprofit–business relationships today, but increasing numbers are migrating to the next level. In the transactional stage, there are explicit resources exchanges focused on specific activities; for example, cause-related marketing, event sponsorships, and contractual service arrangements would fall into this category. Certain collaborations have moved to the integrative stage in which the partners' missions, people, and activities begin to merge into more collective action and organizational integration. This alliance stage approximates a joint venture and represents the highest strategic level of collaboration. The alliance drivers are the primary forces propelling the collaboration, but supporting these appears to be a constellation of factors that enable the effective management of the partnering relationship and process, factors such as focused attention, communication, organizational system, and mutual expectations and accountability. Bank and university can establish strategic alliance through three types of strategic collaboration, based on the objective of both parties in the partnership as well as the benefits of the strategic alliance to each party involve in the collaboration.

3. METHODOLOGY

This study involves data collected primarily from secondary data which is the web information and findings from previous study on waqf and cash waqf. There is no literature from previous studies regarding the strategic alliance between bank and higher education institution in the sustainability of waqf or endowment fund. The secondary data provides information and idea on the establishment of partnership between bank and university in Malaysia and other country like Bahrain. The use of web information in this study is based on the discussion by Fischer and Parmentier (2010) on using the archival data as the primary source of data, whereby they have agreed that there is an increasing case to be made for the necessity of drawing on archival data as one primary resource. The claim that archival data is an increasingly viable resource stems from the fact that an ever greater amount of archival verbal and visual material is becoming nearly universally available owing to the internet. Just as the growth of online communities has led to ever growing opportunities for netnography, so has the proliferation, online, of archives of materials ranging from periodicals to blogs to corporate annual reports to product complaint websites made possible an ever widening scope of systematic, archival research. This study however, also refers to other literature on cash waqf model that provides information regarding the modal for cash waqf, which can be proposed as the model to enhance strategic alliance between bank and university in sustaining cash waqf.

The primary data collected for this study is through interview in March 2014, with the authorized officers to gain feedback from Yayasan Wakaf Malaysia and Perbadanan Wakaf Selangor which are among the authorized agencies to collect and manage waqf properties, on the collaboration or strategic alliance that have been made between these two agencies with banking institution and university in sustaining cash waqf.

a. Data Analysis Techniques:

Scott (1990) offers some useful guidelines for evaluating secondary sources. The four criteria are:

- i. **Authenticity:** consideration of how genuine the document or source is with regards to its soundness and authorship.
- ii. **Credibility:** consideration must be given to the amount of distortion to the document or source, which will affect its sincerity and accuracy. i.e. has the author given a true account of the situation, or has it been distorted in some way to make the situation look better?
- iii. **Representativeness:** Scott states that '...sampling documents must be handled carefully and as systematically as the sampling of respondents in a survey' and a researcher must give careful consideration to how typical or untypical the documents being sourced are in order that they can recognise limits to the conclusions they can draw from them. Scott identifies survival and availability as two of the factors which may limit the representation of documents.
- iv. **Meaning:** concerned with how well the researcher will be able to understand the document.

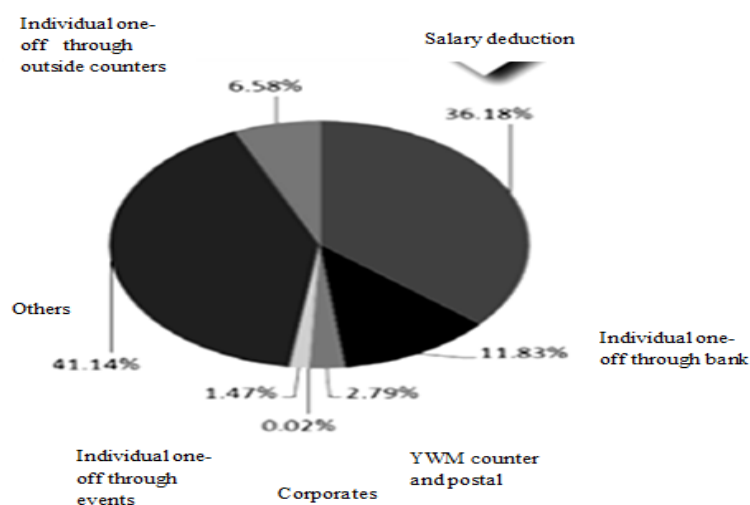
In order to ensure the reliability and validity of the secondary data, six criteria should be considered as follow:

- i. Authorship
- ii. Authority of the author
- iii. Authority of the material
- iv. Authority of the site/organization
- v. Currency (i.e. is it up to date)
- vi. Pressure groups/objectivity

Therefore, this study only involves web information in the form of articles or news that is published by the university or bank in their websites, from year 2010 which is still valid to the current date.

