



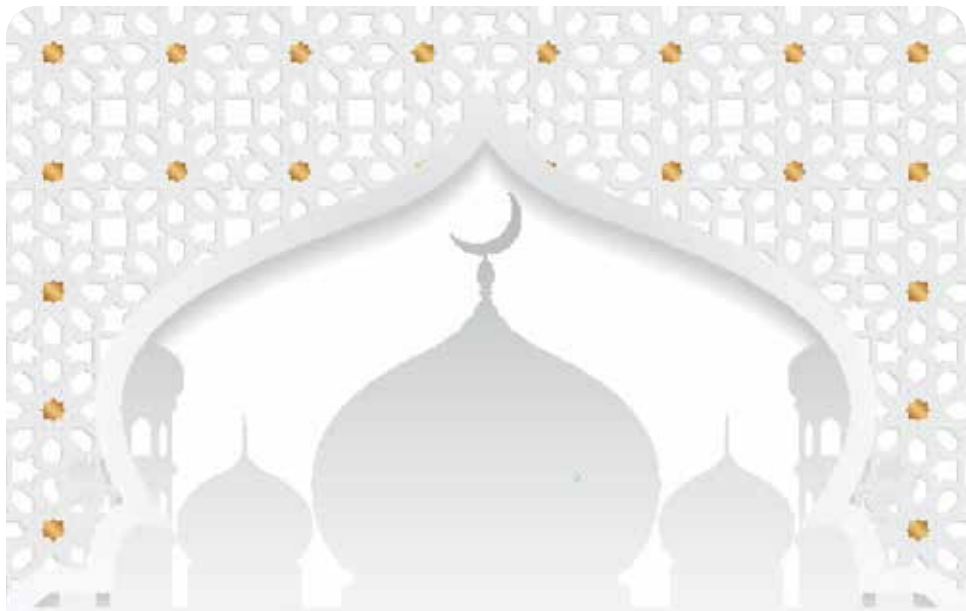
# **HIDAYA**

## **FOUNDATION**

P.O. BOX 5481, Santa Clara, CA 95056 | 1.866.2HIDAYA | [www.hidaya.org](http://www.hidaya.org)

# **A Practical Guide for Calculating Zakat**





In the name of Allah, the Entirely Merciful, the Especially Merciful.

And perform As-Salat (Iqamat-as-Salat), **and give Zakat** and obey the Messenger (Muhammad, peace be upon him) that you may receive Mercy (from Allah). [Al-Qur'an 24:56]

Narrated by Ibn 'Umar: Allah's Apostle (Peace Be Upon him) said: Islam is based on (the following) five (principles): To testify that none has the right to be worshipped but Allah and Muhammad is Allah's Apostle; to offer the (compulsory congregational) prayers dutifully and perfectly; **to pay Zakat (i.e. obligatory charity)**; to perform Hajj. (i.e. Pilgrimage to Makkah), and to observe fast during the month of Ramadan. [Sahih Al-Bukhari, Vol.1, Book 2, No.7]

### The Purpose of "A Practical Guide for Calculating Zakat"

Given the fact that worldwide poverty is rampant, combined with the realization that the majority of Muslims today don't properly know how to calculate their Zakat (especially given the new forms of income that were not prevalent in the past), Hidayah Foundation took the challenge to consult with scholars and come up with this practical guide to help Muslims fulfill this religious obligation and the rights of the poor.

*With regards to calculations (and specific information throughout this document), we have followed the Hanafi school of thought. Information on other schools of thought may be found by researching Fiqh (Islamic Jurisprudence) books, or consulting scholars.*

---

# Table of Contents

---

## **1 - Basic Zakat Terminology**

- 1.1 - What is Zakat?
- 1.2 - What are Zakatable Assets?
- 1.3 - What are Zakatable Liabilities?
- 1.4 - What are Non-Zakatable Assets?
- 1.5 - What are Non-Zakatable Liabilities?
- 1.6 - What is Hawl?
- 1.7 - What is Nisab?

