

PRINCIPLES OF ZAKAT GIVING

Guiding Principles on how Save the Children handles Zakat donations

By donating Zakat to support Save the Children's humanitarian work in Somalia, donors can be assured that all of our Zakat-funded activities in Somalia will be designed and delivered in compliance with the principles of Zakat donations set out below, and donors will be able to rely on full transparency on all elements of these projects. In order to deliver this promise, we will operate with the following principles and procedures in place:

- **End-recipients of Zakat:** all Zakat will go to the most vulnerable, in line with Zakat principles. We are working to ensure that our beneficiaries will have full individual ownership over the Zakat they receive, and will distribute Zakat for cash or tangible assets to individuals and shared communal projects based on a rigorous needs assessment. We believe that our work provides for three of the seven specific Zakat beneficiary categories described in scripture, which modern scholars have redefined for the contemporary context – meaning the poor, stranded travelers, and administrators of Zakat.
- **Muslim beneficiaries:** In line with Save the Children's humanitarian principles, which reflect the principles of the wider humanitarian community, we will deliver benefit from the Zakat we receive to all members of the communities we are supporting in Somalia, irrespective of background. With this in mind, we cannot guarantee that all Zakat will be delivered solely to the benefit of Muslims, though we expect that 99% of our target communities in Somalia will identify as Muslims – meaning we can be confident of Zakat contributions reaching mainly Muslim beneficiaries.
- **Projects in alignment with Zakat principles:** Our projects in cash assistance, distribution during emergencies, and direct distribution of life-saving malnutrition treatment all demonstrate 100% alignment with Zakat principles, and will be monitored and evaluated according to prevailing Zakat principles, on which we have taken advice from experts in Islamic faith-based giving who have consulted with Islamic Scholars
- **Interest-free account:** We will ensure a dedicated, designated, interest-free bank account is used to hold Zakat funds, in line with Islamic finance principles. Payments of Zakat will be directed to this account, with payments made from that account in line with Save the Children's policy on delivering Zakat contributions to our specified projects in Somalia. Save the Children will not profit from interest on any Zakat payments.
- **Reporting:** We will provide reporting on the achievements of the entire pooled fund for our donors, providing information on the total reach of the full amount of Zakat and Sadaqah funding collected. Such reporting will make very clear to our donors how our activities adhere to the beneficiary and activity guidelines on which we have been advised by Islamic scholars.
- **Timeframe for expenditure of Zakat funds:** Save the Children will accept Zakat donations for a limited period of time over the course of the year in the run-up to the end of Ramadan, ensuring that we are able to spend the Zakat as soon as possible and within one year of receipt from donors. Save the Children will ensure that each Zakat donation is spent and delivered within that timeframe.
- **Restriction on administrative costs:** In line with generally accepted Zakat principles, we will use no more than 12.5% (i.e. one-eighth) of total Zakat funds received to cover the costs of administration of Zakat and for frontline service providers. We will request for each donation to be supplemented with an additional 10% of Sadaqah funding to allow us to cover non-zakat compliant costs, unless you choose to opt out of this arrangement. We do not claim indirect cost recovery on Zakat funding.

We understand the importance and significance of Zakat to our donors, and we take our responsibilities to direct Zakat to agreed projects which match the requirements of our donors very seriously.

Save the Children is a global humanitarian movement rather than a dedicated Islamic-giving organisation. As such, we will not provide advice to donors on how much Zakat to donate, instead allowing donors who choose to entrust their Zakat to Save the Children to calculate their own Zakat contributions. We will however work to ensure that donors can be sure of exactly how their funding will be spent and what they can expect from the way in which Save the Children spends it. To ensure that we document this carefully, Save the Children will sign a Zakat donation deed to reflect your specific donor requirements.

We will be happy to discuss your Zakat donations, including your specific donor requirements, and can provide further information on our work in Somalia upon request.