

ABSTRACT

Institution of Zakah plays an important role in manage the fund taken from muzakki, later on to be distribute to *mustahik*. Therefore, the capability of the institution to manage the fund should bring about the objectives were zakah should be. In this case, to help and guide *mustahik* especially the poor so they can be rise up from their previous condition and be expected in the end they could be also turn into a *muzakki*. Thus, for the purpose above, Zakah and Waqf Study Center (eL-Zawa) at Islamic State University of Malang (UIN Malang) designed and applied scheme of distribution through many productive activities to support entrepreneurship in small scale. Therefore, the objectives of this study was to find out the fund rising system and zakah distribution conducted by eL-Zawa and the problems encounter it and also the proposed solutions for that. This study also proposed a perspective some positive inputs especially to eL zawa as well as to the academic community.

A descriptive – qualitative approach were used to collect primer and secondary data, such as interview, library research and field research. Furthermore, all the data then analyzed by applying inductive-deductive method. The finding reveals three results: *first*, the zakah collection or fund rising in eL-zawa were found used the conventional ways were the muzakki came direct to the office, direct salary cut by tresure of University, direct collection from door to door by the staff, and through bank account payment/transfer. *Second*, the fund divided into two konsumtif and productive by distribute 30% for konsumtif and 70% for productive zakah. *Third*, it was found some major problems encounter eL-Zawa's activities such as there is no permanent office, lack of human and infrustructure resources as well as there are now specific rules and regulations in handling the zakah program and the zakah were also found still in the area of individual zakah.

Key words: Role, management, Produtive zakah