## **2 - How to Determine Nisab**

- 2.1 - Nisab for Gold and Silver
- 2.2 - Nisab for Cash
- 2.3 - Nisab for other Assets

## **3 - Practical Examples of How to Calculate Zakat**

- 3.1 - Zakat Calculation for a Person Whose Assets Have Just Reached Above Nisab
- 3.2 - Zakat Calculation for a Person Whose Assets Increased Just Before Their Zakat was Due
- 3.3 - Zakat Calculation for a Person Whose Assets Have Been Above Nisab for Several Years, but Has Not Properly Given Zakat

## **4 - Frequently Asked Questions About Zakat**

- 4.1 - How Should You Give Zakat?
- 4.2 - Who Should Receive Zakat?
- 4.3 - Which Relatives Can and Can Not Receive Zakat?
- 4.4 - What if Every Muslim Gave Zakat and it was Distributed Properly?

## **5 - Hidayah Foundation and Zakat**

- 5.1 - Hidayah Foundation's Mission
- 5.2 - How Does Hidayah Distribute Zakat?
- 5.3 - Help the Poor By Educating Fellow Muslims About Zakat, and Be Part of Sadaqah Jariah

## **6 - References**

## 1.1 - What is Zakat?

The literal meaning of Zakat is “to purify, to grow, and to increase.” It is an obligatory act of charity ordained by Allah, Subhanahu Wa Ta’ala (The Glorified and Exalted), to be performed by every Muslim who possesses a certain minimum amount of wealth/assets (called Nisab) for a complete Hijri lunar year cycle (called Hawl). It is an act of worship (ibadah) and not a tax.

Zakat is owed on specific assets only, identified by Islamic Law as assets having the potential for growth, called “Zakatable Assets.”

Zakat is the compulsory transfer of ownership of a portion of the wealth of the giver, calculated at the rate of 2.5%, to poor and deserving Muslims who qualify to receive Zakat according to Islamic Law.

Zakat is calculated on the total market value of all Zakatable Assets after deducting all Zakatable Liabilities.

## 1.2 - What are Zakatable Assets?<sup>1</sup>

Assets which have the potential to grow are Zakatable Assets.

**Assets on which Zakat was due during the early Islamic Era and are still applicable include:** gold, silver, business merchandise inventory, livestock, agricultural produce, buried precious metals or minerals (rikaz), profits from investments, accounts receivable, real estate business investment inventory (acquired for gain).

---

1. Please keep in mind that any financial transaction that involves interest is considered unlawful (haram) in Islam. Muslims must be very careful to avoid such financial dealings in order to please Allah (SWT) and to keep their wealth purified and blessed.

“Allah will destroy Riba (usury) and will give increase for Sadaqat (deeds of charity, alms, etc.) And Allah likes not the disbelievers, sinners.” [Al-Qur’an 2:276]

“O you who have believed, fear Allah and give up what remains [due to you] of interest, if you should be believers. And if you do not, then be informed of a war [against you] from Allah and His Messenger. But if you repent, you may have your principal - [thus] you do no wrong, nor are you wronged.” [Al-Qur’an 2:278-279]

**Assets on which Zakat is due today which were not prevalent in the past include:** cash, cryptocurrencies, stocks, mutual funds, stock options, employee stock purchase plan, private companies, corporations and partnerships, retirement and education plans (401K, IRA, 529 etc.), real estate business investments in property owning companies, trusts, lump sum payments in terms of compulsory pension and provident funds, severance packages, income-tax refund.

## 1.3 - What are Zakatable Liabilities?

Any liabilities on Zakatable Assets are called Zakatable Liabilities, and one should deduct their value from their total Zakatable Assets. For example, the amount owed for acquired gold or silver jewelry, or borrowed money which you have to return are both examples of Zakatable Liabilities.

## 1.4 - What are Non-Zakatable Assets?

Any possessions that are not of productive nature, even if they exceed one's needs are Non-Zakatable - provided they are not intended for business gain/profit. This can include such assets as: cars, utensils, furniture, homes not used for business purposes (such as a house one lives in, etc).

Lastly, if one's total Zakatable Assets are below the value of Nisab, all their assets will be Non-Zakatable.

## 1.5 - What are Non-Zakatable Liabilities?

Liabilities due on Non-Zakatable Assets are called Non-Zakatable Liabilities. Non-Zakatable Liabilities can not be deducted from Zakatable Assets. Examples of Non-Zakatable Liabilities include: a loan on the house one lives in, a loan on a car one uses for transportation, liabilities which one must pay back, etc. Because one does not pay Zakat on the house they live in, or the car they drive - then they can not deduct the money owed on such things from their total Zakatable Assets.

1.6 - What is Hawl?

The passing of one full lunar year cycle under the Hijri calendar is called Hawl.

