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Corporate Waqf University: A Sustainability Model

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ABSTRACT

Globalization and economic pressure faced by governments including Malaysia, have led universities to be independent and source out their own fund for development, operation and research activity. In Malaysian case, the government has launched National Higher Education Strategic Plan Beyond 2020 to prepare for new challenges. As a result, the plan offers new autonomy for public universities. While government gives special attention to public university, literature provides limited discussion on the funding and sustainability of private universities. As such, this paper aims at exploring waqf as one of the financing instruments for private university's sustainability. The paper proposes conceptual model to transform conventional method of financing university into corporate waqf university (CoWU), based on Yayasan Universiti Multimedia (YUM) experience. The study expands previous research and highlights the potential of transforming existing conventional endowment to Islamic endowment (waqf). The study adopts qualitative approach where desk research, interview, discussion, benchmarking as well as primary data collection were employed. It opens up possibilities and proposes practical model where corporate sector and university can work together to establish and fund corporate waqf university. The study also examines issues in implementing corporate waqf university, discusses opportunities and challenges in managing waqf for higher learning institutions. Finally, the paper suggests some pertinent points for policy maker and practitioner consideration.

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1. Introduction

Feasibility of university waqf has been an interesting subject of discussion. To date, the concept is under rigorous investigation as the framework requires comprehensive review and independently assessed. Generally, the issue of funding universities have becoming crucial for the nation capacity building. Therefore, this paper addresses the possibility of corporate sector in Malaysia (mainly the Government Link Corporations-GLC) to work together with universities in establishing, funding and managing corporate waqf university (CoWU).

A sustainable funding culture is crucial for universities to maximise their contribution to economic growth and long term national capacity building. Universities provide knowledge and training for postgraduates and undergraduates, attract and exchange expertise with researchers around the globe, bring new technology, enhance innovation and strengthen public policy through the generation of the cutting edge research. All these noble activities require huge funding, which Malaysian universities are experiencing unprecedented challenges in their business model.

With due respect to continuous economic growth and global trend on managing high cost of universities operations and the state of the art research facilities, countries such as UK, US, Turkey and Australia do not rely entirely on government to fund universities. As a result, in 1996, Malaysia with its vision to be higher learning institutions (HLI) hub in the region, opened the door for setting up of private universities. The HLI transformation is expected to significantly reduce financial burden of Malaysian government. One year later in 1997, the National Education Fund Corporation (PTPTN) was introduced to provide financial assistance to students. In year 2007, National Higher Education Strategic Plan Beyond 2020 (NHESP) was introduced to strengthen the regional HLI hub aspiration as well as to further trim-down public universities subsidies from ninety percent to seventy percent by 2020 (MOHE, 2007). Interestingly, the NHESP offers autonomy to public universities to source out their own income. In 2012, Malaysian government announced the goal to make Malaysia become the world's sixth-biggest education exporting country by 2020 with a target of 200,000 international students.

The Malaysian Ministry of Education (MOE) on 7th April 2015 announced Higher Education Blueprint 2015-2025. Unfortunately, the blueprint almost exclusively focused at public universities. Whilst public universities are taken care and have greater opportunities to reach potential donors and commercialization revenue, private universities face greater uncertainty and challenges.

Report by Penang Institute (2015) revealed that the performance of private universities in Malaysia lags behind public universities. The report covers 41 private universities, 8 foreign branch campuses and 27 tertiary colleges. The findings of the research are alarming where 28 of the local private universities and colleges reported consistent loss on yearly basis. In the year 2013, for instance, 46% of private universities reported losses at PBT level (Profit Before Tax). Moreover, the management of balance sheet is also questionable. Working capital of approximately 46% of the sample private HLI, is not encouraging reflected by insufficient assets to cover their short term liabilities. Surprisingly, 30% of these private universities has shown signal of financial distress (total debts exceeded total assets), some exceeded their paid up capital (Lim & Williams, 2015).

