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Analysis of Asset Recording Business Process at the National Board of Zakat

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Abstract:- This study analyzes the asset recording process within Program Units and Asset Management/Accounting at the National Board of Zakat (BAZNAS) and develops a unified asset recording system applicable to both entities. A descriptive qualitative approach was employed, utilizing data collection through interviews, observations, and documentation. The findings reveal that the asset recording process at BAZNAS commences with the reporting of fund usage by the program units. Significant challenges identified include misalignment between program and finance departments, information gaps, divergent understandings of assets, and delays in reporting. Ineffective data synchronization between BAZNAS headquarters and program units has led to inconsistencies in asset records. To address these issues, the study recommends a comprehensive system design with clear guidelines, system integration facilitating periodic data synchronization, the adoption of modern technologies such as asset numbering and barcodes, and ongoing staff training and development. Regular system evaluations and the establishment of clear policies and procedures are also emphasized to ensure the accuracy and efficiency of asset recording at BAZNAS. The study concludes that effective asset management in nonprofit organizations like BAZNAS is contingent upon a comprehensive recording system, robust system integration, the use of appropriate technologies, continuous training, and the enforcement of clear policies and procedures. The implementation of these strategies is expected to enhance the efficiency and effectiveness of asset management at BAZNAS.

Keywords:- *Asset Recording, BAZNAS, Asset Management, Recording Technology, Nonprofit Organization)*

I. INTRODUCTION

The National Board of Zakat (BAZNAS) is an institution mandated by Law Number 23 of 2011 concerning Zakat Management and Government Regulation Number 14 of 2014 to manage zakat at a national level. BAZNAS has two main functions: as the national zakat coordinator and as an operator in the implementation of zakat collection, distribution, and utilization at the central level. In carrying out its functions, BAZNAS faces the challenge of improving operational efficiency and transparency in the management of zakat, infaq, and sedekah funds, which amounted to Rp601,257,287,765 from January to August 2023, benefiting 1,599,958 people.

The programs supported by these funds include social, religious, health, and education programs, each requiring the meticulous management of fixed assets such as buildings and vehicles to ensure fairness and accountability in fund distribution (Efendi et al., 2019; Wibowo & Nurcahyo, 2019).

Accurate asset recording at BAZNAS is crucial in ensuring transparency and accountability in fund management. Fixed assets, including buildings, vehicles, and other equipment, are the backbone of BAZNAS operations, and accuracy in asset recording is not only vital for assessing the institution's financial sustainability but also for making informed decisions regarding resource allocation and reinvestment into the communities it serves. This accuracy becomes even more important as BAZNAS aims to implement national priority programs, which require that every asset be used effectively to support the mission of improving the welfare of the ummah (Tennent, 2020). To achieve this goal, BAZNAS continues to integrate advanced technology into its data-driven management systems to achieve high standards of asset recording accuracy (Khurram et al., 2020; Tomar, 2020).

However, in 2022, the merger of the Program Division into BAZNAS's internal structure led to discrepancies in asset recording between the Program Division and the Asset Management/Accounting Division. These discrepancies created challenges in the accuracy of fixed asset recording, including asset registration, depreciation, and revaluation. Additionally, there are assets recorded in the Program Division that are not recorded in the Asset Management/Accounting Division, and vice versa, necessitating an agreement on an asset recording system recognized by both entities (Weske, 2007; Rama-Maneiro et al., 2022).

To address this challenge, research related to the asset recording business process at BAZNAS has been studied by various academic literature emphasizing the importance of flexibility, process innovation, and technological integration in asset management. Studies by Ruitenburg & Braaksma (2016) and Ekweli (2020) highlight the significance of organizational process agility in influencing the accuracy of asset recording, while Gunneson (2020) and Rane & Narvel (2022) emphasize the role of technologies like Blockchain and IoT in improving the accuracy and efficiency of asset management. However, there remains a gap in the literature regarding the application of these principles within the context of philanthropic institutions like BAZNAS. Most

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research focuses on the government or banking sectors, leaving the unique challenges in asset recording and management in non-profit or philanthropic organizations underexplored (Handa Gustiawan, 2019; Fischer et al., 2020). Therefore, this study aims to fill this gap by providing practical recommendations to enhance the efficiency and effectiveness of asset recording at BAZNAS.

