

Waqf Accounting Practices Based on PSAK 112 at the Millennial Waqf Institution in Bogor

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ARTICLE HISTORY

Received:
11 March 2026
Revised
14 March 2026
Accepted:
14 April 2026
Online available:
05 May 2026

Keywords:
Waqf, Accounting,
Transparency, and
Accountability.

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ABSTRACT

Introduction: The implementation of PSAK 112 concerning waqf accounting in waqf institutions in Indonesia still faces various challenges, particularly related to limited understanding and inadequate technological infrastructure. This study aims to evaluate the implementation of PSAK 112 at the Millennial Waqf Institution in Bogor City, focusing on organizational readiness and the obstacles encountered during the implementation process.

Methods: The research employs a qualitative method, with data collected through in-depth interviews and observations at several waqf institutions.

Results: The findings indicate that although the Millennial Waqf Institution in Bogor City has succeeded in implementing PSAK 112, it still encounters difficulties, especially in terms of understanding the standards and limitations of technological infrastructure. These findings suggest that increased training and strengthened infrastructure are necessary to support broader and more effective implementation.

Conclusion and suggestion: The implication of this study highlights the importance of a more inclusive and comprehensive strategy in implementing PSAK 112, which not only enhances transparency and accountability but also strengthens public trust in the management of waqf in Indonesia.

Cite this document:

Hayati, Isra, *et.al.* (2026). Waqf Accounting Practices Based on PSAK 112 at the Millennial Waqf Institution in Bogor. *Lan Tabur: Jurnal Ekonomi Syariah*, 7 (2), 470-483.
<https://doi.org/10.53515/lt.v7i2.169>

1. Introduction

Waqf is an Islamic economic instrument that has significant potential to support social and economic development, particularly in countries with a Muslim-majority population such as Indonesia (Muhammad et al. 2024). As a form of philanthropy, waqf can be utilized for various purposes that benefit society, such as the development of public facilities, education, and healthcare services (Palasenda and Salikurrahman 2024). However, this great potential cannot be realized without accountable and transparent management. Therefore, the application of appropriate accounting standards is essential to ensure that waqf funds are managed professionally and

responsibly. In 2021, the Financial Accounting Standards Board of Indonesia (DSAK) issued the Statement of Financial Accounting Standards (PSAK) No. 112, which specifically regulates Waqf Accounting. PSAK 112 was designed to provide clear guidance on how waqf management entities should prepare their financial reports. Its main objective is to enhance transparency and accountability in waqf management in order to meet the needs of stakeholders, including the government, the public, and donors.

Although PSAK 112 has been issued, its implementation in practice still faces various challenges. First, many waqf institutions still do not fully understand the principles and provisions stipulated in PSAK 112. The lack of socialization and training related to the accounting standards is one of the main inhibiting factors. In addition, the limited number of human resources with specialized expertise in waqf accounting means that the implementation of this standard has not been optimal (Aulia Dewi et al. 2025). This condition is further aggravated by the fact that many waqf institutions do not yet possess adequate information technology infrastructure to support accounting systems that comply with the required standards.

Second, resistance to change represents another challenge in implementing PSAK 112. Waqf institutions that have operated for a long time often have established systems and procedures, making the adoption of new standards a difficult adjustment process (Kamaruddin et al. 2025). In some cases, waqf institutions still employ traditional approaches in financial management, which are not fully aligned with the modern accounting principles regulated in PSAK 112. This situation results in variations in financial reporting among waqf institutions, which in turn may reduce the level of accountability and transparency. Third, differences in the interpretation of provisions within PSAK 112 also constitute a significant issue. Some waqf institutions have different understandings of how these standards should be applied in their operational contexts. Such inconsistencies in interpretation can lead to discrepancies in waqf financial reporting and hinder efforts to establish a uniform standard for waqf management across Indonesia (Makhrus, Ismail, and Makbul 2025).