1.7 - What is Nisab?

The minimum amount of Zakatable Assets which makes one liable to pay Zakat is called Nisab. In other words, any person who possesses this minimum amount of assets, or Nisab, for one Hijri lunar year

cycle (hawl) is obligated to pay Zakat. Similarly, if one does not have Nisab in their possession for the entire Hijri lunar year cycle, even if for just one day - they do not have to pay Zakat and are actually eligible to receive Zakat.

Nisab is nothing but a yardstick to find out who should pay Zakat and who should not. *It has no effect in calculating a person's Zakat.*

2 - How to Determine Nisab

2.1 - Nisab for Gold and Silver:

According to hadith, Nisab can be according to the value of 20 dinar/20 mithqal of gold (approx. 87.49 grams), or 200 dirhams/5 awaq of silver (approx. 613.35 grams).<sup>2</sup>

	Nisab	Grams	Ounce	Troy oz.
Gold	20 dinar/20 mithqal	87.49	3.086	2.8125
Silver	200 dirham/5 awaq	613.35	21.635	19.6875

• To find out the value of 87.49 grams of gold or 613.35 grams of silver, one must first find out the current value of gold or silver in the fluctuating international market which can be found at [www.goldprice.org](http://www.goldprice.org). For example, on NY spot gold and silver markets, **on February 5, 2025:**

- The price of gold was approximately \$91.44/gram. Therefore, the **Nisab for gold was approximately \$8,000** (\$91.44/gram x 87.49 grams).
- The price of silver was approximately \$1.03/gram. Therefore, the **Nisab for silver was approximately \$635** (\$1.03/gram x 613.35 grams).

If a person has wealth of nothing else but gold, then Nisab will be calculated according to the Nisab of gold, similarly for silver. But if a person has wealth comprising of gold, silver, cash, and other Zakatable Assets, in that case for calculating one's Nisab - scholars have different opinions on whether one should use the price of gold or silver. The opinion of the majority of Hanafi scholars is that Nisab should be according to the value of silver so more poor people may benefit.

2.2 - Nisab for Cash:

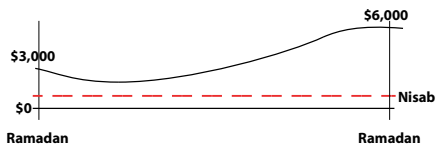
- The Nisab for cash is equivalent to the Nisab of gold or silver, whichever is less (per scholars), in order to benefit more Zakat recipients. During the early Islamic Era, the value of Nisab for 20 dinar/20 mithqal (87.49 grams) of gold was equal to the Nisab for 200 dirhams/5 awaq (613.35 grams) of silver. Over the last 1400 plus years, there has become a big difference between the two.
- Presently, the Nisab of silver is less, so Zakat on cash can be calculated according to the Nisab of silver, which on February 5, 2025, was **approximately \$635**.

2.3 - Nisab for other Assets:

- Nisab for business merchandise should be converted into cash, and dealt with similar to how cash is dealt with.
- Nisab for agriculture products including wheat, barley, dry dates, dry raisins, rice, lentils, etc. is estimated at approximately 900 kg or 5 awsaq (1 wasq = 60 sa, 1 sa = 3 kg).

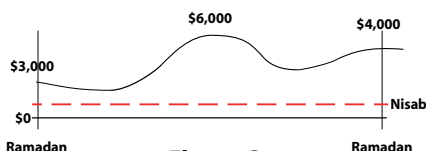
## 3 - Practical Examples of How to Calculate Zakat

### 3.1 - Zakat Calculation for a Person Whose Assets Have Just Reached Above Nisab:



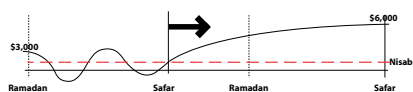
**Figure 1**

In this graph, \$3,000 is the amount of wealth owned in Ramadan. This amount exceeds Nisab (calculated according to the Nisab of silver.) During the year it decreases but does not go below Nisab, and then increases to \$6,000. In this case, Ramadan will be counted as the beginning of the relevant lunar year and Zakat will be due on the amount of wealth in possession during next Ramadan, which is \$6,000.