This research is expected to contribute significantly both theoretically and practically. Theoretically, it will add to the academic literature in the field of asset management within the context of philanthropic institutions, while practically, the findings of this research are expected to assist BAZNAS in optimizing its fixed asset recording system, thereby enhancing transparency and accountability and avoiding disputes in asset recording. These findings could also benefit other philanthropic institutions and non-profit organizations in improving their asset management, as well as provide insights for policymakers in establishing relevant standards and regulations for asset management in the philanthropic sector.

II. THEORETICAL FRAMEWORK

A. *Strategi Operasi*

Operational strategy is a vision and operational function that determines the direction of decision-making (Efendi et al., 2019; Wibowo & Nurcahyo, 2019). This vision must be integrated with the business strategy. In this regard, there are three "generic business strategies" as proposed by Michael Porter (1980), namely low-cost production, product differentiation, and market segmentation. Operational strategy is an operational function vision used as guidance or a driver in the decision-making process to align with the company's goals (Tennent, 2020). The operational function vision of this strategy must be integrated with the business strategy and will eventually be reflected in the form of a formal plan. The existence of vision and direction in the decision-making process should result in a consistent decision-making pattern, thereby creating a competitive advantage for the company (Islami et al., 2020).

According to Hayes and Wheelwright, operational strategy is a consistent pattern used in every decision-making process within the company. This strategy consists of several components including mission, distinctive competence, objective, and policy (Kang et al., 2021).

- *Mission:*

Every operation must have a mission that relates to the business strategy and aligns with other functional strategies. The operational mission is part of the main business strategy chosen for the business unit. For example, if the business strategy of your company is to become a leader in the product, then the operational mission could be to emphasize the introduction of new products and the flexibility of products that can adapt to changing market needs.

- *Distinctive Competence:*

The existence of distinctive competence allows operations to perform better than competitors. This is possible through unique resources that competitors do not have and are difficult to replicate. This distinctive competence must also align with the company's operational mission. This component is not only important in determining the main business strategy but is also key to the success of your company.

- *Operation Objectives:*

The main objectives of operations are fourfold: cost, flexibility, quality, and delivery. All these objectives should be derived from the main mission and can be measured both quantitatively and qualitatively.

- *Policy:*

Policy, or operation policy, explains how to achieve the operational objectives. Operation policy should be developed by establishing each major decision, namely process, quality system, capacity, and inventory.

The operational strategy has three main inputs: business strategy, internal analysis, and external analysis. This strategy must help the company adapt to external factors such as changing consumer needs, technological advancements, raw material availability, competitor conditions, and situations related to social or legal conditions (Tennent, 2020).

B. *Business Process*

A business process is a set of instruments to organize an activity and to enhance the understanding of the interrelation of activities (Weske, 2007). Another definition of a business process (Sparx System, 2004) is a collection of activities or tasks designed to produce a specific output for a particular customer. According to Hammer and Champy in Weske (2007), a business process is a set of activities that take one or more inputs and create a useful output for customers (Kang et al., 2021).

According to Rummler and Brache in Siegel (2008), a business process is a collection of activities within a business to produce products and services. These business process activities can be carried out either manually or with the help of information systems (Weske, 2007). A business process must have (1) a clear objective, (2) inputs, (3) outputs, (4) the use of resources, (5) a number of activities in several stages, (6) the ability to influence more than one unit within the organization, and (7) the ability to create value for consumers (Sparx System, 2004).

According to Weske (2007), a business process consists of a series of activities carried out in coordination within a business and technical environment. These activities collectively realize a business strategy. A business process is usually implemented within an organization but can also interact with business processes conducted by other organizations (Rama-Maneiro et al., 2022).

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A business process is defined as a set of one or more related procedures or activities that collectively realize a business objective or policy, usually within the context of an organizational structure that defines roles and functional relationships (Workflow Management Coalition, 1999).

When breaking down the words "process" and "business," Marklund and Laguna (2004) define "business" as an organizational entity that deploys its resources to provide products or services desired by customers, while "process" is a more ambiguous concept with different meanings depending on the context. For example, in biology, breathing is a "process" that sustains life. Mathematically, the concept of a "random deterministic process" explains events that occur. Politically, the importance of a clear electoral "process" is highlighted. In education, the main concept is the "learning process" (Baiyere et al., 2020; Rakhmanberdiev et al., 2022).

According to Merriam Webster's Dictionary Online 11th Edition, a process is defined as (i) a natural phenomenon marked by gradual change leading to a particular result, (ii) a continuous natural activity, or (iii) a series of actions or operations conducted to completion (Kir & Erdogan, 2021; Queiroz et al., 2020).