On the other hand, the government and relevant authorities need to strengthen regulations and supervision regarding the implementation of PSAK 112 in waqf institutions. Without strict oversight, the application of these standards may not be effective. Therefore, cooperation among the government, accounting authorities, and waqf institutions is required to ensure the optimal implementation of PSAK 112. Nevertheless, despite the issuance of PSAK 112, its implementation in practice still faces various challenges, particularly at the Millennial Waqf Institution in Bogor City. The Millennial Waqf Institution in Bogor City often faces limitations in terms of human resources, understanding of modern accounting standards, and the technological infrastructure required to implement PSAK 112. These challenges may hinder the effective implementation of the standards and reduce the level of accountability in the management of waqf funds. The main problem addressed in this study is how a waqf accounting implementation model in accordance with PSAK No. 112 can be effectively applied to waqf institutions in Medan City. This issue arises due to the imbalance between the provisions contained in PSAK 112 and the realities in practice, where the Millennial Waqf Institution in Bogor City has not yet been able to fully adopt the standard. Factors such as the lack of training, limited resources, and minimal technological support represent the main obstacles in the implementation of PSAK 112.

The Islamic social finance accounting has evolved significantly with the introduction of PSAK 112, which provides a standardized framework for the recognition, measurement, and presentation of waqf transactions. Existing literature has predominantly focused on the conceptual alignment of this

standard with Sharia principles and the general readiness of nazhir (waqf managers) in adopting these regulations (Huda, N., Rini, N., & Anggraini 2022). Scholars have argued that while PSAK 112 enhances transparency and accountability, its implementation is often hindered by the low financial literacy of traditional managers and the lack of integrated accounting information systems within small-scale waqf institutions (Budiman 2023). These studies collectively underscore the necessity of a standardized reporting mechanism to foster public trust and ensure the sustainability of waqf assets.

Despite the growing body of knowledge on compliance, a critical gap remains regarding the practical transition from traditional recording methods to the sophisticated requirements of PSAK 112, particularly in the context of digital-based assets. Current research often overlooks the specific operational challenges faced by nazhir in valuing non-cash waqf and temporary waqf, which leads to inconsistent financial reporting (Rusydia, A. S., & Devi 2021). Furthermore, there is a distinct lack of empirical evidence exploring how digital transformation and automated accounting models can mitigate the technical complexities of the standard. This theoretical and practical void suggests that without a structured implementation model, the noble objectives of PSAK 112 may remain unrealized at the grassroots level.

This research addresses these deficiencies by proposing a novel integrated analytical framework that synthesizes PSAK 112 requirements with a technology-driven implementation model. Unlike previous studies that remain at the descriptive level, this approach introduces a standardized digital workflow designed to automate the classification of waqf funds and the calculation of fair value for fixed assets. By leveraging a multi-dimensional perspective that includes both technical accounting accuracy and institutional capacity building, this study provides a significant contribution to the field. It moves beyond mere compliance analysis toward a proactive solution that facilitates the professionalization of waqf management in a modern economic era (Suarni, A., & Fachri 2024).

The specific objective of this research is to analyze the implementation of waqf accounting based on PSAK No. 112 that can be effectively applied to the Millennial Waqf Institution in Bogor City. This study has particular urgency, especially in the context of waqf management in Indonesia, which increasingly demands transparency and accountability. The implementation of PSAK 112 is an important step in ensuring that waqf funds are managed in accordance with Sharia principles and applicable accounting standards. However, without implementation that aligns with local conditions, the application of PSAK 112 in practice may become ineffective. This urgency is based on several factors: (1) the need to increase public trust; (2) the importance of effective waqf management; and (3) the local specificities of waqf institutions. Therefore, this study seeks to develop an implementation analysis that is not only consistent with PSAK 112 but can also be effectively applied by considering the local characteristics of the Millennial Waqf Institution in Bogor City. Through this research, it is expected that a realistic and applicable implementation model can be produced to address the various challenges faced by the Millennial Waqf Institution in Bogor City. In addition, this study is expected to provide a significant contribution to the development of the waqf accounting system in Indonesia, thereby supporting more professional and responsible waqf management.