**Figure 2**

In this graph, \$3,000 is the amount of wealth owned in Ramadan. This amount exceeds Nisab (of silver). During the year the amount decreases, then increases to \$6,000. Then, wealth decreases again before increasing to \$4,000. Despite these fluctuations, the amounts do not go below Nisab. Hence, the relevant Zakat year will begin in Ramadan and Zakat will be due on the amount of wealth in the next Ramadan, which is \$4,000.



**Figure 3**

In this graph, \$3,000 is the amount of wealth owned in Ramadan, which exceeds Nisab (of silver). During the year it fluctuates, sometimes going below or above Nisab. The individual's relevant lunar year however only begins once the wealth goes above Nisab in the month of Safar and remains above that for one complete year until next Safar. Hence, Zakat will be due in Safar on the complete amount, which is \$6,000.

- A person who has just started earning or has acquired some Zakatable Assets as a gift should note down the date and month of the Islamic calendar year once their assets reach Nisab. This date will be the starting point of the Hijri lunar year cycle, in which Zakat would be due after the completion of one year from that date. (See Figures 1 and 2)

- If this person's Zakatable Assets stay above Nisab for an entire Hijri lunar year, then Zakat is due on the total amount that same Hijri date one lunar year later, regardless of any increase or decrease during the year. The cash value of all Zakatable Assets in their possession at that time should be calculated, and 2.5% of that value should be given as Zakat.<sup>3</sup> (See Figure 2)

- If this person's Zakatable Assets falls below Nisab at any time during the Hijri lunar year, then the year cycle will restart only after their assets again reach the value of Nisab. They should again note down the date and month of the Islamic calendar year which their assets reached Nisab, and this date will be the new starting point of the Hijri calendar year in which Zakat will be due at the end. (See Figure 3)

#### Example 1:

Abdullah is 18 years old and he has just recently started working at his first job. On Jan 25, 2025 (Rajab 25, 1446) after receiving his pay check, he has accumulated \$800, which is above the Nisab (of silver of that day). Therefore, he notes down the Islamic month and date as per the Hijri calendar (Rajab 25, 1446) to mark the starting date of

3. Narrated Anas: When Abu Bakr sent me to (collect the Zakat from) Bahrain, he wrote to me the following . . . For silver the Zakat is one-fortieth of the lot (i.e. 2.5%), and if its value is less than two-hundred Dirhams, Zakat is not required, but if the owner wants to pay he can. [Sahih Al-Bukhari, Vol. 2, Book 24, Hadith 534]

the Hijri lunar year at which Zakat will be due at the end. If Abdullah's total accumulated cash and other Zakatable Assets remain above the level of Nisab for the entire Hijri lunar year, he will owe Zakat on the total Zakatable Assets in his possession on Rajab 25, 1447.

Let's suppose that on March 7, 2025 (Ramadan 7, 1446), Abdullah has accumulated \$1500. In order to get to and from work more easily, he buys a car for \$1300, leaving him with only \$200 in his possession. The car is a Non-Zakatable Asset, because it has no growth potential. Considering the \$200 cash (which is now below the level of Nisab) is his only Zakatable Asset, he no longer has to pay Zakat on Rajab 25, 1447. Instead, once Abdullah again accumulates cash at or above Nisab, he should again note that date to pay Zakat on his total Zakatable Assets one Hijri lunar year from that date. In the mean time, until that year is over, Abdullah is not liable to pay Zakat (obligatory charity) but he can pay Sadaqah (non-obligatory charity) as much as he likes.

### **Example 2:**

Aaminah is 16 years old. She has two gold earrings and a gold necklace with a

locket, all of which is worth about \$400. On February 5, 2025 (Sha'ban 6, 1446), her parents gave her \$200 for acquiring good grades and her aunt also gave her \$200 for completing some chores at her house. With this \$400 in cash, and \$400 in gold, Aaminah now has Zakatable Assets worth \$800, which is above Nisab (of silver). So she notes down Sha'ban 6, 1446, knowing that if she stays above Nisab for a Hijri lunar year, she will owe Zakat on Sha'ban 6, 1447.

Let's suppose about a month and half later, on March 27, 2025 (Ramadan 27, 1446), Aaminah gives \$500 in Sadaqah (non-obligatory charity) to Hidayah Foundation to help orphan children. This leaves her with total Zakatable Assets of \$300, which is less than the Nisab (of that day), hence she will no longer have to pay Zakat on Sha'ban 6, 1447. Instead, once Aaminah again accumulates Zakatable Assets at or above the level of Nisab, she should again note that date as the beginning of the Hijri lunar year before Zakat is due on her total Zakatable Assets a year from that date (so long as her total Zakatable Assets stay above Nisab).