Many of Malaysian private universities are struggling to maintain quality and educational standards amid a deteriorating financial situation. The reasons cited for poor financial performance are mainly on lack of business mindset, poor management, lower income generating activities, tight financial, stiff competition and capital/ funding issues.

It is worth mentioning the difficulties and challenges confronted by HLI such as Al-Bukhari International University (closed in June 2014), The Allianz University College of Medical Sciences (closed at the end of 2014) and Masterskill Education Group Berhad, (now- Asia Metropolitan University). For instance, Masterskill Education Group Berhad experienced share price fall from RM4.24 in August 2010 to a low of RM0.33 five years later (Bursa Malaysia, 24 August 2015; bloomberg.com, 24 August 2015).

With this current scenario and business challenges, financial sustainability of Malaysian private universities is at risk. The question of universities' sustainability needs to be addressed and discussed by policy makers and key stakeholders. As such, we strongly believe that Corporate Waqf University (CoWU) model is one of the solution and fits to support NHESP 2020 aspirations.

This paper is organized in six sections. The first section provides overview and guidance on the issues and objectives of the paper. Second, literature on waqf university is briefly explained based on Islamic history and current development of waqf fund practiced by Malaysian public universities. The section also challenge the corporate sector involvement in waqf university formation. Third, research methodology is briefly explained. Fourth, conceptual model known as Corporate Waqf University (CoWU) is proposed and explained to provide opportunity for further discussion especially to the practitioners, corporations, GLCs and business entities. Fifth, we share some issues and challenges in implementing the CoWU model. Finally, we offer some practical recommendations and conclude the paper by proposing future direction of this research.

In summary, the objective of this paper is to shed some light on the subject pertaining to funding universities using waqf principle. Corporate sector involvement in contributing to self-finance public and private universities is discussed under the flag of Corporate Waqf University (CoWU). Hence, the paper aims to:

1. Share some issues and challenges (based on true hands-on experience) in driving and implementing endowment and waqf at private university in Malaysia.
2. Propose Corporate Waqf University (CoWU) model.

2. Waqf University concept

A waqf university refers to a higher learning institution (university and university college) established based on waqf concept (Mahamood S.M. & Rahman A., 2013a). The term waqf literally means to stop, to prevent or to restrain. In Islamic economics, waqf is simply a pious charitable foundation (Cizacka, 1998). In modern context, waqf (plural: awqaf) is also known as Islamic endowment where one's property or asset are donated in the cause of Allah in perpetuity to be utilized for philanthropy for the benefit of community at large. Generally, there are two types of waqf namely movable and immovable waqf. Good example of movable waqf is cash waqf and immovable waqf is building and properties.

It is important to emphasise that this paper is focused on university based on corporate waqf. It refers to funding university by corporate entity. Corporate waqf, though not new, is still developing in Malaysia. The spirit of corporate waqf lies behind modern corporation within the regulatory framework of Malaysia Companies Act 1967 and Securities Act 1983. The corporate waqf model has been implemented by Sabanchi Foundation in Turkey 1974, National Awqaf Foundation South Africa in 2000 and Waqf An Nur Malaysia in 1998. Generally, corporate waqf involves private and public business entity to inject asset such as cash and/or properties or relinquish part of shares as waqf. The operation of these institutions is running as usual as a business entity (Hashim, 2009).

Cash waqf can be defined as the confinement of an amount of money/cash from the founder and the dedication of its usufruct, according to founder's condition(s), in perpetuity to the welfare of the society (Magda, 2009). The cash waqf has been practised largely during Ottoman Empire and has significant present in Turkey until now. Literature supports the application of cash waqf and has been discussed extensively by Cizacka (2000), Magda (2009) and other scholars.