2. Literature Review

The Concept and Management of Waqf in the Perspective of Islamic Economics

Waqf is one of the financial instruments in Islam used for social and humanitarian purposes. It is a form of worship in which an individual separates a portion of their wealth to become a collective asset whose benefits are utilized for the welfare of Muslims or society in general (Marsawal et al., 2021) . According to Law No. 41 of 2004 concerning Waqf, waqf is a grant made by an individual or legal entity for public benefit by separating part of their property and transferring its benefits to be used in accordance with the objectives of the waqf. Effective waqf management requires a transparent and accountable accounting system to ensure that endowed funds are properly managed. Waqf has a strong relationship with both Islamic law and national law, where Islamic law serves as the primary foundation for the implementation of waqf through specific principles and conditions that must be fulfilled for a waqf to be considered valid. Meanwhile, national or positive law functions as a regulatory framework governing the management and sustainable development of waqf with the aim of empowering the Muslim community's economy and creating a prosperous, just, and equitable society (Zaldi & Tanjung, 2023)

The object of waqf refers to endowed assets that may not necessarily stand alone and can be combined with other assets, as long as they qualify as waqf assets according to Islamic law and are suitable for endowment. Waqf is an act of worship with highly significant socio-economic aspects. In classical Islamic history, waqf played a crucial role in improving the welfare of the Muslim community, particularly in the fields of education, healthcare services, social services, public interest activities, religious affairs, and the development of knowledge and Islamic civilization as a whole (Veithzal Rizal Zainalal, 2016) . Waqf is also one of the most recommended acts of worship in Islam because its rewards continue to flow even after the donor (wakif) has passed away (Hidayat dkk., 2023) . Waqf is also recognized as a financial instrument within Islamic economics. Today, waqf is not only practiced in Muslim-majority countries but has also been adopted in developed countries with capitalist systems as a form of economic philanthropy (Gultom & Soemitra, 2022) .

Waqf accounting is a branch of social accounting aimed at recording and reporting transactions related to the management of waqf assets. Its primary function is to ensure transparency and accountability in the management of waqf assets so that public trust in waqf management institutions can be maintained. In practice, waqf accounting must comply with Islamic accounting principles such as honesty, justice, and social responsibility. Waqf is a donation made by an individual for public benefit in which ownership of the endowed property is considered to belong to Allah SWT, while its benefits remain accessible to the community (Faisal, 2021) . This indicates that waqf contains two important elements: the preservation of waqf assets and the sustainability of benefits for the beneficiaries.

In the modern context, waqf is not limited to immovable assets such as land and buildings but also includes movable assets such as money (cash waqf), shares, and even intellectual property. The diversification of waqf assets allows for the optimization of the benefits generated and enables waqf to contribute more broadly to economic development, particularly through financing social, educational, and healthcare activities. Furthermore, waqf accounting does not only function as a reporting tool but also as a managerial instrument that assists waqf managers in decision-making processes. This includes financial planning, asset management, and performance evaluation of waqf management. Thus, waqf accounting plays a strategic role in ensuring that waqf management is carried out efficiently and effectively in accordance with the objectives of Islamic law (maqāsid al-sharī'ah).

PSAK No. 112: Waqf Accounting Standards in Indonesia

PSAK No. 112, which came into effect on January 1, 2021, is an accounting standard regulating the recognition, measurement, and reporting of waqf accounting. PSAK 112 aims to ensure that the financial statements of waqf institutions provide relevant and reliable information regarding their financial position and performance. This standard regulates various aspects, including the recognition, measurement, and reporting of waqf assets, as well as the presentation of financial statements in accordance with Sharia principles (Damayanti dkk., 2023) .

