

MANAGEMENT ACCOUNTING PRACTICES IN NON-PROFIT RELIGIOUS ORGANIZATION: A CASE STUDY IN LEMBAGA ZAKAT SELANGOR (LZS)

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ABSTRACT

The influx of non-profit organizations over the last decades is not deniable. Unfortunately, management accounting practices have not been introduced with the same frequency as in for-profit organizations. Therefore, this study is conducted to uncover that management accounting is still visible and being practiced in non-profit organizations. In particular, it aims to show that management accounting practices could be employed by non-profit organisations in their day-to-day operations and to demonstrate the purposes and benefits of the use of management accounting practices by Malaysian non-profit religious organizations. The premise of NAFMA's framework is utilised to identify management accounting practices used by LZS which comprises costing system, budgeting system, performance evaluation system, decision support system and strategic management accounting. By using an exploratory case study research method, various management accounting applications in Lembaga Zakat Selangor (LZS) are studied. Analyses on LZS's Annual Reports are done critically to gain insights on management accounting in the organization. Face-to-face interview is also conducted to further furnish relevant and reliable information. It is found that LZS was using both traditional and contemporary management accounting tools in its corporate operations. This study would inspire practitioners to employ new tools, systems, techniques or approaches in practising MAPs within the non-profit organisation. In addition, this study provides new empirical evidence on the use of management accounting practices in the Malaysian non-profit religious organizations and adds invaluable insights to the existing literature regarding MAPs in non-profit religious organisations.

Keywords: *Asnaf, management accounting practices, non-profit religious organizations and zakat.*

INTRODUCTION/BACKGROUND/OBJECTIVES

The number of non-profit organizations (NPOs) has tremendously increased over the last decades (Soldevila, P. & Oliveras, 2000), (Epstein & Buhovac, 2009) and (Chenhall, R., Hall, M., & Smith, 2012). However, management accounting practices (MAPs) have not been introduced with the same frequency as in for-profit organizations. In fact, management accounting is one of the most important management tools in designing the required strategies and planning to achieve the organizational goals (Heidari, 2012). Naturally, MAPs refer to the processes and techniques that focus on effective and efficient use of organizational resources and finally to create values to the NPOs and stakeholders.

Non-profit organizations are totally different from for-profit organisations. The main objective of a NPO is to provide services to the community without hoping for any returns, rewards or profits. Similar to all organisations, non-profit organisations vary much in terms of mission, size, mode of operation and impact, particularly in a cross-national sense (Anheier, 2000). The NPOs have their own settings in order to achieve the specific community needs. NPOs function for

different purposes, whether be charitable, educational, literary, scientific or humanitarian. Therefore, when forming a NPO, the mission statement should take pride and place in the organization in order to describe the purpose of the organization. It is usually based on the passion of the group of people forming the NPO. The tendency of management people of one NPO to achieve its goal will have great emphasis on their aspiration which might not fulfil the community's need.

Therefore, there is a need to revisit the focus of non-profit management (Anheier, 2000). The lacking in adoption of MAPs is one of the reasons why management should reconsider certain MAPs, which could support the basic managerial tasks of organizing, planning, and controlling activities to achieve excellence throughout the organization. Thus, NPOs have to brilliantly satisfy the needs of the funder by attending to these issues. Othman et al., (2012) supported this contention whereby they found that inadequacy and lack of management accounting information and practices have caused NPOs to lose out on the benefits of financial health enhancement and expansion. Consequently, the skills to predict failures and implement better financial planning and control are also ignored. This scenario would create pressure over delivering welfare services while operating within the constraints of cost management. Therefore, the application of MAPs such as performance measurement and management control systems has the potential to help in providing the effective and efficient delivery of services. Somehow or rather, for many NPOs such an approach is relatively new and is sometimes at odds with the customary informal controls that have been applied in NPOs (Chenhall, R., Hall, M., & Smith, 2012).

With the goal to shed the lime-light over the uses of MAPs in NPOs, this study will be conducted in order to identify the MAPs used by LZS and to demonstrate the purposes and benefits of MAPs to its organisation. LZS, a non-profit religious organisation (NPRO) is selected as a unit of analysis due to its highest zakat collection in the country for the last few years. In year 2012, the zakat collection was above the targeted amount which totalled to RM451.3 million. It is no doubt that LZS has implemented such sound management mechanisms in collecting and distributing zakat which lead to the great performances and results every year.