C. Business Process analysis

Winarno, as cited in Handa Gustiawan (2019:15), stated that "Business process analysis is a study and evaluation conducted on a company's business process activities to identify the impact of these activities in creating or adding value to the company's business" (Brin et al., 2020; König et al., 2020).

Whitten Whitten, as cited in Maulana (2017:13), stated that "Business Process Reengineering (BPR) is a study, analysis, and redesign of fundamental business processes to reduce costs and improve the value added to the business" (Fischer et al., 2020; Richard et al., 2021).

According to Handa Gustiawan (2019:16), there are three major stages in conducting business process reengineering, which include:

- *Value Chain Identification*

In this stage, the activities within each company function that must be performed by the company in carrying out its business processes are identified. These activities form a series that collectively creates a combination of processes that can add value to the company's business processes. The extent to which an activity adds value to the company's business process is highly dependent on internal factors such as business strategy, resources, production facilities, and the vision of its leadership, as well as external factors such as competitive conditions, industry conditions, government regulations, and socioeconomic factors.

- *Analysis of Each Activity in the Business Process*

An analysis of each activity in the company's business process is conducted in terms of time, bottlenecks, and costs to identify the impact of each activity in creating or adding value to the company's business. In this stage of business process analysis, opportunities for improvement and redesign of business processes are also identified to make the business processes more efficient.

- *Design of the New Business Process*

The design of the new business process utilizes information technology to add value to the company's business processes. The new business process design is then implemented and reviewed.

From the stages of business process reengineering, it is evident that business process analysis is part of the business process reengineering activities. In conducting business process analysis, activities are carried out up to the second stage, whereas in conducting business process reengineering, activities continue to the third stage (Kholmuminov et al., 2021; Lacheheub et al., 2020).

The understanding of business process analysis cannot be separated from the understanding of business process reengineering because business process analysis is part of business process reengineering (Harika et al., 2021; Srinivas et al., 2021). To have a better and more comprehensive understanding of business process analysis, the following discussion will cover several definitions of business process reengineering (Wurm et al., 2020).

According to Handa Gustiawan (2019:13), the types of business processes include:

- Management Processes, which are processes that control the operation of a system. For example, Strategic Management.
- Operational Processes, which are processes that have core business activities and include the main value stream. For example, procurement, manufacturing, advertising and marketing, and sales processes.
- Supporting Processes, which support the core processes. For example, recruitment, accounting, help desk, etc.

III. RESEARCH METHODS

This research employs an interpretivist paradigm with a qualitative exploratory approach to understand how business processes at BAZNAS influence the accuracy of asset recording. Data were collected through in-depth interviews, observations, and case studies, focusing on the subjective perspectives and experiences of six professionals directly involved in asset management and accounting at BAZNAS. The study involved participants from the Program Institution and the asset/ accounting management section responsible for asset recording, verification, and approval. Thematic analysis was used to identify themes and patterns from the data, enabling a deep understanding of the dynamics and complexities of the factors affecting the accuracy of asset recording in the context of a philanthropic organization like BAZNAS.

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IV. RESEARCH RESULT

A. Description of the Research Place

This research was conducted at the National Board of Zakat (BAZNAS), an official institution established by the Indonesian government through Presidential Decree No. 8 of 2001 to manage zakat on a national scale. It is recognized as the first national-scale zakat management institution in Indonesia. Before the establishment of BAZNAS, zakat management was local and decentralized, with various regional zakat institutions such as BAZIS DKI and BAZIS West Java. BAZNAS is directly accountable to the President through the Minister of Religious Affairs and has the primary responsibility of collecting and distributing Zakat, Infaq, and Sedekah (ZIS) on a national scale. The role of BAZNAS is further strengthened by Law No. 23 of 2011, which mandates the integration of all zakat management institutions in Indonesia under the coordination of BAZNAS. BAZNAS's operations include the collection, management, and distribution of zakat with high transparency and accountability through various welfare programs, economic empowerment, education, and health initiatives, involving collaboration with various national and international parties. To ensure the effectiveness of zakat management, BAZNAS has a solid organizational structure, with financial reports audited independently and reported to the public and the government.