The Statement of Financial Accounting Standards (PSAK) No. 112 was specifically developed to regulate the recording and reporting of waqf transactions in Indonesia. It was prepared by the Indonesian Institute of Accountants (IAI) in response to the need for accounting standards that accommodate the unique characteristics of waqf transactions. This standard provides guidelines regarding the recognition, measurement, presentation, and disclosure of waqf-related information in financial statements. The implementation of PSAK 112 is expected to improve the quality of financial reporting of waqf institutions and ensure that these reports meet the needs of stakeholders, including nazhir (waqf managers), wakif (waqf donors), and the broader community. PSAK 112 is also designed to enhance accountability and transparency in waqf management, which in turn is expected to increase public trust in waqf institutions. However, the implementation of PSAK 112 still faces several challenges. Many waqf institutions have not yet fully understood or implemented PSAK 112. This situation is caused by various factors, such as the lack of competent human resources in waqf accounting, limited technological infrastructure, and insufficient socialization and education regarding the importance of implementing PSAK 112. Therefore, more intensive efforts from various stakeholders are required to encourage the widespread and consistent implementation of PSAK 112.

Sources of Islamic Law in Waqf Management

Waqf is an integral part of Islamic law that functions as a socio-economic instrument aimed at improving the welfare of the Muslim community. The management of waqf in Islamic law refers to the primary sources of Islamic jurisprudence, namely the Qur'an, Hadith, Ijma' (consensus of scholars), and Qiyas (analogy). The Qur'an, as the primary source of Islamic law, provides the foundation for the concept of waqf, although the term "waqf" is not explicitly mentioned. Teachings regarding charitable acts and almsgiving, which form the core of waqf practice, can be found in many verses, such as Surah Al-Baqarah verse 261, which states:

مَثَلُ الَّذِي يَرْفُقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ مِائَةٌ حَبَّةٌ وَاللَّهُ يُضَعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَاسِعٌ عَلِيمٌ ﴿٢٦١﴾

"The example of those who spend their wealth in the way of Allah is like a seed that grows seven ears; in each ear are a hundred grains. Allah multiplies (the reward) for whom He wills, and Allah is All-Encompassing and All-Knowing."

Hadith also provides important guidance in waqf management. One of the most frequently cited hadith is narrated by Imam Muslim from Abu Hurairah, in which the Prophet Muhammad (peace be upon him) said: "When a person dies, his deeds come to an end except for three things: ongoing charity (sadaqah jariyah/waqf), beneficial knowledge, or a righteous child who prays for him." This hadith highlights the importance of waqf as a charitable act whose rewards continue even after the

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donor has passed away. Ijma', or the consensus of scholars, developed throughout Islamic history as a method for making decisions on matters not explicitly regulated in the Qur'an and Hadith. In the context of waqf, ijma' can be observed in the widespread acceptance of waqf as a legitimate institution and in the development of regulations regarding how waqf should be managed, including the utilization of waqf funds for public benefit. Qiyas, or analogy, is a deductive method in Islamic law used to develop new rulings for matters not explicitly addressed in primary sources. In the context of waqf, qiyas can be used to determine how general Sharia principles are applied to modern waqf management, including issues related to accounting practices and transparency.

Current Conditions of Waqf Accounting Implementation

The implementation of waqf accounting based on PSAK 112 has become a focus of research and discussion in recent years. A study by (Syamsul Bahri & Risqoh Al Rieza, 2023) shows that many waqf institutions in Indonesia face challenges in implementing PSAK 112, particularly due to limited human resources and insufficient understanding of accounting standards. On the other hand, research by (Tripalupi dkk., 2024) indicates that the implementation of PSAK 112 can enhance the transparency and accountability of waqf institutions when supported by adequate training and technological infrastructure. Research conducted by (Dewi & Amrizal, 2023) identified that the lack of understanding of Sharia accounting principles and limitations in information systems constitute the main obstacles in implementing PSAK 112. Furthermore, a study by (Nawirah & Fikri, 2022) emphasizes the importance of developing implementation models that align with the local characteristics of waqf institutions to ensure that PSAK 112 can be applied effectively across various contexts.