4. FINDINGS**a. Banking institutions roles in sustaining cash waqf:**

In Malaysia, Islamic banks have established collaboration with waqf management agencies like Yayasan Wakaf Malaysia and Perbadanan Wakaf Selangor in promoting and collecting cash waqf as well as property and gold wakaf. Based on the interview with Yayasan Wakaf Malaysia, the agency and Maybank Islamic has practices a collaboration of collecting cash waqf through internet banking, auto debit and also through cash deposit. Yayasan Wakaf Malaysia also collaborates with other Islamic banks in collecting cash waqf fund through banking services like cash deposit. Figure 2 below shows Malaysia Cash Waqf Performance in Year 2012, with overall collections RM 1,312, 062.42. In the mentioned figure, cash waqf collection through banking channel contributes 11.83% of the overall fund collected by Yayasan Wakaf Malaysia.



Source : Buletin Yayasan Wakaf Malaysia Januari-Jun 2013

Figure 2: Malaysia Cash Waqf Performance in Year 2012

Other than that, Yayasan Wakaf Malaysia through its collaboration with Penang Islamic Religious Council (MAIPP), Bank Islam and Al Rajhi Bank also UDA North (property developer) has developing a commercial area called Taman Waqf Siti Aisyah. This commercial area is projected to generate profit for the waqf fund, that will benefit muslim community in a long run. In October 2011, Bank Islam Tower has been officially announced as Bank Islam's headquarter, which is a primer commercial project in Kuala Lumpur that has been developed on waqf land. This tower has been developed based on the joint venture of Yayasan Wakaf Malaysia, Islamic Religious Council of the Federal Territory (MAWIP), Pilgrimage Board (Lembaga Tabung Haji) and Bank Islam as the main tenant. This joint venture will boost the growth of waqf fund and help to sustain the fund for a longer period.

Islamic bank also plays an important role in promoting cash waqf and facilitating the collection of the cash waqf. Based on the interview with Perbadanan Wakaf Selangor, Bank Muamalat Malaysia Berhad (BMMB) has established a strategic alliance with Perbadanan Wakaf Selangor (PWS) to launch a service called Wakaf Selangor Muamalat (WSM). BMMB is the first bank in Malaysia that establishes a strategic alliance in managing waqf through Joint Management Committee (JMC) which is supervised by MAIS. The JMC is responsible in determining the contribution of the waqf fund is channeled to the agreed waqf projects, helping those in financial needs for education and health and also investing the waqf benefits (manfaat waqf) which had been received. BMMB customers can contribute to the waqf fund through BMMB counter, hibah from Wadi'ah Account, progress payment instruction (PPI), cash waqf, debit from savings or current account and cheques. BMMB and Perbadanan Wakaf Selangor (PWS) also has collaborates with other banks like Maybank Islamic, CIMB Islamic and Bank Simpanan Nasional (BSN) in the collection of cash waqf. In general, bank plays an important role as the agent of the waqf collection for the authorized agencies that act as mutawalli. This is because current banking services like auto debit and online payment will attract public to contribute to the waqf fund as it is convenience and widely used by the public.

b. University roles in sustaining cash waqf:

Based on the interview with Yayasan Wakaf Malaysia and Perbadanan Wakaf Selangor, there is still no collaboration or strategic alliance being made by these two agencies with university in cash waqf management. Laldin (2012) mention that the International Islamic University of Malaysia (IIUM) as one of the outstanding institution to revive and promote Islamic systems has taken the step to generate and benefit from the waqf institution and has established a department in order to generate income and use them for the benefit of the Institution and to help the international students. This fund was named IIUM Endowment Fund (IEF). IEF was established on 15th March 1999 as a division of International Islamic University Malaysia as endorsed by the IIUM Majlis in its 48th meeting. This division is managed by its own management team which consists of general manager assisted by finance and investment manager, project manager, administration manager and training manager. The highest body that oversees the policy and procedure of the fund is IEF Executive Board chaired by the Rector of International Islamic University Malaysia. The IIUM Endowment Fund has underlined several objectives to be as a guiding principle in the operation of this department. The objectives are as follows:

- a. to solicit and receive waqf in the form of movable and immovable properties, cash, shares, negotiable instruments etc. from benefactors both Malaysian and internationally, for the purpose of education and research,
- b. to provide scholarships, loans and assistance to the needy students of IIUM;
- c. to promote and develop academic activities in the IIUM, including research and publications;
- d. to fulfill specific wishes of a donor in so far as they relate to a particular objective within the parameters of IIUM; and;
- e. to invest in investment avenues permitted by the Shari'ah

In order to achieve the above objectives, IEF has undertaken several projects to acquire waqf properties and managed them accordingly.

c. Strategic Alliances between Banks and Universities in Sustaining Cash Waqf Fund in Malaysia:

In Malaysia, there are increasing number of universities involve in the development of cash waqf fund for the objective of establishing alternative funding for academic purpose. Universities have made many efforts to ensure the sustainability of the waqf fund, by increasing the collection of the cash waqf through collaboration with other agencies that will act as the

agent of the waqf collection. Based on the data gathered from the websites, the following are among the strategic alliances that have been established by universities and banks in sustaining cash waqf :

Dana Wakaf UKM, National University of Malaysia (UKM):

In year 2011, Yayasan Canselor, UKM (UKM Canselor Foundation) has launched a financial product based on investment, waqf, takaful, wasiyah and infaq for Dana Wakaf UKM (UKM Waqf Fund). UKM has signed a Memorandum of Understanding (MOU) and service agreement with five (5) financial institutions which are AmIslamic Bank, Bank Islam Malaysia, Bank Kerjasama Rakyat Malaysia, Bank Simpanan Nasional and Amanah Raya Legacy Services. This agreement is to facilitate public and UKM community to make contribution through electronic banking like e-wakaf and online services that are users friendly. The establishment of the Dana Wakaf is to create a long term sustainable infrastructure to fulfill the financial needs of the university in funding the academic activities. In general, the objectives of the fund are including:

- provides fund for the learning activities, teaching, research and publication;
- provides fund for academicians, fellows and students to organize academic programmed and short term course, seminars, conferences, workshops etc.
- provides fund for community service activities and industry relation;
- funding for Kursi Kecemerlangan; and
- generating income through financial activities and investments.

The waqf fund will be benefited by Skim Pendidikan dan Kebajikan Pelajar (Students Education and Charity Scheme), Skim Pembangunan Modal Insan Pelajar (Students Human Capital Development Scheme), Zamalah Research and Academic Development Scheme and UKM Industry and Community Network Scheme. On top of that, agreement has been made between UKM and CIMB Islamic whereby the bank act as the major sponsor for the waqf fund. CIMB Islamic also agreed to sponsor the promotion of Dana Wakaf UKM as well as opening a special account under Dana Wakaf UKM at the bank.

Through banks and university collaboration, the cash waqf contribution can be made based on salary deduction using e-wakaf. Through e-wakaf, UKM has received a good co-operation from the partnered financial institutions and it is projected that more banking institutions will take part in this partnership at the future.

(<http://www.ukm.my/yc/Endowment.html>.)

Dana Wakaf Ilmu, Universiti Putra Malaysia (UPM):

Wakaf Ilmu, UPM has been established in October, 2011 based on the collaboration of UPM and Selangor Islamic Religious Council (MAIS). This fund aims to provide a channel for public to give infaq and cash waqf to the waqf fund. UPM is responsible as the trustee of the waqf fund whereby it collects cash waqf from individual donor, corporate, co operation and NGOs, also profits from waqf property, agriculture, plantation, industrial and profits from Islamic capital market in order to develop a sustainable long term infrastructure to provide financing for academic activities in UPM. Every fund either it is general waqf or specific waqf, will be channeled to development of facilities and for the purpose of academic activities including teaching and learning programme, Islamic programme, research and development and also innovation and community service. Currently the fund has been endorsed by the fund Committee of Trustee, to be distributed to the Skim Wakaf Pendidikan (Educational Waqf Scheme) and Skim Wakaf Penerbitan (Publishing Waqf Scheme), as follow:

Skim Wakaf Pendidikan:

- Funding for “DERMASISWA ASASI” for excellent students in Agricultural Science Foundation Centre
- Funding for “DERMASISWA PENYELIDIKAN” for final year undergraduate students.

Skim Wakaf Penerbitan:

- Sales/Wakaf Mushaf “Al-Quran: (Waqf Ibtida’)

- Sales/Wakaf on book “Radin Umar Radin Sohadi...Sebuah Memoir”.