The culture of giving and endow have been a noble act of Muslims propagated by Prophet Muhammad s.a.w and his companions. Throughout the history of Islam, awqaf has played important role in various

aspects of life including education and social development (Cizakca, 2011). The first Waqf institution was established by Prophet Muhammad s.a.w. in Madinah Al-Munawwarah where Quba mosque and Nabawi mosque are both now standing. General public benefits from these mosques, enjoying better daily prayers, learning Al-Quran, Hadith and other knowledge as well as business and social activities within the waqf premises.

At later stage of Islamic history, the spirit of waqf has been extended by Muslim leaders where universities and schools received financial assistance from waqf institutions in order to provide free education (Selim, 2013). History has recorded the significant contribution of waqf during the period of Abbasiyah, Ayyubiah, Mamalik and Uthmaniah. Waqf schools have been expanding in many Islamic cities such as in Jerusalem, Damascus, Baghdad, Cairo, Balkan states, Morocco, Cordoba, Istanbul and various part of the world including the Malay Archipelago (Monzer Kahf, 2010; Mahamood S.M. & Rahman A., 2013a).

The oldest University Waqf, Al-Azhar University of Egypt, was established in year 975AD and University of Al-Qurawwin, in Fez Morocco in the year 1,200AD. Both universities still exist to continue the spirit of waqf. The waqf university reaches its peak during the Ottoman period (1299-1924AD). The waqf concept had been exported to Balkan states, and believed also to be adopted by western universities in Europe. Currently waqf university has been operating in many parts of the Muslim world. For instance, there are more than 68 waqf universities in Turkey and 38 of them are located in the historical city of Istanbul (Mahamood S.M. & Rahman A., 2013a).

In Malaysia, Universiti Islam Malaysia (formerly known as Kolej Islam Malaya) is recognized as the first university established under waqf based concept (Noor Inayah, 2014). Most of public universities in Malaysia have their own Islamic endowment Fund (waqf fund) to support respective universities operations. Though the effectiveness of the waqf fund at public universities has not been fully tested, their existence are important to revive waqf university. On the other hand, corporate sector involvement in corporate waqf university (CoWU) is still at infant stage. An effort has been executed by Al-Bukhari Foundation to establish International University Al-Bukhari (AiU) based on waqf concept. Worth to note that AiU has good model of fully sponsored private university backed by corporate entity. Unfortunately due to some internal limitations, AiU needs transformation to ensure its purpose are accomplished.

Based on literature, corporate involvement is still lacking in providing waqf fund to support higher learning institution in Malaysia. The fact has inspired us to explore corporate waqf university (CoWU) model.

3. Research method

This study has adopted a qualitative approach as this is an exploratory research. Three methods of data collection were used namely, library research, interviews/discussions and benchmarking.

The first method was applied to obtain theoretical information from primary and secondary sources. This include a focus study on relevant materials pertaining to historical waqf university, sources from contemporary waqf and shari'ah, and other sources from conference papers, websites and journals.

Next, interview were conducted to obtain information regarding the current work of Perbadanan Wakaf Selangor (Waqf Selangor Corporation) on waqf university policy and its framework as well as Jabatan Wakaf, Zakat and Haji- JAWHAR (Department of Waqf, Zakat and Hajj Malaysia), on waqf policy and practice of higher learning institution in Malaysia. Finally, interview and discussion for benchmarking were also conducted with scholars and practitioners in Istanbul University, UKBA Foundation and Koc Foundation (Turkey), Pasentren Darut Tauhid (Indonesia) and Badan Zakat Nasional Indonesia (BAZNAS) (Indonesia), in order to observe waqf practices. The model then was developed

and presented to scholars at Oxford university (Oxford Centre of Islamic Studies, UK), Securities Commission (SC Malaysia) and International Conference on Trust and Waqf in Moscow (Russia) for constructive comment.

In addition, secondary data on the transformation plan of Yayasan Universiti Multimedia (YUM) were also obtained. The rationale behind selecting YUM is to provide a case for private university incorporating corporate waqf initiative.