Current academic discourse on PSAK 112 reveals a systemic tension between the standardized requirements for financial transparency and the varied operational capacities of nazhir institutions. While proponents argue that the framework is vital for establishing global accountability and attracting institutional donors (Huda, N., Rini, N., & Anggraini 2022), empirical evidence suggests a significant disparity in implementation; large organizations often thrive under these regulations while smaller, traditional entities face severe technical hurdles (Budiman 2013). This inconsistency underscores a debate regarding whether the standard acts as a catalyst for professionalization or a barrier to entry for local waqf managers (Rusydia 2016). Furthermore, existing studies remain divided on the correlation between accounting compliance and actual asset productivity, leaving a gap in understanding the functional relationship between transparency and economic impact (Widodo et al. 2023).

This research bridges these conflicting perspectives by introducing an integrated analytical model that reconciles regulatory rigor with practical institutional constraints. Unlike previous scholarship that focuses heavily on either normative compliance or descriptive challenges, this study proposes a socio-technical framework designed to automate reporting while simultaneously addressing the professionalization of nazhir (Suarni, A., & Fachri 2024). By synthesizing these disparate elements, the study moves beyond traditional debates to offer a proactive solution for modernizing waqf governance. This approach effectively clarifies the academic contribution by providing a middle ground between theoretical ideals and the grassroots reality of Islamic social finance management.

3. Methodology

This study employs a descriptive research design using qualitative data (Cole 2024). The research aims to provide a detailed description and factual explanation of the implementation of waqf accounting recording based on PSAK 112 at the Millennial Waqf Institution in Bogor City. Through this approach, the study seeks to explore how the accounting standards are applied in practice and to identify the challenges encountered during the implementation process (DEWI 2022). The respondent in this research is the Chief Executive Officer (CEO) of the Millennial Waqf Institution in Bogor City. The CEO was selected as the key informant because of their strategic role in organizational management and their direct involvement in the financial management and policy implementation of the institution. This study employs a purposive sampling strategy to ensure a comprehensive understanding of PSAK 112 implementation by involving a diverse range of key informants. To achieve data triangulation and a holistic perspective, the informant base is extended beyond executive management to include financial staff, dedicated accountants, and frontline nazhirs who are directly responsible for the daily administration of waqf assets. Financial staff and accountants provide critical technical insights into the practical challenges of asset recognition and measurement under the new standard, while nazhirs offer a grounded view of operational constraints and the socio-religious nuances of asset management. By engaging these various stakeholders, the research captures the multi-layered reality of accounting adoption, from high-level policy compliance to granular technical execution.

The inclusion of these additional informants facilitates a more rigorous analysis of the "readiness-compliance gap" often cited in Islamic social finance literature. Data collection involves semi-structured interviews and field observations, allowing for a comparative analysis of perspectives across different organizational levels. For instance, while management may focus on institutional reputation, financial practitioners can identify specific bottlenecks in the standardized reporting software or valuation processes. This multi-informant approach ensures that the resulting model is not only theoretically sound but also practically viable, as it incorporates the lived experiences and technical expertise of those at the center of the waqf accounting ecosystem.

The data collection techniques used in this research consist of interviews and observations (Tomaszewski, Zarestky, and Gonzalez 2020). Interviews were conducted in-depth with the respondent to obtain comprehensive information regarding the implementation of waqf accounting practices based on PSAK 112 (Lim 2024). Meanwhile, observations were carried out to examine the actual practices of financial recording and reporting within the institution.

The data analysis technique applied in this study follows three main stages:

1. Data Reduction

This stage involves summarizing the collected data, selecting the most relevant information, focusing on important aspects, identifying themes and patterns, and eliminating unnecessary data.

2. Data Presentation

In qualitative research, data are generally presented in the form of narrative text. This step organizes the reduced data systematically so that relationships between findings can be clearly understood.

3. Conclusion Drawing

At this stage, preliminary conclusions are formulated based on the analyzed data. These conclusions are supported by valid and consistent evidence obtained when the researcher returns to the field to collect additional data. Therefore, the conclusions presented in this study are considered credible and reliable.