It is hoped that the findings of this study would be practiced by various NPROs in Malaysia. Merchant (2012) stated that if the findings of management accounting research are used, then they are useful. In order to be useful, the research findings have to suit the practitioners' issues and contexts. This study is expected to yield some useful implications for theory and practice. Regarding the potential implications for theory, the study will expand the existing management accounting literature in two main ways. First, the study will provide new empirical evidence on the use of MAPs in Malaysian NPROs. Second, the study is expected to contribute significantly to the existing knowledge on the benefits of MAPs employed by Malaysian NPROs.

2.0 LITERATURE REVIEW

Management accounting is defined as the "process of identification, measurement, accumulation, analysis, preparation, interpretation, and communication of information both financial and operating used by the management to plan, evaluate, and control within an organization and to assure the use of and accountability for its resources" (IFAC, 1998). A study conducted by Heidari, (2012) revealed that management accounting guides managerial action, motivates behaviours, and supports and creates the cultural values necessary to achieve an organization's strategic objectives. Therefore, management accounting is perceived as part and parcel of the management process.

The use of different management accounting tools, techniques, and systems is the result of different organizations' management process in order to achieve their objectives. Some use it for cost determination, pricing strategy, and financial control while others use it for management planning and control, reduction of waste of resources in the business process, performance

measurement, productivity enhancement, quality improvement, benchmarking, business process re-engineering, and creation of value through the effective use of resources (IFAC, 1998) and (Heidari, 2012). For example, a research conducted by Waal et al. (2011) showed that several key activities related to the introduction of performance management have an impact on the results of an organization although not always in an expected positive way. They found that it is always difficult to isolate the effects of a particular event on the overall results of an organization. This situation could possibly contribute to the reasons why MAPS are neglected by some organisations.

2.1 Non-Profit Organizations (NPOs)

Nature of a NPO is to serve the public for a defined purpose, without being profit oriented. The establishment of such an organization is not for businesses or for individuals but more for community services. Services offered by NPOs are of diverse nature which include health, education, culture, sports, leisure, religion, environmental, labour, and professional (Soldevila, P. & Oliveras, 2000). Then, Salamon and Anheier, (1997) listed the core characteristics that NPOs should have:

- i. Organised, i.e. possessing some institutional reality, which separated the organisation from informal entities such as families, gatherings or movements;
- ii. Private, i.e., institutionally separate from government, which sets the entity apart from the public sector;
- iii. Non-profit-distributing, i.e., not returning any profits generated to owners or equivalents, which distinguishes non-profits from businesses;
- iv. Self-governing, i.e., equipped to control their own activities, which identifies those that are de jure units of other organisations; and
- v. Voluntary, i.e., being non-compulsory in nature and with some degree of voluntary input in either the agency's activities or management.

Previous study conducted by Anheier (2000) on managing NPOs revealed that the liability of newness causes the lack on adoption of MAPS in their organisations. He discovered that to express the tendency of new models and techniques to encounter initial difficulties and problems that are largely associated with inexperience and unfamiliarity. Thus, some NPOs are reluctant to implement MAPS due to those reasons.

Non-Profit Religious Organisations (NPROs)

Non-profit religious organisation is a faith-based organisation in the Muslim society. In Malaysia, one of the NPROs is the zakat organisation. The core activities of the zakat institution are collecting compulsory alms or zakat from eligible Muslims and then distributing the alms to rightful recipients as stipulated in the Al Quran. Abdullah & Suhaib, (2011) stressed that both activities require a proper system coordinated by the state. As a NPRO, the management has to abide to the Islamic principles based on Al-Quran, As-Sunnah and Islamic jurisprudence.

Management Accounting Practices (MAPs) in Non-Profit Religious Organisations As NPROs, zakat organisations are equally important as for-profit organisations to have a proper management system in their organisations. Allah S.W.T has mentioned that in the Al-Quran:

“Then they manage the affair entrusted to them.” (An-Nazi’at:5)

The above verse refers to those beings or groups of people who plan, manage, and conduct the affairs entrusted to them in an excellent manner. Therefore, it shows that any organisation is being entrusted with the responsibility of conducting and administering public affairs of great importance with ability and justice.