4. Case: Yayasan Universiti Multimedia (YUM) transformation experience

Multimedia Universiti (MMU) is a private university wholly owned by Telekom Malaysia (TM). It is the first private university established in Malaysia in year 2002. On 12 February 2009, Yayasan Universiti Multimedia (YUM) was established under the Trustees Act 1952. It has tax exemption status under the ACP 1967 (44)6. The objective of the establishment is to further enhance the education system, research, dissemination of knowledge and development programs of the university. Its primary activity is to raise fund via various initiatives and disburse the fund through numerous platforms such as financing the education, research related activities and corporate social responsibilities.

Fundraising and fund disbursement are proven to be YUM core competencies. Throughout its establishment, YUM has raised more than RM10 million funds through various initiatives and more than 1000 beneficiaries have benefited from them. In the last six years of its existence, YUM has been focusing on a few methods of fund raising namely fund raising event, campaign and collaborative fund raising. Collaborative fund raising such as the 'Race for Green' was participated by seven other higher learning institutions in Malaysia, with the support of Ministry of Higher Education and Malacca State Government. Another milestone is a collaboration with Lembaga Zakat Selangor (LZS) in 2011, where YUM was given the mandate to manage the zakat collection and distribution in MMU. Zakat has contributed 75% of YUM total income since the initiative was first introduced in 2011. The remaining 25% come from the donation solicited through fund raising events and campaigns as mentioned above. Approximately RM5 million fund has benefited more than 1500 beneficiaries through scholarship financial assistance (50%), CSR (20%) and programs sponsorship (30%), both within and outside the university (YUM Report, 2017).

YUM is fully governed by its Board of Trustees (BOT), whom by virtue is chaired and deputy chaired by the Chancellor and President of MMU respectively. Relying on 100% donation and zakat income thus far, YUM is poised to venture into a more sustainable income model. The BOT has entrusted YUM to explore the avenues of this new model, namely on Endowment and Waqf, in which both have been included in its expansion plan moving towards becoming an independent entity with reliable and steady source of income.

YUM receives strong support from Telekom Malaysia (TM is a Government Link Corporation) and its employees. TM is committed in giving business zakat to Selangor State Religious Council (MAIS), other SRCs throughout Malaysia as well as to YUM. However, due to strict rule of zakat distribution, the amount of zakat contributed to YUM is insufficient to serve the need of MMU. These conditions have led YUM to be proactive and independent in seeking funding to support its mission. While zakat is strictly to support the asnaf (recipients of Zakat mentioned in the Holy Qur'an) especially poor students, other asnaf development (including intellectual) and non Muslims students are almost ignored.

Figure 1 shows YUM funding matrix. Despite the existing zakat and donation as the sole source of funding, YUM is looking at the possibility of generating more income via endowment and waqf, for long term sustainable growth. YUM experience will be useful for careful execution of CoWU model.



Fig. 1. YUM sustainability framework

5. Conceptual model For corporate Waqf University (CoWU)

This section discusses CoWU proposed model. The CoWu model is developed based on literature, discussion, interview and benchmarking with universities and Pasentren (College) in Turkey and Indonesia as well as Waqf Selangor Corporation (PWS) and JAWHAR.

In year 2013, YUM and Graduate School of Management Multimedia University (GSM MMU) initiated a study on corporate and university waqf model as a new instrument to finance university and to ensure the sustainability of MMU as a pioneer private university in Malaysia. The preliminary benchmarking study has been explored to investigate the practice of corporate and university waqf in Turkey, Malaysia and Indonesia. As a result, the research team strongly believe that the study should not be limited into academic research rather the idea should be implemented by and/or supported by key corporate entities such as Telekom Malaysia (TM). The team has developed two strategic models relevant to waqf university, in which the paper reports Model I known as Corporate Waqf University (CoWU). Model II of Corporate Waqf University (CoWU II) is rather complex which is not reported in this paper.