B. Asset Recording Process

The primary objective of this research focuses on the asset recording process at the National Board of Zakat (BAZNAS) and related program institutions, with the main goal of identifying and analyzing the differences in asset recording between these two entities. The asset recording process is a crucial component of asset management, as it affects the accuracy and validity of data that forms the basis for strategic decision-making at BAZNAS. Based on data collected through interviews and document analysis, this research reveals several important aspects that influence the asset recording process at BAZNAS, as shown in the following table.

➢ *Initial Steps*

The asset recording process at the National Board of Zakat (BAZNAS) and related program institutions is a crucial component of asset management. This research focuses on the workflow and steps of asset recording to understand how this process is carried out systematically and efficiently. Using business process theory described by Weske (2007) as well as Hammer and Champy in Weske (2007), this research provides insights into the asset recording practices applied at BAZNAS.

- *As mentioned in the interview results:*

"Well, from what you know, how is the asset recording process in the program institution? In the program institution, the first step is the program institution submits a report on the use of its funds." (Informant 1).

The above interview quote shows that the asset recording process in the program institution begins with the fund usage report submitted by the program institution. This initial step is crucial for documenting the use of funds that can be linked to asset purchases. Informant 1 explains that the fund usage report is the first step in the asset recording workflow.

"After that, the funds used will be examined. If we find that the funds were used for assets, we will record and recognize them as assets, something like that." (Informant 1).

The next interview quote from Informant 1 explains that after the fund usage report is received, the accounting department will examine the funds used. If the funds are found to have been used for assets, the accounting department will record and recognize the usage as assets.

➢ *Verification*

Informant 1 provided an explanation of how asset verification and recording are conducted after the fund usage report is received.

"Then our accounting department will inform the PIC (Person in Charge) of the program institution in the family." (Informant 1).

The next interview quote from Informant 1 above indicates that after the assets are recognized by the accounting department, information regarding those assets will be communicated to the PIC of the program institution. This ensures clear communication between the accounting department and the program institution regarding the recorded assets. Informant 1 emphasizes the importance of communication in this process.

"As for the accounting recording process, how to explain BAZNAS accounting? I mean BAZNAS has its own accounting system for recording assets for management because the falls under the program institution, and all assets are purchased using zakat funds." (Informant 2).

The final quote from the interview with Informant 2 explains that the accounting recording process at BAZNAS involves the separate recording of assets by the BAZNAS accounting department to manage assets purchased using zakat funds. Informant 2 explains that all assets valued at 1 million per unit are recognized as company assets based on reports from the program institution. This information confirms the existence of a specific asset recording procedure at BAZNAS.

➢ *Asset Recording*

The asset recording process at BAZNAS and program institutions involves several systematic and coordinated steps. It begins with the submission of fund usage reports by the program institutions, followed by verification and recording by the accounting department, and concludes with communication between the accounting department and the PIC (Person in Charge) of the program institution. This process ensures that assets purchased with zakat funds are

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properly recognized and recorded. However, the importance of clear communication and consistent understanding between the various departments at BAZNAS stands out as a key factor in addressing potential discrepancies in asset recording. Better integration and coordination can enhance the accuracy and reliability of asset recording across the organization.

➢ *Synchronization*

Data synchronization is a key element in ensuring the accuracy and consistency of asset recording at the National Board of Zakat (BAZNAS). Using the business process theory described by Rummler and Brache in Siegel (2008), this research explores how data synchronization can be achieved between various departments within the organization, including between the central BAZNAS and the program institutions (LP). The main focus is on the importance of data synchronization, the challenges in its implementation, and the steps that can be taken to improve this process.

- *As stated in the interview results:*

"So far, there has been no synchronization between central BAZNAS and the LP. Only between accounting and asset management at the center." (Informant 1).

The above interview quote indicates that data synchronization between central BAZNAS and the program institutions has not been effectively implemented. Synchronization currently occurs only between the accounting and asset management departments at the center, leading to data inconsistencies between the central and program institutions.

"In the short term, there needs to be synchronization every three months for assets." (Informant 1).

The quote from Informant 1 suggests that one proposed short-term solution is to conduct asset data synchronization every three months. This step aims to periodically improve the accuracy of asset recording and ensure that all departments have the same data.

"The best steps to build a better asset recording system are to create better systems and guidelines so that asset recording can be recognized by both departments." (Informant 1).

The above quote shows that to achieve effective data synchronization, better systems and guidelines are needed. These systems must be designed so that they can be recognized and used by all relevant departments within the organization.

