

# Introduction to Zakat

Zakat is the third of the five pillars of Islam. After Salah, it is among the most emphasised obligations in the Qur'an. Zakat is mentioned alongside prayer many times, showing its importance in building a just and caring society.

Allah has clearly outlined who may receive Zakat:

“Zakat is only for the poor, the needy, those employed to collect it, those whose hearts are to be reconciled, freeing captives, those in debt, in the cause of Allah, and the stranded traveller...” (Qur'an 9:60)

## The Qur'an identifies eight eligible categories:

- Al-Fuqara' (The poor)
- Al-Masakin (The needy)
- Al-Amilina Alayha (Administrators of Zakat)
- Al-Mu'allafah Qulubuhum (Reconciliation of hearts)
- Fir-Riqab (Those in bondage)
- Al-Gharimin (Those in debt)
- Fi-Sabilillah (In the cause of Allah)
- Ibn al-Sabil (The stranded traveller)

Ummah Helping Hands – Zakat Distribution Categories Ummah Helping Hands distributes Zakat strictly within the following approved categories:

- Al-Fuqara' (The Poor)
- Al-Masakin (The Needy)
- Al-Gharimin (Those in Debt)
- Ibn al-Sabil (Wayfarers / Stranded Travellers)

## Understanding Poverty in Shariah

Scholars agree that the poor and needy are those who do not possess sufficient wealth. However, schools of Islamic law differ slightly in defining the poverty threshold:

The Hanafi school uses the Zakat Nisab as the poverty line. Anyone with wealth below Nisab is considered poor. The Maliki, Shafi'i, and Hanbali schools consider a person poor if they cannot meet their basic living needs. Zakat for Those in Debt Zakat may be given to individuals whose liabilities exceed their surplus wealth. Zakat may also be paid directly to the creditor on behalf of the debtor with their acknowledgement. Ibn Sabil (Stranded Traveller / Refugee) This category includes individuals who are temporarily cut off from their resources due to travel, conflict, displacement, or natural disasters. This is especially relevant for overseas humanitarian crises.

## Zakat Screening Criteria

To ensure Zakat reaches eligible recipients, every applicant undergoes both qualitative and financial screening.

### A. Qualitative Screening

All applicants must fulfil the following:

The applicant must be Muslim

The reason for applying must be lawful and Shariah-permissible

Zakat cannot be used to fund services directly unless the beneficiary consents

Zakat cannot be used for running costs or overheads of institutions such as schools or mosques

Applicants from the family of the Prophet Muhammad ﷺ are honoured through Sadaqah instead

The applicant cannot be an immediate family member of any Zakat donor through Ummah Helping Hands

### B. Financial Screening

Applicants must qualify as Faqir (poor) from a Shariah perspective.

Local Applicants

Net wealth must be below the Gold Nisab threshold (Threshold updated annually)

Overseas Applicants

Eligibility is based on the Silver Nisab threshold (Threshold updated annually)

**Applicants must declare the following:**

### **Assets Considered**

**Gold and silver assets**

**Cash savings**

**Business stock**

**Loans receivable**

**Zakatable investments**

**Debts Deductible**

**The following may be deducted:**

**Shariah-compliant debts payable within the next 12 months**

**If net wealth remains below Nisab after deductions, the applicant is eligible**

## **Applicant Assessment**

**For hardship grants, the following documentation may be required:**

**Bank statements (where possible)**

**Identification of beneficiaries**

**Proof of loans or debts**

**Legal/governmental/financial/referral correspondence**

**Note: Personal living assets such as one's home, car, clothing, appliances, or personal devices are not included in the assessment. A person may own basic necessities and still qualify for Zakat.**

## **Zakat Distribution Principles**

**Ummah Helping Hands follows these principles:**

**Zakat should be distributed within one year of collection**

**Zakat may be given in cash or in kind, provided full value is delivered**

**Zakat payments must remain unconditional**

**No service or return can be stipulated in exchange for Zakat**

## **Overseas Distribution Criteria**

**Zakat may be distributed internationally when:**

**Muslims are affected by war, displacement, or humanitarian crisis**

**Beneficiaries are poor with net wealth below the Silver Nisab**

**Local hardship standards and grant-making policies are also considered**

Ummah Helping Hands ensures overseas distributions remain Shariah-compliant and transparent.

## Governance & Administrative Procedure Before any Zakat payment is made:

The Foundation staff undertake an assessment to ensure compliance with this policy

Trustees review each case carefully

If any uncertainty or doubt arises, scholarly guidance is sought from:

The Trustees' team

Contemporary Shariah scholars on our boards

Trusted qualified scholars within our advisory network

The Trustees ensure that all Zakat distributions:

Follow Islamic guidelines

Align with the charitable objectives of Ummah Helping Hands

Are delivered with accountability, transparency, and trust

## Conclusion

At Ummah Helping Hands, we honour your Zakat as an Amanah (trust). We are committed to ensuring that every donation reaches those whom Allah has made eligible, with dignity, care, and full Shariah compliance