It is worth noting contribution of previous researchers who have made an attempt to provide literature and discuss university waqf issues (Noor Inayah, 2014; Najibah & Mohd, 2014; Mohd Ramli & Jalil, 2013; Azha et al.,2013; ; Mahamood & Rahman, 2013ab). For example, Mohd Ramli & Jalil (2013) had presented a simple conceptual model for waqf universities, which this paper further expands it into a model suited to corporate waqf.

This section presents the CoWU conceptual model where corporation such as TM would be able to appreciate the importance of corporate waqf in running higher learning institutions (HLI). This model is termed Corporate Waqf University Model (CoWU) (Figure 2). The implementation of CoWU is briefly discussed in the following paragraphs.

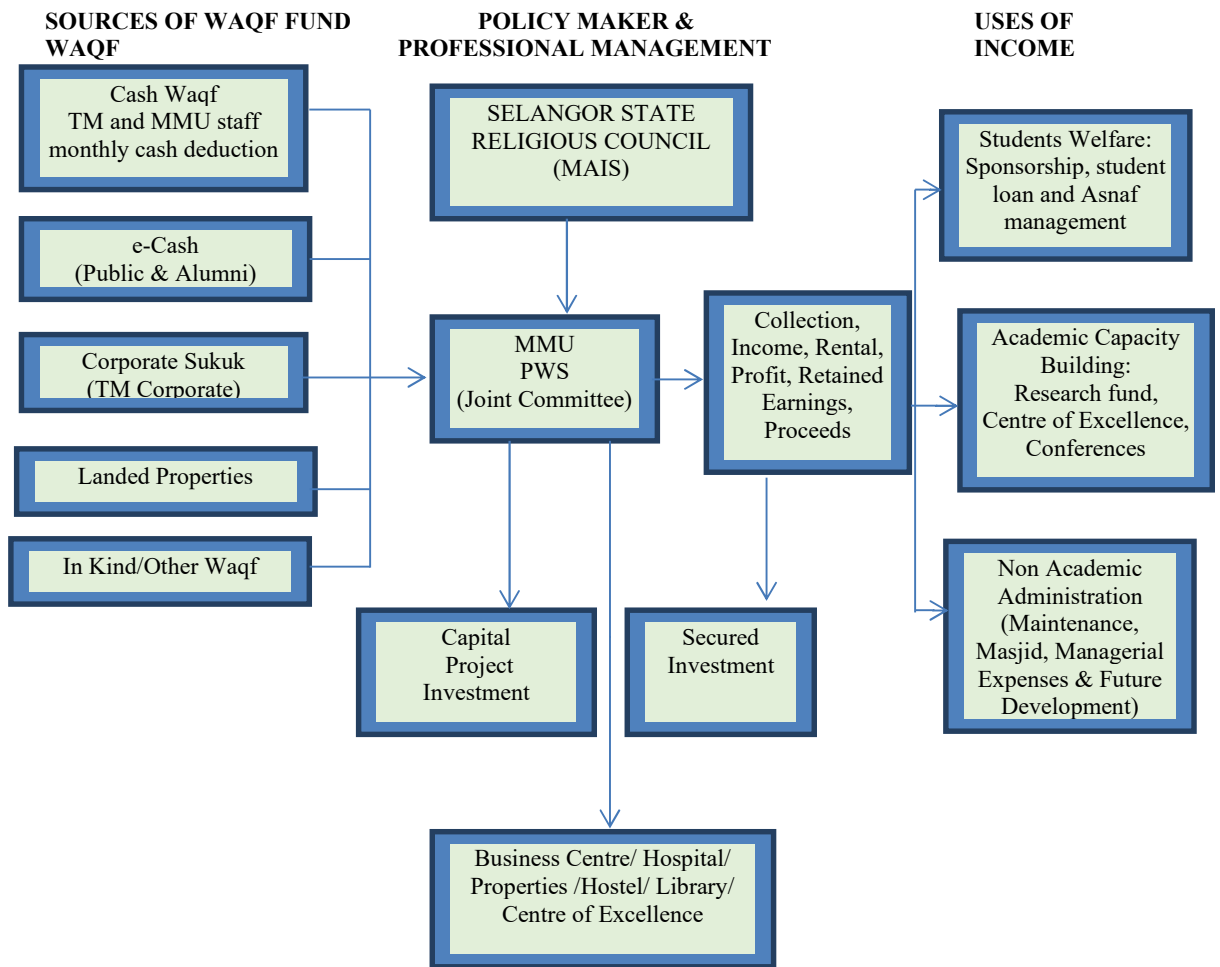


Figure 2: Corporate Waqf University Model (CoWU) for Multimedia University

The CoWU model in Figure 2 shows the flow of liquid and illiquid assets of corporate waqf university. The model has three parts namely sources of waqf fund, policy maker and professional management as well as the uses of waqf income.

First, corporate waqf university will come up with its own waqf source of fund. The source of waqf fund mentioned in the model (except corporate sukuk) is currently practised by *Vehbi Koc Vakfi* (Koc Foundation) and Pasentren DT. The sustainability of Koc Universitesi relies on *Vehbi Koc Vakfi* (Koc Foundation) business growth. While the owner/shareholder of Koc Foundation pumps part of the company's profit or cash as waqf, other sources of waqf fund are also welcomed.

Pasentren DT, on the other hand, does not have its own corporate funder. Its sustainability is observed through strong foundation of public fund raising, good support from corporate and business community, direct business involvement such as hotel Shari'ah, supermarket Shari'ah, DT Travel & Tours, DT publication and excellent Alumni.

Based on the above findings, Islamic financial system and capital market are important and crucial to ensure the success of CoWU. Whilst the first two sources of capital namely cash waqf and e-cash can be easily implemented with the support from Islamic banking system, corporate sukuk and landed properties are complex. The cash waqf and e-cash are suitable for short term project financing. The cash waqf involves participation from employees (TM group and MMU staff) through monthly salary deduction. Currently TM Group has about 22,000 employees nationwide, mostly Muslims (TM Annual Report, 2018). In addition, the e-cash is meant for public and Alumni of university, where their waqf contribution is made direct to designated bank through monthly standing instruction, online banking or any methods of shariah compliance online payment channel and university's donation counter.