➢ *Reconciliation*

After synchronization comes reconciliation. This was mentioned in the interview as follows:

"We have no choice but to do monthly reconciliation, data reconciliation." (Informant 2).

The above quote emphasizes the importance of conducting data reconciliation on a monthly basis. By regularly reconciling data, the organization can ensure that the recorded data is always accurate and up-to-date, reducing the likelihood of errors in asset recording. Data synchronization is a crucial aspect in ensuring the accuracy and consistency of asset recording at BAZNAS. Currently, data synchronization between central BAZNAS and the program institutions has not been effectively implemented, leading to data inconsistencies. To address this issue, periodic data synchronization, for example every three months, is needed, along with the creation of better asset recording systems and guidelines. Additionally, conducting monthly data reconciliation can help ensure that the recorded data is always accurate and up-to-date. Implementing these steps can enhance coordination and communication between departments within the organization, thereby ensuring more accurate and reliable asset recording.

➢ *System for Recording*

The asset recording policy at the National Board of Zakat (BAZNAS) is an essential component that ensures the accuracy and consistency of asset data. Using the fixed accounting theory described by Handa Gustiawan (2019) and Moses Agustinus Meinarmi, this research explores the policies needed for effective synchronization and asset recording. The main focus is on the synchronization process between various departments within the organization, the creation of recording systems and guidelines, and the handling of assets that are not routinely purchased.

- *As stated in the interview results:*

"How do you synchronize asset recording between the LP and asset management? So far, there has been no synchronization between central BAZNAS and the LP. Only between accounting and asset management at the center." (Informant 1).

The above quote shows that synchronization of asset recording between central BAZNAS and the program institutions has not been effectively implemented. Synchronization currently occurs only between the accounting and asset management departments at the center, leading to data inconsistencies between the central and program institutions.

"The best steps to build a better asset recording system are to create better systems and guidelines so that asset recording can be recognized by both departments." (Informant 1).

The above quote indicates that one proposed step to improve the asset recording system is to create better systems and guidelines. These systems should be recognized and used by all relevant departments within the organization to ensure consistency in asset recording.

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"It should include asset recording guidelines, starting from asset recognition, asset value, useful life, to asset placement." (Informant 1).

The quote from Informant 1 suggests that the asset recording guidelines should cover various important aspects such as asset recognition, asset value, useful life, and asset placement. These guidelines will help ensure that all departments have the same understanding of asset recording.

"For items that are not routinely purchased, it should go through our procurement. Then information about the items purchased by procurement should also be communicated to asset management." (Informant 2).

The above quote emphasizes the urgency of regulating the purchase of non-routine assets through central procurement. Information about items purchased by central procurement should be forwarded to asset management to ensure accurate recording.

C. Strategy for Building an Asset Recording System

Next, the second objective focuses on exploring strategies to build an effective and efficient asset recording system at BAZNAS. This research highlights the importance of good system design, system integration, the use of technology, training and development, as well as the evaluation of systems and clear policies. Based on the theory of operations strategy and business processes, concrete steps are proposed to improve the accuracy and validity of asset recording at BAZNAS.

➢ *System Design*

System design is an important step in building an effective asset recording system at the National Board of Zakat (BAZNAS). Using the operations strategy theory described by Hayes and Wheelwright, as well as Tennent (2020), this research explores the necessary steps to design an asset recording system that can be recognized and used by all parts of the organization. The main focus is on the creation of comprehensive systems and guidelines, as well as the integration of technology to enhance the accuracy and efficiency of asset recording.

- *As stated in the interview results:*

"The best steps to build a better asset recording system are to create better systems and guidelines so that asset recording can be recognized by both departments." (Informant 1).

This quote from Informant 1 indicates that one of the crucial steps in designing an asset recording system is to create clear and comprehensive systems and guidelines. These guidelines should be designed to be recognized and used by all relevant departments within the organization, ensuring consistency and accuracy in asset recording.

"It should include asset recording guidelines, starting from asset recognition, asset value, useful life, to asset placement." (Informant 1).

The above quote indicates that the asset recording guidelines should cover various important aspects such as asset recognition, asset value, useful life, and asset placement. These detailed guidelines will help ensure that all departments have the same understanding of the asset recording process.

"The use of asset numbers and barcodes can help to locate assets." (Informant 1).

This quote suggests that integrating technology, such as using asset numbers and barcodes, can enhance the accuracy and efficiency of asset recording. This technology makes it easier to track and locate assets in real-time, reducing the risk of errors and asset loss.