4. Results And Discussion

Implementation of PSAK 112 Practices

The findings of this study indicate that the implementation of waqf accounting based on PSAK 112 at the Millennial Waqf Institution in Bogor City reflects varying levels of understanding, institutional readiness, and practical application. In terms of conceptual understanding, most managers within the institution still possess limited knowledge of PSAK 112. Only a small proportion of managers clearly understand the content, objectives, and technical provisions of the standard, particularly those who have an educational background in accounting. For many waqf managers, waqf accounting is still perceived as complex and not entirely relevant to their daily operational activities. This perception contributes to a relatively slow adoption of standardized accounting practices. The limited level of understanding also reflects the broader challenge faced by many waqf institutions in Indonesia, where accounting standards are often introduced without sufficient institutional preparation or systematic training.

Institutional Readiness for the Implementation of PSAK 112

The level of institutional readiness at the Millennial Waqf Institution in Bogor City shows moderate progress, although it remains uneven. Institutions that already possess more formal management structures tend to demonstrate greater readiness to adopt PSAK 112 and have begun the implementation process. Nevertheless, the implementation is still accompanied by several constraints, particularly related to limited human resources and technological infrastructure. The availability of personnel with accounting expertise remains limited, which affects the accuracy and consistency of financial reporting. In addition, technological support systems that facilitate standardized financial recording and reporting are not yet fully developed. Consequently, while the institution has initiated steps toward compliance with PSAK 112, the process of full implementation still requires further institutional strengthening.

Implementation of Recording and Reporting Practices

In terms of practical implementation, the Millennial Waqf Institution in Bogor City has started to adopt PSAK 112 in its financial management practices. This development can be seen from improvements in the recording and reporting of waqf-related transactions. Waqf assets are now recorded in a more detailed manner, while income and expenditures are documented more systematically. Financial reports have also become more transparent compared to previous practices. These developments represent an important step toward improving institutional accountability and transparency. However, despite these improvements, the implementation of PSAK 112 has not yet been fully optimized. In particular, some aspects of reporting such as detailed disclosure of waqf benefits and the systematic classification of waqf assets are still not consistently applied. As a result, financial reporting practices still vary and have not fully achieved the level of standardization envisioned by PSAK 112.

Challenges in the Implementation of PSAK 112

Several key obstacles have been identified in the implementation of PSAK 112 within the institution. One of the most significant challenges is the limited availability of training and educational programs related to waqf accounting. Many managers have not received adequate

professional training regarding the technical aspects of PSAK 112, resulting in gaps in knowledge and practical application. Another major challenge relates to technological limitations. Most waqf institutions do not yet possess integrated information technology systems capable of supporting financial recording and reporting in accordance with the standard. Additionally, human resource constraints remain a fundamental issue. Many institutions do not have staff members with specialized expertise in accounting, which leads to financial records being maintained manually and often with limited accuracy and consistency. These limitations collectively slow the process of institutional adaptation to standardized accounting frameworks.

The Need for Education, Institutional Support, and Policy Strengthening

The limited level of awareness and understanding regarding PSAK 112 indicates the urgent need for broader educational and socialization initiatives. PSAK 112 was specifically designed to strengthen transparency and accountability in waqf management, which should become a fundamental priority for waqf institutions. Therefore, it is important for the government, the Indonesian Waqf Board (Badan Wakaf Indonesia/BWI), and other waqf organizations to organize more training programs, seminars, and workshops aimed at improving institutional understanding of waqf accounting standards. Differences in readiness among waqf institutions also suggest the necessity of differentiated support strategies. Larger institutions may benefit from professional consultations, technical assistance, or financial audits to ensure compliance with PSAK 112, while smaller institutions may require more basic support such as simplified accounting tools and foundational training in financial management.

Benefits of Implementing PSAK 112

For institutions that have begun implementing PSAK 112, several benefits have already emerged. One of the most important benefits is the increased level of trust from the public and donors. Transparent financial reporting enhances the credibility of waqf institutions and strengthens their legitimacy in managing public funds. Additionally, the implementation of PSAK 112 contributes to greater efficiency in managing waqf assets, as standardized accounting practices enable institutions to track assets and benefits more systematically. By recording and reporting waqf transactions in a structured and transparent manner, institutions are better able to demonstrate accountability to stakeholders, which ultimately supports the sustainability of waqf programs and initiatives.