The involvement of corporate sector is important to support long term strategic plan of university development. Corporate entities and GLCs such as TM (as the sole owner of MMU), have the ability to support the issuance of CoWU corporate sukuk for new long term project such as MMU campus in Iskandar EduCity and smart hostel. The model also provides avenue for individual or business entity to donate landed assets/properties as waqf. The revenue generated from the rental of landed assets and properties will be channelled to YUM to manage. In addition, the in kind/other waqf (IK Waqf) such as non monetary sponsorship, books and collaboration are also welcomed to widen the scope of CoWU model.

Second, The CoWU model suggests the waqf fund to be fully managed by professional Mutawalli (or waqf agent). Based on findings, the waqf framework of Turkey and Indonesia is almost the same. Both Turkey and Indonesia are more relax in governing waqf and endowment. The role of the state is apparently focussed on waqf/endowment policy and enforcement. Both governments do not interfere directly with the management, implementation and execution of waqf university/ institution. As a result, waqf foundations have freedom to run, make decision and plan for waqf growth.

Turkey and Indonesia experience could not be applied in Malaysia as waqf is a State matter. In Malaysia, new waqf institution needs first to be approved by SIRC or its entrusted mutawalli such as Waqf Selangor Corporation (PWS). Due to this limitation, the proposed CoWU model has been developed based on current regulations on waqf in Malaysia.

The Professional mutawalli is given licence to operate as waqf agent, with the support from PWS/SIRC and corporate body (TM - in the case of MMU-YUM). Special Joint-Committee Board of Waqf (BoW) will be established at each waqf university or institution. The Mutawalli or waqf agent must be a professional or a group of professionals with high integrity, He/she will report to the Board of Waqf Joint-Committee (BoW) so as to ensure integrity and governance of waqf assets entrusted.