"If the procedures are made simple, just add this IT system." (Informant 2).

The above quote emphasizes that asset recording procedures can be simplified with the help of an information technology (IT) system. Integrating IT into the asset recording process will facilitate and expedite recording while improving the reliability of asset data.

➢ *System Integration*

System integration is an important component in the strategy to build an effective asset recording system at the National Board of Zakat (BAZNAS). Using the operations strategy theory described by Michael Porter (1980), this research explores how system integration can be implemented between various departments within the organization to ensure accuracy and consistency of asset data. The main focus is on asset recognition by all relevant departments, challenges in achieving consensus, and practical steps to improve system integration.

- *As stated in the interview results:*

"If the program institutions could recognize assets in the same way as the finance and accounting departments, this issue could be resolved." (Informant 1).

This quote shows that consistent asset recognition between program institutions and the finance and accounting departments is key to resolving system integration issues. If all departments can recognize the same assets, inconsistencies in recording can be minimized.

"The challenge is achieving a consensus on the definition of assets in the program institutions." (Informant 1).

This quote indicates that one of the main challenges in system integration is reaching an understanding of what is considered an asset among the various departments within the organization. These differences in understanding can lead to inconsistencies in asset recording.

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"In the short term, there needs to be synchronization every three months for assets." (Informant 1).

This quote shows that one proposed short-term solution is to synchronize asset data every three months. This step aims to periodically improve the accuracy of asset recording and ensure that all departments have the same data.

"So the safest way is to order through BAZNAS. RSB updates, we update. Reconciliation continues." (Informant 2).

This quote emphasizes the importance of conducting regular data reconciliation and ensuring that all data updates are done in an integrated and consistent manner. This step will help ensure that asset data is always accurate and up-to-date.

➢ *Technology Utilization*

The utilization of technology in asset recording at the National Board of Zakat (BAZNAS) is a crucial factor for improving accuracy and efficiency. Using the business process theory described by Hammer and Champy in Weske (2007), this research explores how technology can be applied to enhance the asset recording system. The main focus is on the use of asset numbers and barcodes, the creation of comprehensive systems and guidelines, and reducing reliance on manual recording.

- *As stated in the interview results:*

"The use of asset numbers and asset barcodes can help to locate assets." (Informant 1).

This statement indicates that technologies like asset numbers and barcodes can greatly assist in tracking and identifying the location of assets in real-time. This facilitates asset management and reduces the risk of asset loss.

"The best steps to build a better asset recording system are to create better systems and guidelines so that asset recording can be recognized by both departments." (Informant 1).

This statement suggests that to achieve effective technology utilization, clear systems and guidelines are necessary. These guidelines should include the use of technology in asset recording and ensure that all relevant departments can recognize and use the system.

"It should include asset recording guidelines, starting from asset recognition, asset value, useful life, to asset placement." (Informant 1).

This statement shows that asset recording guidelines should cover important aspects such as asset recognition, asset value, useful life, and asset placement. The use of technology should be integrated into these guidelines to ensure accuracy and consistency in recording.

"The point is to not rely solely on manual recording. Here, for instance, small assets like this can be easily managed." (Informant 2).

This statement emphasizes the importance of reducing dependence on manual recording and transitioning to a technology-based recording system. This will improve efficiency and accuracy in asset recording, especially for easily movable or small assets.

➢ *Training and Development*

Training and development are key elements in building an effective asset recording system at the National Board of Zakat (BAZNAS). Using the operations strategy theory described by Islami et al. (2020), this research explores the importance of training and development to ensure that all parts of the organization have a consistent understanding of asset recording. The main focus is on the creation of comprehensive systems and guidelines, long-term policy development, and practical steps to improve the accuracy and reliability of asset recording.

- *As stated in the interview results:*

"The best steps to build a better asset recording system are to create better systems and guidelines so that asset recording can be recognized by both departments." (Informant 1).

This statement indicates that one of the important steps in training and development is to create clear and comprehensive systems and guidelines. These guidelines should be designed to be recognized and used by all relevant departments within the organization, ensuring consistency and accuracy in asset recording.

"For the long term, a policy should be developed to ensure understanding of what items can be recognized as assets." (Informant 1).

This statement suggests that a long-term policy is needed to ensure a consistent understanding of what is considered an asset across various departments within the organization. This policy should include asset recognition criteria, so that all departments have the same understanding.