In line with Islam and an emphasis that Caliph Umar put on wealth management, an adequacy of MAPs in zakat organisations is essential to safeguard resources (S. Yusuf, 2005). Zakat organisations need to adopt and adapt relevance MAPs in order to avoid negligence and misuse of resources. Being a religious organization, zakat organisations need to interact with sound MAPs in safeguarding zakat funds and upholding the philosophy of zakat. Langfield-Smith et al., (2006, p. 6 &7) stated that MAP refers to processes and techniques that focus on effective and efficient use of organizational resources and finally to create value to the organisation and stakeholders. Therefore, it is crucial for zakat organisations to have sound management mechanisms that encompass costing system, budgeting system, performance evaluation system, decision support system and strategic management accounting to ensure zakat management functions properly.

2.2 NAfMA's Framework

The NAfMA is the most prestigious and the highest management award to be conferred to any Malaysian organization in the country. It was officially launched in April 23, 2004 with two primary objectives which are to recognize organizations adopting best practices in management accounting and creating value that leads to business excellence and to promote the application of management accounting techniques and systems within the organizations in Malaysia in the pursuit of world class business performance. The NAfMA's framework is a suitable approach that should be adopted in presenting case studies on for-profit and non-profit organisations.

Previously, a Malaysian Institute of Accountants in its magazine, Accountant Today (issued in February 2006) reported that Nestle (M) Berhad and Ipoh Specialist Hospital (ISH) have won the NAfMA 2005 Excellence Award and the NAfMA 2005 Practice Solution Award respectively. Nestle recognizes management accounting as an enabler of a quick, responsive, and agile business. It also perceived that management accounting is also capable of enhancing the value creation, promoting business excellence, and reinforcing the importance of corporate governance. ISH as health service provider is not left behind with the latest development of management accounting. ISH believes that strategic, tactical and operating information such as profitability, productivity, pricing, and investment could help its shareholders and stakeholders in making multiple decisions. It is proven that management accounting practices have been successfully implemented by Nestle and ISH, and this has benefited them utmost.

Therefore, the NAfMA's framework is useful in identifying the management accounting practices implemented by LZS and in finding how those techniques would create value towards the organization. It focuses on the tools, techniques, and systems that LZS has implemented in promoting value-added activities. For this case study, only one element that is management accounting practices criterion employed by LZS will be focused. There are five areas to be discussed which are costing system, budgeting system, performance evaluation system, decision support system and strategic management accounting.

3.0 METHODOLOGY

A single case study method is the research instrument undertaken in this study. This instrument is considered sufficient to meet the objectives of the study (Yin, 2003). This study is also accomplished the suggestion made by Sulaiman et al. (2005), a case study research method should be carried out on management accounting practices in exploring the research's area. Therefore, an exploratory case study on LZS was conducted in order to gain the detailed and intensive knowledge on management accounting practices applied by the organization. A key strength of the case study's method involves multiple sources and techniques in the data gathering process (Yin, 2003). For this

study, there are three data collection techniques employed namely face-to-face interview, documentation review and web review. Finally, data triangulation is conducted to arrive at consistency across data sources.

3.1 Lembaga Zakat Selangor (LZS)

Lembaga Zakat Selangor was corporatized in 2006 under the Trustee Act (Incorporation) Act 1952. It is administrated by the Board of Trustees appointed by Selangor State Religious Council. Started as a small department, it has been upgraded and rebranded since 1994 once the potential to growth is realised by the administration committee. Now, LZS is the leading zakat institution in Malaysia as it shown its excellent performance in collecting and distributing zakat in Selangor. The performance of zakat collection and distribution in Selangor for the last five years is as follows:

Table 1: Zakat Collection and Distribution by LZS

Year	Zakat Collection (RM Million)	Zakat Distribution (RM Million)
2008	244.4	188.9
2009	283.6	297.2
2010	336.8	330.3
2011	394.1	373.4
2012	451.3	401.7

Source: Management Report of Zakat Selangor 2012, LZS

Today, LZS stand to be a visionary and there is a need to adopt best management practices in generating and upholding its excellence. To perform its duties as amil and amilin, LZS has to maintain its integrity, honesty and transparency in carrying out its responsibilities. Therefore, there is a need of numerous tools in its institution which is referred in this study as management accounting practices.

3.2 Analysis, Findings and Discussion

The data collected from this study are for answering the main objectives of this study of which to identify the management accounting practices employed by LZS and to demonstrate the purposes and benefits of the use of MAPs. The practices are divided into five categories namely Costing System, Budgeting System, Performance Evaluation System, Decision Support System and Strategic Management Accounting.