UPM has established collaboration with CIMB Bank in the collection of waqf fund through banking service that is provided by CIMB. The banking service is an on line service i.e CIMB click which will act as one of the channel to collect fund from the public, specifically the CIMB's customers. Therefore, public whom interested to make a donation to the waqf fund can use the on line service to make a cash deduction from their savings account instead of facing hassle to contribute the cash manually. (<http://www.upm.edu.my>)

Strategic Alliances Initiatives between Bank and University in Revitalizing the Waqf Fund:

The collaboration between banks and universities to sustain the waqf fund as mentioned above, shows that the joint effort focuses on the collection of waqf fund especially cash waqf. In order to maintain the partnership between bank and university in sustaining the cash waqf fund, other initiatives should be made to enhance the benefits of the collaboration. To achieve the high impact strategic alliance, bank and university should apply the move towards integrative type of strategic alliance in which the partners' missions, people, and activities begin to merge into more collective action and organizational integration. There are several strategic alliances between banks and universities that could be benchmarked to achieve the integrative strategic alliance. The strategic alliances are as follow:

Kolej Universiti Islam Perlis (KUIP) Agreement with First Gulf Bank and CIMB Group, Bahrain:

The First Gulf Bank which has headquarter in Abu Dhabi, UAE and CIMB Group which based in Bahrain have agreed to channel waqf fund to Kolej Universiti Islam Perlis (KUIP), in order to help developing the institution. Both banks agreed to channel the waqf fund for investment in any selected financial institutions whereby the dividends will be contributed to KUIP's students in the form of scholarships. The scholarships were agreed to be given to the selected students from South East Asia. Both banks also agreed to develop waqf land owned by Perlis Islamic Religious Council (MAIP) for commercial project. First Gulf Bank also offers one to three months attachment for KUIP's lecturers to have training on banking, in order to enhance their knowledge and skills in the related field.

(<http://www.allianzeunicollege.edu.my/portal/media/854-kuips-dapat-dana-wakaf-dua-bank-terkemuka-dunia.html>).

The Waqf Fund – A Practice in Bahrain:

In Bahrain, the partnership between bank and university towards creating a waqf fund that will benefit the Islamic banking and finances has been established in November 2006 (<http://www.cbb.gov.bh>). The Waqf Fund is under the auspices of the Central Bank of Bahrain (CBB) in partnership with Islamic Financial Institutions (IFIs) in Bahrain. Among the founding IFIs were Arcapita Bank, Bahrain Islamic Bank, Kuwait Finance House (Bahrain), AlBaraka Banking Group, Unicorn Investment Bank, ABC Islamic Bank, Shamil Bank (now Ithmaar Bank) and Gulf Finance House. This fund works when the member institutions made one-time contributions to the Waqf Fund's corpus which is invested in Islamic money market instruments and the return is used to finance the Fund's initiatives. These initiatives are executed through partner organizations. There are many initiatives that have been made by The Waqf Fund of Bahrain. Current initiatives that have been launched are as follow:

1. Graduate Sponsorship Program:

Now in its fifth year, GSP serves to provide young Bahraini graduates and junior staff of Waqf Fund member institutions with an orientation in Islamic finance along with practical experience in IFIs. 20 to 25 graduates and bank employees are selected every year for a 6 month diploma program with BIBF. They study the following courses: (1) Islamic Commercial Jurisprudence, (2) Islamic Banking Operations, (3) Islamic Treasury and Capital Markets, (4) Islamic Accounting, (5) Islamic Insurance, and (6) Banking, Business and Trust Law.

2. Shari'a Reviewer Development Program:

Aimed to provide basic orientation to Islamic and conventional finance/banking to Internal Sharia' Reviewers of Islamic Financial Institutions (IFIs) and plug any knowledge gaps. These are designed as short courses of 10-30 hour duration. The topics covered include: (1) Understanding Financial Statements for IFIs, (2) Business, Banking and Trust Law, (3) Islamic Treasury and Capital Markets, (4) Risk Management for IFIs, (5) Shari'a Auditing & Corporate Governance for IFIs, and (6) Introduction to AAOIFI and IFSB Standards.