The Mutawalli or waqf agent should be allowed freedom to make decision and/or act on behalf of BoW, in the case of free cash flow is available. The free cash flow should be capitalized to generate income through fund placement and secured guaranteed investment. The short term placement, capital guaranteed investment and repo deposits shall be placed at shari'ah compliant financial institutions approved by advisory panel and/or Bank Negara such as at Bank Waqf International, Bank Islam, Bank Muamalat and Bank Rakyat.

The proposed model addresses another key function of the Mutawalli namely to manage capital project investment. This investment is generally for the development of waqf properties and facilities such as library, hostel, business centre, mini-hospital, centre of excellence, hotel, convention centre and sports facilities. The funding of capital projects may come from various resources such as Waqf sukuk (Islamic bonds), business collaboration and cash waqf. The revenue generated from rental of the buildings and facilities will be channelled to cash pool to be managed by the Mutawalli. The Mutawalli is

accountable to explore new funding opportunities, manage the sources of funds and strictly adhere to waqf accounting such as recording all collection, income, rental, profit, expenses and other sources of funds.

Third, the model suggests the proceed or income generated from waqf assets to be parked into three cash pool namely for students development (scholarship, financial assistance and young scholars talent development), academic and faculties capacity building (fisabilillah research fund, centre of excellence, conferences, seminar, sponsoring academics for post-graduate research and new innovations and finally non academic and administrative support (maintaining building, sports complex, mosque). For instance, *Vehbi Koc Vakfi* (Koc Foundation) has utilized the income and proceed received to support Koc Universitesi's students fees, students' development, academic research and development as well as maintaining university campus, mosque and facilities. Meanwhile, Pasentren DT utilized the waqf cash pool and income to support poor students, college facilities and maintaining building and facilities.

6. Discussion

Based on our data gathering and discussions, the sustainability of corporate university can be presented in three perspectives. First, waqf spirit and culture. Second, legal framework. Third, waqf management issues.

6.1 Waqf Funding Spirit and Culture

The establishment and sustainability of corporate waqf university in Turkey and Indonesia is mainly motivated by philanthropy (waqf) spirit founded by the Sultan of Ottoman since 16th Century and Kiyai (Indonesian Muslim scholars). In Turkey, the waqf spirit has inspired Turkish businessman to establish university based on education endowment through corporate foundation. Turkish corporate waqf university is a separate entity but within the corporate structure of a corporation. For example, *Koc Universitesi* is run by *Vehbi Koc Vakif*, an education endowment wing of Koc group of companies. The owner and shareholder of Koc, contributed part of its profit to *Vehbi Koc Vakif* (Koc Foundation) in order to run Koc Universitesi based on corporate waqf university.

In Indonesia, similar spirit has been observed mainly influenced by the Kiyai (scholars). People have high respect for the Kiyai and trust them, more than government agency. As a result, there are many waqf education institutions run by these Kiyai. The culture of giving is high though generally Indonesian is considered as lower income country.

6.2 Legal Framework

Both in Turkey and Indonesia, the government encourages corporate and business community to take active role in establishing their own university and college. The businessman or Kiyai are responsible to ensure the established foundation are strictly operating based on the current laws of Foundation (Yayasan). Although Malaysia government encourages similar development, current waqf laws and regulations provide limited space to grow. The State Islamic Religious Council (SIRC) should work together with corporate sector to establish corporate waqf university.