## **3.2 - Zakat Calculation for a Person Whose Assets Increased Just Before Their Zakat was Due:**

### **Example 3:**

Ali is 35 years old and a successful salesman for a tech-company in Silicon Valley. Allah (SWT) has blessed him in his income and his assets have been above Nisab since he started working out of college more than 10 years ago. Ali likes to pay his Zakat every year on the 27th of Ramadan.

This year, ma shaa Allah, Ali was awarded a commission check from his

job for \$50,000 on Ramadan 10th, bringing his total Zakatable Assets from \$100,000 to \$150,000 just before the time he is supposed to pay his Zakat. Even though he has only had that \$50,000 for a short time, it still falls within the period of the last Hijri lunar year. Therefore, Ali should pay Zakat on the full \$150,000, and in shaa Allah, Allah would purify his assets and bless them for him.

### 3.3 - Zakat Calculation for a Person Whose Assets Have Been Above Nisab for Several Years, but Has Not Properly Given Zakat:

- A well-off person whose Zakatable Assets are consistently above the Nisab does not have to note down the date and month of their assets reaching the Nisab level, as Allah (SWT) has Blessed them with plentiful wealth. Instead, they should immediately pay for the last year, and remember that date on the Hijri calendar, and pay Zakat on their total Zakatable Assets on that same date each Hijri calendar year.

- If for whatever reason, a person owes Zakat from the past several years due to not paying it properly or not paying it at all, scholars of Hanafi school of thought say that such people should put their best effort to calculate all Zakat from previous years that they owe and pay it off as soon as possible to complete their obligation towards Allah (SWT) and the rights of the poor.<sup>4</sup> In case it is difficult to pay off the past years of Zakat due to whatever reason and the person can not do so in their lifetime - it is necessary (wajib) to add what they owe of Zakat to their will, and it should be paid to the deserving from their estate before distribution among heirs.

There is another more lenient opinion by other scholars in which such people should repent and regret their actions of not paying Zakat in the past and only pay Zakat that year, and each year thereafter (on that same Hijri date). However, this person should give as much sadaqah as they can.

#### Example 4:

Ahmad is 45 years old and has a wife and three children. With the Blessings of Allah (SWT), he has been steadily employed for 23 years in a good job and

has always possessed far more than the Nisab all those years. He is very kind and has always given Sadaqah (non-obligatory charity), but never really had a clear understanding about Zakat (obligatory charity) and that it has to be calculated properly and given first before any other kind of charity. While he was giving charity, he never made the intention for giving Zakat, and therefore never calculated to make sure that he was paying the proper 2.5% of his total Zakatable Assets.

Recently Ahmad received "A Practical Guide for Calculating Zakat" from Hidayah Foundation and it encouraged him to sit and calculate his Zakatable Assets. When doing so, he found that his Zakatable Assets are worth \$200,000, which is far above Nisab, and for the last 23 years his Zakatable Assets have always been above Nisab. First of all, Ahmad should repent for his past wrong actions (make tawbah), then he should immediately pay Zakat of 2.5% on his current \$200,000 of Zakatable Assets, which equals \$5000, and continue paying his Zakat every lunar year on that Hijri date henceforth. If he follows the opinion mentioned above of scholars from Hanafi school of thought, he would additionally do his best to calculate how much he had to pay for the past 23 years which he did not pay, and make a plan to pay it off during his life time in shaa Allah. If for some reason he is in a bind and can not do so, then he should add the amount of owed Zakat to his will, and that unpaid amount should be taken from his estate and given to the deserving before distribution among his heirs.

4. Ibn 'Abbas reported: A woman came to the Messenger of Allah (PBUH) and said: My mother has died, and fasts of a month are due from her. Thereupon he (PBUH) said: Don't you see that if debt was due from her, would you not pay it? She said: Yes (I would pay on her behalf.) Therupon he said: The debt of Allah deserves its payment more than (the payment of anyone else). [Sahih Muslim, Book 6, No. 2554]