3. Advance Diploma in Islamic Commercial Jurisprudence:

This program provides more depth in specific topics to the Internal Shari'a Reviewers of IFIs. Spread over a one year period and conducted in Arabic the Diploma consists of 8 modules: The Theory of Contracts and its legal maxims, Objectives of Shari'a and Jurisprudential Law (Usul Al Fiqh), Principles of Fatwa and Applied Jurisprudence, Islamic Financial Transactions, Fiqh of Zakat and Waqf, Fiqh of Takaful, Shari'a Auditing and Compliance for Islamic Financial Institutions, and the Research component that concludes the program. The research component has been added for greater depth and quality and to ensure that the program's learning outcomes are thoroughly achieved by all the participants .

4. Roundtable Discussions:

On topics of high importance to the industry the Waqf Fund arranges Roundtable Discussions from time to time where industry professionals, regulator and Shari'a scholars converge to discuss the relevant aspects in detail. Seven such Roundtables have taken place over as many years. Most of these Discussions were subsequently followed up with concrete action steps by the Central Bank or the Waqf Fund.

The Waqf Fund held its 7th Roundtable Discussion on "Development of internal Shari'a Review, Internal Shari'a Audit and External Shari'a Audit" on 23 February 2014. The half-day session was attended by a select group of professionals including representatives of professional Big 4 firms, CEOs of Islamic banks and AAOIFI, Internal Shari'a Reviewers and officials of the Central Bank. Please click the link below to view the three presentations delivered at the Roundtable. .

5. Preparation of "Islamic Banking Ethics for Bankers" course for junior staff of Islamic banks:

The Waqf Fund provided financial assistance to draft an ethics course aimed at the junior staff of Islamic banks in order to make them aware of the ethical foundations of Islamic banking. The Central Bank has made it mandatory training for Islamic banks. The course is conducted through BIBF. .

6. Upgrading of Curriculum – BIBF's Diploma in Islamic Finance:

The Waqf Fund engaged a professional firm to enhance the curriculum of BIBF's Diploma in Islamic Finance. This included preparing six text books.

7. Assisting University of Bahrain to launch 4-year Bachelor of Arts in Shari'a for Banking & Finance program:

The Waqf Fund has joined hands with the University of Bahrain to support its 4-year bachelor program in Islamic finance. The Waqf Fund is providing financial assistance to the program as well as helped in curriculum development by providing the industry's perspective. Now in its second year, this is a unique fusion program between Shari'a and Business. The graduates of this bilingual program will be well equipped to work for any Islamic financial institution in Bahrain and globally. They will possess a rare combination of Shari'a, financial, accounting, economics and business knowledge. They will be integrated with the industry through seminars and internships.

8. Shari'a scholar monthly program:

The Waqf Fund has started a monthly session with leading Shari'a scholars in the Islamic finance industry whereby they address the Internal Shari'a Reviewers of IFIs in Bahrain on specific topics, followed by an extensive Q&A session. The purpose of this program is to provide an opportunity to up and coming Shari'a scholars to interact with and learn from leading Shari'a scholars through dialogue and discussion. Four sessions have so far been held with scholars of international standing including Shaikh Essam Ishaq, Shaikh Nizam Yaquby, Shaikh Osama Bahar and Shaikh Abdulsattar Al-Kattan.

9. Corporate Governance workshop for CEOs and Directors of IFIs:

Given the increasing importance of corporate governance worldwide and the local Corporate Governance Code introduced by the CBB, there was a pressing need to improve the CG standards of IFIs. The Waqf Fund offered two workshops to its member institutions who participated enthusiastically including CEOs, Board Secretaries, Directors and Chairpersons.

10. Sponsoring AAOIFI in revamping its CIPA qualification:

The Waqf Fund is sponsoring AAOIFI to revamp its flagship global Islamic accounting qualification Certified Islamic Professional Accountant (CIPA). This will be the first major revision of the CIPA curriculum since its launch in September 2006. The objective is to develop the right human resources who combine conventional as well as AAOIFI accounting knowledge, understanding of the underlying Shari'a principles and standards and exposure of practical issues facing Islamic financial institutions. The revised CIPA curriculum will also include contemporary accounting and auditing issues that have come up in the last few years especially after the global financial crisis.

The Benefits of the Strategic Alliance between Bank and University in Sustaining Cash Waqf Fund.