3.3 Costing System

Basically, a costing system is designed to monitor the costs incurred by an organisation. The system is comprised a set of forms, processes, controls, and reports that are designed to aggregate and report to management about revenues, costs, and profitability.

Activity-Based Costing (ABC)

Overhead costs are inevitable especially in a predominantly non-profit organisation like LZS. Thus, for each department, LZS has assigned overhead costs to activity cost pools in accordance with the way resources are consumed by the activities. Then, the overhead costs are allocated from each cost pool to each department. The information issued by a costing system is used by LZS for a variety of purposes including to fine-tune operations to generate higher collections and therefore would lead to higher distributions. Besides that, LZS perceived that costing system would help its organisation

in matching actual costs incurred against budgeted costs levels for control purposes. Finally, costing system would facilitate LZS in creating strategic and tactical plans for future operations.

3.4 Budgeting System

A budget is as detailed plan, expressed in quantitative terms, that specifies how resources will be acquired and used during a specified period of time. A well-planned budget will focus only on the objectives of the organizations and provide financial and programmatic adaptability. The budgeting system in LZS acts as an important mechanism to monitor corporate affairs and distribution activities (S.Yusuf, 2005). A common practice in LZS is that budget reports for collection and distribution are not prepared by unit heads of collection and distribution. They only provide the data for the reports. Only then the budgeting practices as expenditure controlling device would contribute to LZS efforts to enhance their zakat management.

The traditional budgeting system has been practised by LZS since its inception (S.Yusuf, 2005). LZS has employed an incremental budgeting. In early stage of operations, an incremental budgeting was the only mechanism that assisted LZS in their yearly planning activities. Starting from year 1998, LZS is mandated both to collect zakat and later to distribute zakat collection. Since then, LZS has to prepare two annual budgets which are one for LZS management, which uses an imposed budgeting system, and another budget for distribution activities, which uses participatory budgeting system inception (S.Yusuf, 2005). Due to these changes all departments in LZS are required to perform their own budget analysis and prepare budget reports.

Activity-Based Budgeting (ABB)

ABB is an approach to the budgeting process that focuses on identifying the costs of activities that take place in every area of a business or organization, and determining how those activities relate to one another. The data regarding those activities and how they relate to one another is used to establish goals that allow the organization to move forward. By understanding the relationship between all the activities of the organization, it is often possible to create realistic budgets for each department that are more equitable and in the best interests of the organization in the long run.

By implementing ABB, LZS has assigned resources costs to activities. LZS has thoroughly allocated the resources to every single category of assistances under each category of asnaf. The zakat distribution for the eight asnaf group is shown as follows:

Table 2: Zakat Distribution According to Asnaf Category

Asnaf	Distribution in year 2012 (RM)
Fakir	44,331,005
Miskin	94,851,508
Mualaf	23,080,149
Amil	56,415,628
Fisabilillah	140,471,029
Gharimin	33,735,823
Ibnu Sabil	1,896,717
Riqab	6,935,823
TOTAL	401,717,682

Source: Management Report of Zakat Selangor 2012, LZS

By adopting ABB, it assists LZS to control expenditures and forecast sources and timing of revenues. Besides that, ABB also facilitates LZS in monitoring, evaluation and performance measurement. The ABB can also be used as a communication tool for the organization.

Performance Evaluation System

LZS has presented its performance indicators by using the most popular tool which is the Balance Scorecard in measuring the organization's performance and results.

Balanced Scorecard (BSC)

The BSC has provided a practical model for non-profit organization leaders in measuring a non-profit operational success (Hartnett & Matan, 2011). In short, it enables the user to mix financial and non-financial measures, comparing each to a target value established by the organization, ultimately creating a report to assist in decision making regarding the organization's key objectives. LZS had recently adopted the BSC or also known as KPI dashboard, which is to develop a set of key performance indicators (KPIs). The KPIs frameworks have been constructed based on four different perspectives namely, customers (zakat payers and zakat receivers), business processes, training and the development as a tool for management cockpit. Each individual from each department has his own key performance indicators.

Besides measuring the performance of one organization, the BSC would also help leaders to transform their organization's strategy, set measureable goals and design a timetable for execution. Through BSC, they can focus on measuring and observing the cause and effect relationships between their key objectives and have an accurate report on leading and lagging initiatives.