## Table A: Zakatable Assets Calculation

Assets	Total (\$)	Assets subject to Zakat (\$)	Assets exempt from Zakat (\$)
Gold and Silver (metal, excluding jewels)		✓	
Cash on hand and at bank		✓	
Stocks, Mutual Funds, Cryptocurrency (at market value)		✓	
Stock Options		✓	
Business Merchandise Inventory		✓	
Private Companies, Corporations and Partnerships		✓	
Retirement plans, 401K/IRA/etc.		✓	
Real Estate Investment (as business merchandise inventory, e.g. 2 houses)		✓	
Immovable property acquired for investment (and not to resell), whether company owned or privately owned	N/A		X
Accounts Receivable		✓	
Profits from Investment		✓	
Trusts (yearly amount)		✓	
Severance Package		✓	
Loan account in companies - amount of income credited To loan account (excluding capital introduced)		✓	
House (which you live in)	N/A		X
Furniture and household effects	N/A		X
Motor vehicles	N/A		X
Diamonds and precious stones (not for business)	N/A		X
Plant, machinery and fixtures and fittings	N/A		X
Trade debtors		✓	
Stamp collection	N/A		X
Paintings	N/A		X
Loan debtors		✓	
Pledges, Deposits	N/A		X
<b>TOTAL ASSETS</b>			

## Table B: Zakatable Liabilities Calculation

Liabilities	Total (\$)	Deductible (\$)	Non-Deductible (\$)
Home Loan Payment	N/A		X
Bank overdraft (to fund stocks & trade debtors only)		✓	
Trade creditors		✓	
Installment sale and lease creditors to fund motor vehicles/plant and equipment	N/A		X
Any other liabilities incurred in respect of an asset on which Zakat is not payable	N/A		X
Loans to finance business merchandise and/or trade debtors		✓	
<b>TOTAL LIABILITIES</b>			

## Table C: Final Computation Table for Calculation of Zakat

Summary	USD (\$)
Total value of assets subject to Zakat (Table A)	
Deduct liabilities relating only to assets subject to Zakat (Table B)	
NET AMOUNT subject to Zakat (Table A – Table B)	
<b>Zakat = \$ NET AMOUNT x 0.025 (2.5%)</b>	

For help with calculating your Zakat or any other Zakat related questions, email us at [zakat@hidaya.org](mailto:zakat@hidaya.org)

## 4 - Frequently Asked Questions About Zakat

### 4.1 - How Should You Give Zakat?

It is obligatory to make an intention (niyyah) for the fulfillment of Zakat, similar to how we make intention for our 5 daily prayers (salah), fasting (sawm), and pilgrimage to Makkah (hajj). If the intention is not made, the Zakat will not be valid. While giving, the intention should simply be that "I am giving this as Zakat." It is not necessary to reveal to the deserving person whom the Zakat is being given to that it is Zakat.

It is better for an individual to pay his/her Zakat directly to deserving people, if possible. However, if that is difficult for them, then they may assign the responsibility to a trustworthy individual or organization. It is the individual's responsibility to ask questions from whoever is distributing their Zakat regarding what kind of people their Zakat is being distributed to, how and why they are selected, etc. Remember, Zakat is obligatory on every Muslim and if it is given to person(s) not deserving of it, the obligation may not be fulfilled.

### 4.2 - Who Should Receive Zakat?

There are eight groups of people on whom Zakat should be spent, as mentioned in Al-Qur'an: *"The alms are only for the Fuqaraa (the poor), and the Masakeen (the needy) and those employed to collect (the funds); and to attract the hearts of those who have been inclined (towards Islam); and to free the captives; and for those in debt; and for Allah's Cause, and for the wayfarer (a traveler who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise."* [Al-Qur'an 9:60]

The verse above describes the following eight groups of people:

1. **Fuqaraa:** Those who own property in excess of basic necessities but below the value of Nisab
2. **Masakeen:** Persons of extreme poverty who possess no wealth whatsoever
3. **Aamileen:** Employees appointed by Islamic Governments or Islamic Organizations to collect and distribute Zakat - It is not

necessary that this be a needy person

4. **Muallafatul Quloob:** Those persons who are given Zakat with the intention of solidifying their hearts because they may be recently converted to Islam or to help bring them closer to Islam
5. **Ar-Riqaab:** Those in bondage or captives - This can be extended (Allah knows best) to those in modern forms of slavery, such as human trafficking, debt bondage, and contract slavery - Zakat may be used to purchase their freedom
6. **Al-Ghaarimeen:** A person whose debts exceed his assets and his net assets (after deducting his liabilities) are below the Nisab
7. **Fi Sabeelillah:** Those striving for the sake of Allah
8. **Ibnus-Sabeel:** A traveler who is stranded and in need of financial assistance

### 4.3 - Which Relatives Can and Can Not Receive Zakat?

Zakat can be given to one's brother, sister, nephew, niece, paternal or maternal uncle, paternal or maternal aunt, father-in-law, mother-in-law, step-grandfather, or step-grandmother provided they do not have Nisab. According to some narrations, relatives and neighbors have more rights on you to receive your Zakat.