Theoretical Implications of the Findings

From the perspective of accounting theory and waqf management, the findings of this study provide a nuanced understanding of the readiness and challenges faced by the Millennial Waqf Institution in Bogor City in adopting PSAK 112. Overall, the limited understanding among waqf managers aligns with previous research findings suggesting that the introduction of new accounting standards often encounters resistance, particularly in organizations with limited resources. This result also supports the theory of technological and organizational adaptation, which emphasizes that the adoption of new systems is strongly influenced by users' knowledge and their perception of the benefits associated with the innovation. Institutions with greater access to human resources and technological infrastructure demonstrate stronger capacity to implement accounting standards effectively. These findings are consistent with existing literature that highlights the importance of organizational capacity in adopting innovations, especially in institutions responsible for managing social and religious assets such as waqf.

Practical Implications for Waqf Institutions

Despite the challenges, the implementation of PSAK 112 at the Millennial Waqf Institution in Bogor City demonstrates promising potential to enhance transparency and accountability in waqf management. Institutions that have begun applying the standard show measurable improvements in financial documentation and reporting practices. These developments indicate that standardized accounting frameworks can significantly contribute to professionalizing waqf management. Consequently, coordinated efforts among the government, BWI, and waqf institutions are required to strengthen the implementation process. Such efforts may include expanded educational initiatives, improved technological infrastructure, and stronger regulatory frameworks. Through these measures, waqf management in Indonesia can gradually become more professional, accountable, and capable of generating greater socio-economic benefits for the broader community.

Research Limitations

Although this study provides valuable insights into the implementation of PSAK 112 in a waqf institution, several limitations must be acknowledged. One of the primary limitations relates to the scope of the research sample. The study focuses exclusively on the Millennial Waqf Institution in Bogor City, which limits the generalizability of the findings to other waqf institutions across Indonesia. Furthermore, methodological limitations also exist, particularly due to the reliance on interviews and observational data. Since these methods depend heavily on the perceptions and experiences of respondents, the findings may reflect subjective interpretations that could influence the overall conclusions.

Recommendations for Future Research

Based on these limitations, future research should expand the geographical scope of investigation by including waqf institutions from various regions of Indonesia. Such an approach would allow for a more representative understanding of the challenges and successes associated with the implementation of PSAK 112. Future studies may also adopt more diverse methodological approaches, such as quantitative research involving large-scale surveys to measure institutional understanding and readiness more objectively. Additionally, the integration of digital technology and advanced accounting information systems deserves further exploration, given their potential to improve efficiency and accuracy in waqf financial management. Future research could also examine the influence of government regulations and macroeconomic policies on the implementation of PSAK 112, as well as how waqf institutions adapt to evolving regulatory frameworks.

Social and Ethical Implications

The findings of this study also highlight significant social and ethical implications related to the digital transformation of waqf accounting practices. The adoption of transparent and accountable accounting standards has the potential to increase public trust in waqf institutions, which may encourage greater participation in philanthropic activities. However, the increasing use of digital systems in financial recording and reporting also introduces new ethical challenges. For example, digital accounting systems may expose institutions to risks related to data privacy and cybersecurity, which must be carefully managed to ensure that sensitive financial information is protected. Moreover, reliance on digital technologies may create a digital divide, where institutions with limited financial and technological resources struggle to keep pace with more advanced

organizations. Therefore, policymakers and waqf managers must carefully consider these ethical and social implications when designing strategies for implementing PSAK 112. By addressing these issues, waqf institutions can ensure that technological innovation supports the broader goals of transparency, accountability, and social welfare in waqf management.