Decision Support System

The employment of a decision support system for optimizing zakat fund collection, distributing efficiently the zakat fund and smoothing corporate affairs is crucial to the management of LZS. Sophistication in data management with the application of computerised information system may provide organisation with relevant, reliable, timely and accurate information that would assist in enhancing their decision-making process (S.Yusuf et al., 2013). Study conducted by Syed Yusuf et al. (2013) revealed that the information system development in LZS can be categorised into three phases namely manual phase, computerised but not integrated phase and third integrated system phase.

For the computerised system, there are three main stand-alone system namely collection, distribution and finance system which has its own function differently. The stand-alone collection system keeps information of all zakat payers and produced information pertaining to the total collection per day, per week, per month and per year. Annual targeted collection amount for LZS is determined at the beginning of each year. For the stand-alone distribution system, it keeps database of recipients and provides LZS with information related to application for zakat assistances. Then, the system will support LZS in making decisions pertaining to approval of applications towards the zakat. Finally, the stand-alone finance system provides information related to income and expenditure for its own operation activities as a non-profit religious organisation.

LZS is moving towards an integrated computerised system since January 2012. It is called as the "Core System". LZS realised that the need of integrated computerised system is vital in providing meaningful information for decision-makers. The intense request and needs of users to make sound decisions spurs LZS to upgrade and improve its timeliness, relevancy and accuracy of information system for decision making process (S.Yusuf et al., 2013).

Strategic Management Accounting

LZS has its own vision and mission even though being operated as a non-profit organisation. By having that, LZS has put forward its strategies and initiatives to achieve its mission which is to serve Muslims with integrity and professionalism in managing the collection and distribution of zakat. LZS constantly making sure that the needs of zakat recipients is directly relevant to current needs. Eight recipients mentioned in the al-Quran remain unchanged and LZS is strictly following that rules in distributing zakat collection. With the focus to strengthen the zakat distribution to asnaf every year, LZS has strategized five asnaf development programs. The programs are social development program, economic development program, educational development program, insan development program and the religious institutions development program (Management Report of Zakat Selangor, 2012). This is consistent with the McLellan and Abdel Al (2012), whereby they emphasized that the more the management accounting practices adopted by an organization are aligned with strategic objectives of that organization, the greater the organisation performance. For LZS, how efficient and effective the zakat distributed to the Muslim community, is an indicator to achieve a better performance.

The development programs are vital for the needs of the zakat recipients. Although the zakat money was right to recipients, but they need to realize that it is not an aid for a lifetime. Through the development programs, LZS is assisting asnaf group to further improve their life without continuously depending on the zakat assistance. Besides that, these development programs acted as a catalyst to asnaf to free themselves from poverty. The distribution of zakat for different development programs are as follows:

Table 3: Zakat Distribution For Five Development Programs

Development Program	Distribution in year 2012 (RM)
Social	162,456,533
Economic	140,103,080
Educational	13,258,304
Insan	16,521,179
Religious institutions	12,962,958
TOTAL	345,302,054

Source: Management Report of Zakat Selangor 2012, LZS

Social Development Program

Under the social development program, LZS is providing appropriate assistance in ensuring asnaf could have a better quality of life. Basically, there are three main aspects concerned by LZS which are providing shelters, basic needs and the welfare of asnaf for their comfort and life balance. In ensuring comfortable shelters provided, assistance given by LZS are in terms of building shelters and renovating shelters for three asnaf group which are fakir, miskin and mualaf. For fulfilling the basic needs of fakir, miskin and mualaf, financial assistance and food assistance were provided to them. Besides the three categories of asnaf mentioned before, zakat distribution is also channelled to gharimin. LZS has provided an allocation for gharimin as they are experiencing difficulties because of the debts that they are involved such as care bill debt, chronic pain medical debt, debt survival, and dialysis treatment.

Economic Development Program

LZS has put its effort in encouraging fakir (the destitute), miskin (the poor) and mualaf (those who embrace Islam) to further enhance their economics of life through the economic development program. In 2012, there are a few courses offered by LZS such as Asnaf Entrepreneurship Clinic and Pre Approval Aided Course. These trainings are vital to asnaf to expose them towards entrepreneurial motivation, financial planning and business planning. Furthermore, a few business initiatives are also provided including business capital assistance, fishing capital assistance, and agricultural capital assistance. LZS believe that with the help of the zakat, it will be able to produce many viable and competent zakat recipients.