"It should include asset recording guidelines, starting from asset recognition, asset value, useful life, to asset placement." (Informant 1).

This statement shows that asset recording guidelines should cover important aspects such as asset recognition, asset value, useful life, and asset placement. These detailed guidelines will help ensure that all departments have the same understanding of the asset recording process.

"The steps that can be taken to build a more accurate and reliable asset recording system are to implement our practices in the program institutions." (Informant 2).

This statement underscores the importance of implementing practical steps to build a more accurate and reliable asset recording system. These steps can be applied in training and development to ensure that all departments can correctly implement the asset recording system.

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➢ *System Evaluation*

System evaluation is a crucial component in the strategy to build an effective asset recording system at the National Board of Zakat (BAZNAS). Using the operations strategy theory explained by Hayes and Wheelwright as well as Tennent (2020), this research explores the importance of periodic evaluation to ensure that the asset recording system functions well. The main focus is on asset data synchronization, a shared understanding of the definition of assets, and timely reporting.

- *As stated in the interview results:*

"In the short term, it is necessary to synchronize asset data every three months." (Informant 1).

This statement shows that one of the key steps in system evaluation is conducting asset data synchronization every three months. This step aims to ensure that asset data is always accurate and up-to-date, minimizing inconsistencies between various departments within the organization.

"The challenge is reaching a consensus on the definition of assets within the program institutions." (Informant 1).

This statement indicates that one of the main challenges in system evaluation is achieving a shared understanding of what is considered an asset across different departments within the organization. Differences in understanding can lead to inconsistencies in asset recording, so evaluation is needed to ensure a consistent understanding.

"It should include asset recording guidelines, starting from asset recognition, asset value, useful life, to asset placement." (Informant 1).

This statement suggests that asset recording guidelines should cover various important aspects such as asset recognition, asset value, useful life, and asset placement. System evaluation must ensure that these guidelines are correctly implemented by all relevant departments.

"The asset report to us is delayed, even though what was purchased this year can only be recorded in the reporting year." (Informant 2).

This statement indicates that delays in asset reporting can affect the validity of the data, and system evaluation must ensure that reporting is done in a timely manner. Timely reporting will help ensure that asset data is always accurate and reliable.

➢ *Policies and Procedures*

Clear and comprehensive policies and procedures are essential in building an effective asset recording system at the National Board of Zakat (BAZNAS). Using the operations strategy theory explained by Kang et al. (2021) and Tennent (2020), this research explores how policies and procedures can help ensure the accuracy and consistency of asset recording. The main focus is on the creation of long-term policies, detailed asset recording guidelines, and procedures for asset procurement and reporting.

- *As stated in the interview results:*

"For the long term, a policy should be developed to ensure understanding of what items can be recognized as assets." (Informant 1).

This statement suggests that one of the important steps is creating long-term policies that ensure a consistent understanding of what items can be recognized as assets. These policies will help avoid confusion and inconsistency in asset recording.

"It should include asset recording guidelines, starting from asset recognition, asset value, useful life, to asset placement." (Informant 1).

This statement indicates that asset recording guidelines should cover various important aspects such as asset recognition, asset value, useful life, and asset placement. These detailed guidelines will help ensure that all departments have a consistent understanding of the asset recording process.

"The best steps to build a better asset recording system are to create better systems and guidelines so that asset recording can be recognized by both departments." (Informant 1).

This statement suggests that to improve the asset recording system, better systems and guidelines are needed that can be recognized by all relevant departments within the organization. These guidelines should include clear and easy-to-follow procedures to ensure consistency and accuracy in asset recording.

"Then the information that assets purchased by procurement is also communicated to asset management." (Informant 2).

This statement emphasizes the importance of establishing procedures for asset procurement and ensuring that information about items purchased by procurement is also communicated to asset management. This will ensure that all purchased assets are properly and consistently recorded..

V. DISCUSSION

A. Asset Recording Processes at the Program Institution and Asset/Accounting Management at BAZNAS

Based on the research findings, it was found that the asset recording process at the Program Institution and Asset/Accounting Management at BAZNAS faces several significant challenges. Reports on fund usage by the Program Institution are often submitted late, causing delays in asset recording by the accounting department, which subsequently affects the accuracy and validity of asset data (Weske, 2007). Verification and recording by the accounting department after receiving fund usage reports often do not align with the information received from the Program Institution, leading to inconsistencies in asset recording (Hammer & Champy, 1993).