There are many benefits that banks and universities will gain from the strategic alliances in sustaining cash waqf fund. Banking institutions can fulfill their corporate social responsibility (CSR) by sharing responsibility with the university (the trustee) in collecting waqf fund. On top of that, Bank can attract more people to use their services by expanding the service to cater for the needs of public whom interested in contributing to the waqf fund. Bank also could retain good relationship with its customers by the service expansion, as well as promoting a charitable activity like cash waqf that can bring good image to the bank. Apart of that, in this strategic alliance, university also will gain many benefits especially in increasing the cash waqf collection through many channels that will give convenience to the public to make contribution to the waqf fund. The waqf fund could help financing many academic activities in university like funding in a form of scholarship to the students as well as developing many facilities like library and faculty for academic purposes. The strategic alliances also could benefits academic staffs in their training and knowledge enhancement programme through attachment with the partnered bank. University can increase educational funding from cash waqf as well as increasing knowledge and skills through attachment programme with the bank. On the other hand, Bank will have a good partner in education that could carry out joint research in economic, finance and banking.

Moreover, the strategic alliance between bank and university will promote a good partnership between education institution and profit oriented organization in supporting the economic growth of the ummah which eventually will create a balance economy between rich and poor in the country.

5. CONCLUSION

Strategic alliance between banking institution and university is a good way to ensure the sustainability of the cash waqf fund. However, in Malaysia, the collaboration between these two parties is mostly a transaction stage whereby bank act as an agent for the university in collecting cash waqf fund, by providing service for the public to make waqf contribution through its current banking service. Effort that has been made by KUIP and First Gulf Bank and CIMB Group Bahrain as well as the initiatives by The Waqf Fund of Bahrain in their strategic alliance can be a benchmark for other universities and banks in enhancing the prospect of their strategic alliances. The collaboration also increased the benefits of the alliance towards the needs of the public. The alliance should bring benefits to the university in increasing educational funding from cash waqf as well as increasing knowledge and skills through attachment programme with the bank. On the other hand, Bank will fulfill its corporate social responsibility as well as having a good partner in education that could carry out joint research in economic, finance and banking. Ab.Aziz, Johari and Yusof (2013) have proposed the idea of establishing an Islamic waqf bank which is designed for education financing. The permissibility of cash waqf and suitability of capital of Islamic bank can be considered as *waqfas* well business with good structure to solve the problem of students in his education financing. There is possible structure for waqf instrument that can be implemented in the future for the financing of education that needs a proper mechanism of waqf financing provided by specific Islamic financial institution. This idea can enhance the strategic alliance between bank and university in sustaining cash waqf in a way that bank helps to invest the cash waqf fund for income generating. The contemporary Islamic banking practice provides evidence of successful cash investment methods that are not only good for expecting good returns on the investment but also protection of the capital.

In order to sustain the cash waqf fund, Bank and university also can establish strategic alliance based on the principle of Venture Philanthropy. The use of this principle is a combination of venture capital and philanthropy activity. Philantropists who wish to engage with charities over long term establish funds and effectively their donations act as their investments for which they expect a social return instead of a financial return. In this case, Bank can act as the philanthropist who donates a portion of their investment profits to the cash waqf fund in the university, in order to achieve the social

economic return. The strategic alliance between bank and university can move towards the integrative collaboration which combine with philanthropic stage whereby bank also contribute to the waqf fund as well as working together with the university to increase the cash waqf fund. The integrative stage involves the partners' missions, people, and activities to merge into more collective action and organizational integration. One of the joint efforts that can be carry out at first stage is a joint marketing that actively promotes the benefits of the cash waqf to the public. Strategic alliance between Perbadanan Wakaf Selangor and BMMB in Wakaf Selangor Muamalat is a good benchmark for this effort as they establish a joint committee in managing the waqf fund, as well as working together in promoting the waqf fund to the public in order to raise the collection of the fund.

Study on the strategic alliance between bank and university in sustaining cash waqf could benefit both parties which involve in the collaboration financially and socially. Other than charitable objective that can be achieved through the distribution of cash waqf to the beneficiaries, bank and university could also reducing cost in certain business activity like research and development through sharing of resources. The strategic alliance also could help bank and university in developing good image that would bring the sustainability of both organizations. This study is a qualitative study descriptive in nature primarily based on the secondary data mostly from the websites that needs to be particularly selected in order to maintain the reliability and validity of the data. This study also involves primary data from interviews and secondary data from literature review that are related to the research objectives. Future study should consider the collection of more primary data from interviews or survey that can add more information to this study. Study related to the strategic alliance in sustaining cash waqf is scarce, therefore more study should be carry out in the future to discover more benefits from the alliance, as well as determining other alliances that could be established to ensure the sustainability of the cash waqf fund in Malaysia.

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