Educational Development Program

Education is one of the main focuses of LZS in distributing its zakat collection. Therefore, various assistances are provided for different level of education. Among others, Adopted School Program (PROSA) is developed to further empowering education among asnaf children in Selangor. It is an affiliated program with Education Department of Selangor. Basically, the program is conducted by the school itself for primary and secondary students who are from asnaf group. The main aim of PROSA was to help students to succeed in academic and akhlak.

Insan Development Program

Through insan development program, LZS provides various courses and training to three asnaf group namely miskin, fakir and riqab. The program covers up to physical, spiritual and physical elements in order to develop the inner strength and to have balanced development of the asnaf. In addition, the assistance is also important to further equip them with knowledge and to foster positive mind set. The assistance includes Baitul Hasanah Management, Akhlak Rehabilitation Program (Baitul Ehsan) for fakir and miskin. For riqab group, HIV Patients Recovery Program and Akidah Recovery Assistance (Baitul Iman) are provided by LZS. Besides that, various courses for fakir and miskin also conducted by LZS such as Tahsinul Ibadah, Saadah family, Student Excellence Course, Literacy Program (Reading), and Smart Students Course.

The Religious Institutions Development Program

The zakat is not meant only for fakir and miskin, but also for the religious institutions development. Therefore, LZS has taken a role and responsibility by distributing zakat to religious institutions in order to empower the needs of such institutions in Selangor. Via the religious institutions development program, LZS provided numerous assistances such as repairing and constructing school surau and religious school and providing allowances for mosque officers and its committee members. LZS perceived that the benefits of these programs not only for individuals, but for all Muslims in Selangor.

SWOT Analysis

The applicability of strategic management concepts including SWOT (strengths, weaknesses, opportunities and threats) analysis was left behind (Kong, 2008). However, LZS has adopted SWOT analysis as it is a simple and flexible instrument for strategic planning in its organisation. SWOT framework allows managers in LZS to synthesize insights obtained from an internal analysis of the organisation's strengths and weaknesses with those from an analysis of external opportunities and threats. To operate SWOT analysis successfully, LZS has to concentrate its future objectives on its strengths, while averting tendencies related to its weaknesses. Furthermore, LZS has to be

familiar with the opportunities and threats resulting from the external environment. This is in line with Houben, Lenie, & Vanhoof, (1999) where responding to strengths, weaknesses, opportunities and threats is ultimately important in the strategic management process.

Conclusion, Limitations and Recommendations

As a NPRO, it is a very challenging role for LZS to collect and distribute a huge amount of zakat within a very short period of time. Thus, effective and efficient management mechanisms are vital in ensuring that the zakat fund could be channelled to the rightful recipients within a short period of time. Findings of this study indicate that management accounting practices have been gradually implemented by LZS, and benefited not only the management but also the stakeholders. LZS is implementing integrated management accounting in its organization as demonstrated by the combinations of traditional and contemporary management accounting practices employed. Traditional management accounting applications such as Costing System and Budgeting System have been practiced by LZS since more than 10 years ago and still be used until today. Contemporary management tools such as BSC Integrated Computerised System, Strategic Management, and SWOT analysis are also applied in the organisation. By having integrated management accounting practices, LZS would lead to value creation in its organisation. This findings is consistent with the assertions that MAPs help to create value in an organization through improving decision making process and control of organizational members (Heidari, 2012).

Since this study is limited to only one single case study, the multiple case studies could be conducted for different types of non-profit organisations in the future. Besides that, the findings of this study cannot be generalized to other non-profit organisations and for-profit-organisations in Malaysia. This is because only one sample of institutions is studied. Finally, it is found that it is very difficult to classify between the traditional and modern management accounting techniques. Based on comprehensive readings on empirical researches, the categorization is not usually consistent.

It is undeniable that NPO are involved in cases of fraud, embezzlement, and abuse performed by their own managers and employees (Othman et al., 2012). Various MAPs used by NPOs along with internal and financial controls could minimize the possibility of thefts, fraud and mismanagement. Therefore, LZS could employ various management accounting practices which are relevant to its nature and operational activities. At the same time, the possibility of unethical and misconduct of the zakat wealth would be avoided by LZS. It is hoped that this study will inspire the practitioners to employ MAPs in their NPROs. The creation of awareness among NPOs' management people of the importance of MAPs as a means and ways of improving performance and maintaining competitiveness in the marketplace is highly appreciated.

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