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The lack of data synchronization between different sections within the organization, as described by Rummler and Brache's (2012) business process theory, results in significant information gaps that require special attention. This misalignment not only affects recording accuracy but can also lead to problems during audits, as inconsistent data between the Program Institution and the finance department may result in detrimental audit findings (Scott, 2014).

The use of non-integrated and manual recording systems exacerbates this situation, creating room for human error and delays in reporting. According to Scott (2014), reporting delays can affect the recognition of depreciation costs and reduce overall asset data accuracy. To address these issues, improved coordination between departments, periodic data synchronization, and the implementation of technology supporting integrated asset recording systems are needed (Rummler & Brache, 2012; Hammer & Champy, 1993). The implementation of these measures is expected to enhance accuracy and efficiency in asset recording at BAZNAS, supporting more effective and efficient asset management.

In conclusion, success in managing asset recording processes at BAZNAS heavily depends on improving inter-departmental coordination, developing a comprehensive recording system, implementing technology for data synchronization, and providing ongoing training for staff. By assigning appropriate responsibilities for each action, it is hoped that the asset recording process at BAZNAS will become more accurate and efficient.

B. Strategies for Building an Asset Recording System Recognized by the Program Institution and Asset/Accounting Management at BAZNAS

The research findings indicate that several key strategies are needed to build an effective asset recording system at BAZNAS. First, a comprehensive system design is crucial, including clear guidelines on asset recognition, nominal value, useful life, and asset placement. These guidelines aim to ensure consistency and accuracy in asset recording across the organization, in line with Hayes and Wheelwright's and Tennent's (2020) operations strategy theory. Additionally, technology integration such as using asset numbers and barcodes is also proposed to enhance the efficiency and accuracy of asset recording, as per Hammer and Champy's (1993) business process theory.

Another important strategy is system integration to ensure periodic data synchronization, as recommended by Rummler and Brache (2012). Data synchronization every three months and routine reconciliations are necessary to maintain data accuracy. The use of modern technology is also deemed important to reduce reliance on manual recording and enable real-time asset tracking.

Training and staff development are other key elements. Ongoing training will ensure that all parties have a proper understanding of the asset recording system and related technology use, in accordance with the operations strategy theory by Islami et al. (2020). Periodic system evaluations are also necessary to ensure that the implemented guidelines and procedures are effective, as suggested by Hayes and Wheelwright's and Tennent's (2020) theories.

Finally, clear policies and procedures are essential to ensure that all assets are recorded accurately and consistently, in line with Kang et al.'s (2021) theory. These policies should include clear regulations regarding asset procurement and reporting, ensuring that all asset information is properly communicated to the relevant departments.

VI. CONCLUSIONS AND SUGGESTIONS

The conclusion of this study indicates that the asset recording process at BAZNAS, which involves the Program Institutions and asset/accounting management, faces several challenges that affect the validity and accuracy of the data. Reports on fund usage from the Program Institutions are often delayed, resulting in postponed asset recording by BAZNAS. The lack of synchronization in verification between BAZNAS's accounting department and reports from the Program Institutions leads to inconsistent asset recording, while the absence of centralized system integration exacerbates this situation. Additionally, asset information is not always clearly communicated to the Program Institutions' PICs, creating information gaps and errors in recording. To address these issues, the necessary strategies include the design of a comprehensive and integrated asset recording system, the use of technology such as asset numbers and barcodes to enhance efficiency, continuous staff training and development, as well as system evaluation and the implementation of clear policies. The implementation of these strategies is expected to improve the accuracy and consistency of asset recording and support more effective and efficient asset management at BAZNAS.

Based on the conclusions drawn, several recommendations for improving the asset recording process and system at BAZNAS include the development of a comprehensive asset recording guide, system integration that allows for periodic synchronization of asset data, and the utilization of modern technology such as asset numbers and barcodes to enhance efficiency and accuracy in recording. Ongoing staff training is also necessary to ensure proper understanding, accompanied by regular evaluation of the recording system to ensure alignment with organizational needs. Clear policies and procedures regarding asset recording and reporting should be implemented to support more effective asset management. For future research, it is recommended to explore the impact of organizational culture on the effectiveness of the asset recording system at BAZNAS, as well as to conduct comparative studies with other nonprofit organizations and explore new technologies such as blockchain to enhance data transparency and accuracy.

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