

Financial Performance Measurement for Nazhir: A Proposed Model Based On Sharia Accounting Standard.

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- **Abstract:** To proposes a financial measurement model in order to assess the performance of waqf managers (Nazhir) based on Sharia Accounting Standard. The model evaluates whether a Nazhir has managed the waqf assets following the laws and regulations, the objectives of the institution, the wishes of the donors (wakif) as well as the benefits of the beneficiaries (Mauquf Alaih). The paper uses a qualitative method with a financial ratios approach which is compiled into a comprehensive financial statement analysis model. These financial ratios are developed based on Indonesian Accounting Standard No 112 concerning Accounting of Waqf that has just been ratified. The research builds a model that analyzes a component of waqf financial statements from the Indonesia Accounting Standard that was organized into 3 groups (performance, impact, and result). Each group has its ratios with a few segments for several groups. The performance ratios are derived from funding, managing, and donating segments. The results of this study provide an objective and informative financial performance measurement model that can be used by stakeholders for the decision-making process in managing waqf assets. This paper was one of the first attempts to build a performance measurement model that goes following the sharia principles. Moreover, this model can be adopted by Indonesia Waqf Board (BWI), as the waqf authority, to improve the reporting standard for waqf institutions.
- **Keywords:** donating segments, informative financial performance, Indonesia Waqf Board (BWI), financial statement analysis model