The empirical findings of this study provide a nuanced extension to the existing discourse on waqf governance and Islamic accounting. By aligning the observed implementation challenges of PSAK 112 with the principles of amanah (trustworthiness) and maslahah (public interest), this research reinforces the argument that accounting standards in Islamic institutions serve as more than mere technical tools; they are instruments of religious and social accountability. Specifically, the results mirror the patterns identified in broader Islamic accounting literature, which suggests that the successful adoption of Sharia-compliant standards is heavily dependent on the "spiritual professionalization" of management. This direct comparison with previous studies on Good Waqf Governance (Huda, N., Rini, N., & Anggraini 2022) highlights that while PSAK 112 provides the necessary legal framework, its effectiveness is contingent upon bridging the gap between sacred intent and professional financial execution.

Furthermore, placing these results within the context of non-profit financial management reveals a significant convergence with global trends in third-sector transparency. The difficulties identified in this research regarding asset valuation and reporting consistency resonate with the broader challenges faced by non-profit organizations in balancing mission-driven activities with rigorous financial scrutiny. By comparing these empirical outcomes with established theories in non-profit management such as resource dependency and stakeholder theory the study demonstrates that waqf institutions are undergoing a transition similar to global NGOs, moving toward a "managerialist" approach. This positioning confirms that the evolution of waqf accounting is not an isolated phenomenon but is part of a wider academic discourse seeking to reconcile religious values with modern financial sustainability and global auditing standards.

Conclusion

This study concludes that the implementation of PSAK 112 concerning waqf accounting at the Millennial Waqf Institution in Bogor City is still in its early stage and faces a number of significant challenges as well as opportunities. The limited understanding of the accounting standards, constraints in human resources, and inadequate technological infrastructure represent the main barriers to effective implementation. These factors collectively affect the institution's capacity to fully adopt standardized accounting practices in managing waqf assets. Despite these challenges, waqf institutions that have begun implementing PSAK 112 demonstrate noticeable improvements in transparency and accountability in waqf management. The application of standardized accounting practices enables institutions to record and report waqf assets and transactions in a more systematic and reliable manner. This improvement has the potential to strengthen public trust and encourage greater community participation in waqf activities. The findings of this study highlight that organizational readiness, managerial understanding, and institutional capacity are critical determinants of the successful implementation of accounting standards within waqf institutions. Overall, this research contributes to the development of the literature on Islamic accounting and waqf management by providing empirical insights into the dynamics of implementing accounting standards within religious and philanthropic institutions. The study also emphasizes the importance of institutional adaptation and capacity building to ensure that accounting standards such as PSAK 112 can be applied effectively and sustainably.

Recommendations

One important recommendation is the need to strengthen socialization and training programs related to PSAK 112. Waqf institutions and relevant authorities should intensify efforts to disseminate knowledge about the standard in order to improve institutional understanding and practical implementation. Collaborative initiatives with universities, professional accounting associations, and training institutions could facilitate the development of continuous and accessible educational programs for waqf managers.

Another recommendation concerns the strengthening of technological infrastructure and human resource capacity within waqf institutions. Institutions are encouraged to develop and adopt information technology systems that support financial recording and reporting in accordance with PSAK 112. At the same time, the development of human resource competencies particularly in the areas of accounting and digital technology should become a strategic priority to ensure the effective implementation of the standard. Further research is also recommended to expand the scope of investigation regarding the implementation of PSAK 112. Future studies should involve broader geographical coverage and employ diverse research methodologies in order to obtain a more comprehensive understanding of waqf accounting practices across Indonesia. Such research could also explore the influence of government regulations, institutional governance, and technological development on the implementation of waqf accounting standards.

In addition, ethical considerations must be carefully addressed when adopting digital technologies to support waqf financial recording and reporting. Waqf institutions should ensure that digital systems protect data privacy and maintain information security. Policymakers and institutional leaders must also consider the potential risks of digital inequality, ensuring that smaller institutions with limited resources are not excluded from technological developments. Inclusive implementation strategies are therefore essential to ensure that all waqf institutions, regardless of their size or capacity, are able to adopt PSAK 112 effectively. These conclusions and recommendations are expected not only to provide strategic guidance for waqf institution managers but also to enrich academic discussions on Islamic accounting and waqf governance. Furthermore, they aim to encourage the adoption of best practices in the implementation of accounting standards within religious and philanthropic institutions.

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