6.3 Waqf Management Issue

i. *Distribution of funds to non muslim students*

Imbalance distribution of fund between Muslims and non-Muslims students need to be addressed. Hence, the percentage income distribution needs to be balanced, and more effort need to be concentrated on unrestricted fund for wider and flexible distribution to beneficiaries. Waqf and endowment is one of the best solutions that Islam guarantees both muslim and non muslim to enjoy.

ii. *Management buy-in*

Traditional Waqf concept has strong foundation in Malay culture. Hence, new methods of waqf such as corporate waqf, waqf based economy and waqf portfolio investment require efforts to make them visible and acceptable. The champion of CoWU should be an inspiring leader who have passion, ability and convincing character to influence top management of corporate and business entities. The management buy-in is not an easy task.

iii. *Mutawalli Attributes and Responsibilities*

One of the important elements in waqf management is Mutawalli. Many researchers on waqf state the position of Mutawalli as the administrator of waqf assets. Literature also provides another term such as Nazir as the administer of waqf assets. Both terms are used interchangeably but have similar meaning and roles.

Monzer Kahf (2011) defines Mutawalli as a waqf manager and his/her responsibility is to administer the waqf property to the best interest of the beneficiaries and to maximize income and collection from the assets. According to Monzer Kahf (2011), Mutawalli should not be restricted as waqf bookkeeper rather play important responsibilities to create waqf value, improve free cash flow and generate higher return on waqf assets. Therefore, to ensure the success of CoWU, we are in the opinion that the Mutawalli should play key role and act as CoWU's chief operating officer reports to the Board of Waqf/Trustees.

iv. *Waqf Accounting*

Another practical issues pertaining to CoWU is the Waqf Accounting. Thus far, waqf accounting standard has not been fully developed (Ridzwan, 2018; Ridzwan, Wardah, Zakiah, 2015; Rosnia Masruki and Zurina Shafii, 2013; Hidayatul Ihsan and Shahul Hameed, 2007). The administration of YUM and its annual report, for instance, have to comply with Trustees Act 1952 and ACP 1967 (44). YUM accounting principles and financial statements are prepared in accordance to Malaysian Private Entity Financial Reporting Standards (MPERS/MFRS). The financial report is approved by Board of Trustee and external auditor. Though the MPERS/MFRS are within governance, the issue of risk and transparency need to be addressed by waqf accounting as CoWU is an amanah, entrusted not only to the beneficiaries but also to Allah. The current accounting standards are unable to fit the waqf needs, thus new waqf accounting standard is urgently required.

7. Conclusion and way forward

The development and success story of world's top universities such as Al-Azhar, Oxford, Koc and Harvard are based on the concept of waqf (Cizakca, 2011). With the current pressure due to high cost of maintaining universities, corporate waqf university (CoWU) may release government's burden to finance higher learning institutions (HLI). This paper provides holistic view based on authors' true experience of running business entities and Yayasan (foundation) where stakeholders' value is the key corporate

objective. It is expected that the corporate sector appreciates the substance of the proposed CoWU and willing to landing hands to support the implementation of the model.

Some of the issues addressed in this paper, require special attention by policy makers and practitioners. The paper recommends the SIRC to create and promote the culture of waqf among muslims in Malaysia and the government to relook at the current waqf regulations as well as policy on the Trustees Act 1952 and Income Tax Act 1967. It is also recommended that State Islamic Religious Council (SIRC) should allow many more universities to run its own waqf institution, or team up with major GLCs such as Telekom Malaysia (TM), Tenaga Nasional (TNB) and Petronas to establish corporate waqf university. The roles of Mutawalli need to be revisited, not limited to mere waqf bookkeeper. Finally, we proposed a new waqf accounting standard to be formalized.

Begin with driving main issue of funding university, the paper presented historical waqf contribution to human development especially in education. The paper then proposed practical model known as CoWU (Corporate Waqf University) and discussed the mapping of CoWU with YUM funding matrix (YUM sustainability framework). Pertinent issues and challenges had been presented and the paper concludes by suggesting some key success factors which require urgent attention. The paper challenge the corporate sector to take active role in implementing Corporate Waqf University (CoWU). It is high time for Malaysian Government Link Corporation (GLC) to take active role in developing and supporting corporate waqf university. Future studies should investigate effectiveness of waqf fund at public university in Malaysia and explore waqf university studies in other countries such as in Egypt, Morocco and Spain.

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