VELVET Balance

Giving With Responsibility

Giving charity is an act of faith that carries the responsibility of ensuring it reaches those truly in need. This guide offers simple guidance on conducting due diligence when giving Zakaat and Sadaqah, so you can give with confidence and integrity.

Giving With Responsibility

Do Due Diligence When Giving Zakaat & Sadaqah

Why Due Diligence Matters

Giving is an act of worship. But worship also carries responsibility.

In Islam, zakaat and sadaqah are not only about giving — they are about **ensuring wealth reaches those it is meant to support**. While organisations and charities carry the responsibility of distribution, **the giver also carries responsibility for where their money is entrusted**.

In recent years, there have been well-documented cases of:

- Misuse of charitable funds
- Poor governance and lack of oversight
- Zakaat being allocated incorrectly or mixed with non-eligible funds
- Lack of transparency around administration and spending

Acknowledging this is not cynicism.

It is amanah. Due diligence is not about mistrust — it is about intentional giving.

Zakaat vs Sadaqah: Why the Standard Differs

Before assessing an organisation, it is important to distinguish between the two:

- Zakaat is obligatory and must be given to eligible recipients (asnaf).
- Sadaqah is voluntary and can be broader in scope.

Because zakaat has specific eligibility rules, the level of scrutiny required is higher. An organisation may be suitable for sadaqah, but not for zakaat.

Step 1

Confirm Zakaat Eligibility

If you are giving **zakaat**, start by confirming:

☐ Does the organisation clearly state that it accepts zakaat?
☐ Does it specify how zakaat funds are used?
☐ Are zakaat funds kept **separate** from general donations?
☐ Does it distribute zakaat only to eligible categories?

If this information is unclear or unavailable, pause.

Clarity is a minimum requirement for zakaat.

Step 2

Understand Where the Money Goes

Ask (or research):

- Who are the end beneficiaries?
- Are funds distributed directly or through partners?
- Is the work local, international, or both?
- How quickly are funds deployed?

Transparency does not require perfection — but it does require visibility.

An organisation that cannot explain its distribution clearly may not be the right steward for obligatory charity.

Step 3

Review Governance & Accountability

Responsible organisations usually demonstrate:

- Clear leadership or board oversight
- Published annual reports or financial summaries
- Independent audits (where applicable)
- Clear policies around ethics and compliance

You do not need to analyse accounts in depth — but **basic accountability should be visible**.

If an organisation resists transparency or discourages questions, consider this a red flag.

Step 4

Evaluate Administrative Costs (With Balance)

Administration is not inherently wrong.

Charities require staff, systems, and infrastructure to function effectively. However, it is reasonable to ask:

- What percentage of funds goes directly to beneficiaries?
- Are administration costs clearly disclosed?
- Does the organisation explain why certain costs exist?

Excessive opacity — not reasonable overhead — is the concern.

Shares are generally used for **long-term growth**, not short-term needs.

Step 5

Assess Alignment With Values & Ethics

Beyond eligibility, consider:

- Does the organisation operate in a way that aligns with Islamic ethics?
- Is there dignity and respect in how beneficiaries are portrayed?
- Are projects sustainable, or purely transactional?

Zakaat and sadaqah are not only financial acts — they reflect **values and intention**.

Step 6

Consider Local Giving Where Possible

Many scholars encourage supporting local needs where appropriate, as:

- Impact is easier to assess
- Distribution is often faster
- Accountability is clearer

This does not mean international giving is wrong — but it does mean **proximity can support clarity**.

Step 7

Trust, But With Awareness

Islam does not ask us to be suspicious — but it does ask us to be **conscious**.

It is acceptable to:

- Ask questions
- Change organisations if concerns arise
- Diversify giving rather than rely on one channel
- Review choices annually

Your responsibility is not to guarantee outcomes — it is to give with **reasonable care and sincere intention**.

A Balanced Reminder

You are not responsible for what happens beyond your reasonable diligence. But you are responsible for **how intentionally you choose**.

When you:

- Verify eligibility
- Seek transparency
- Give thoughtfully

You fulfil your obligation with integrity.

Quick Due Diligence Checklist

Before giving zakaat or sadaqah, ask:

☐ Is this organisation clear about zakaat eligibility?
☐ Is distribution transparent?
☐ Are funds separated and accounted for?
☐ Does governance appear sound?
☐ Does this align with my values and intention?

If the answers bring peace rather than discomfort, proceed with confidence.

Closing Reflection

Giving is not only about generosity — it is about **trust placed carefully**.

When zakaat and sadaqah are given with awareness, they become acts of worship that carry both spiritual reward and real-world impact.

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