Zakat can not be given to one's parents, grandparents, children, grandchildren, wife, husband, or family descendants of the Prophet Muhammad (pbuh). Zakat is only given by Muslims to Muslims.

### 4.4 - What if Every Muslim Gave Zakat and it was Distributed Properly?

On the authority of 'Ali (may Allah be pleased with him), the Prophet (peace be upon him) said: "Allah has enjoined upon rich Muslims a due to be taken from their properties corresponding to the needs of the poor among them. **The poor will never suffer from starvation or lack of clothes unless the rich neglect their due.** If they do, Allah will surely hold them accountable and punish them severely." [Related by At-Tabarani in Al-'Aswat and As-Saghir]

*If the institution of Zakat was properly practiced and implemented by those who should give it and those who distribute it, poverty could be eliminated from the face of the earth.*

An example from history which demonstrates how implementation of justice in the collection and distribution of Zakat can benefit all of society is from the Caliphate of Umar ibn Abdul Aziz.

During his Caliphate which amazingly was only for a duration of 2 years and 5 months (717 - 720 CE), he made great efforts to organize the government and ensure justice to the point that his society enjoyed such a

golden period that at one point, during the time of Zakat distribution for the poor, Zakat distributors couldn't even find a single poor person in need to accept it. Thus the money was used for helping neighboring societies, building roads, and the overall well being of the community at large.

The abundant wealth of Muslims and their devotion to properly give their Zakat, combined with the justice in distribution of it, is an excellent example of how positive social change is possible even in such a short period of time.

## 5 - Hidayah Foundation and Zakat

### 5.1 - Hidayah Foundation's Mission:

To implement educational, environmental, social welfare, and health care programs in economically depressed areas of Asia, Africa and North America, with focus on projects which promote self-employment.

### 5.2 - How Does Hidayah Distribute Zakat?

Hidayah Foundation collects and distributes Zakat donations for various projects according to Al-Qur'an (9:60) and as instructed by donors.

Zakat funds are used to support orphans, widows, poor elderly, families in extreme poverty, poor young women for marriage, deserving students, poor medical patients, and people affected by disasters.

The projects where Zakat donations are utilized are: No Orphan without Education, Support Hidayah Schools, Support Poor Students, Hidayah Institute of Farming and Agriculture, Hidayah Institute of Science and Technology, Job Skills Training, Adult

Education, Clean Drinking Water, Medical Assistance, Animal Farming, Farmer Assistance, Small Businesses for the Poor, Disaster Relief, Marriage Support, Widow/Orphan Support, One Million Meals, and Zakat Distribution.

### 5.3 - Help the Poor By Educating Fellow Muslims About Zakat, and Be Part of Sadaqah Jariah

Hidayah Foundation would like to invite you to be a part of this effort of helping Muslims understand the concept of Zakat and how to properly calculate it. This will not only fulfill the religious obligations of the giver, but also will fulfill the rights of the poor and you will be rewarded for your effort in shaa Allah. If you have found this material to be beneficial, please pass it on to others so they may benefit as well, and may Allah Subhanahu Wa Ta'ala (The Glorified and Exalted) reward you. If you should be interested in receiving more copies, please contact us.

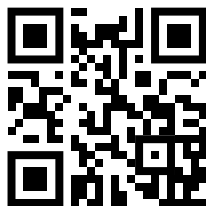
## 6 - References:

1. The Holy Qur'an
2. Hadith (Bukhari, Muslim, Abu Dawud, Baihaqi, At-Tabarani, Sunan an-Nasa'i, etc.)
3. M. S. Omar (1991): How to Calculate your Zakah. Durban: AlBaraka Bank
4. Taleemul-Haq, An Authentic compilation of the Five Fundamentals of Islam, Karachi: Darul Ishaat
5. Research Division, Darussalam (2001): Zakah and Fasting, Riyadh: Darussalam
6. Shaykh Abdur Rahman ibn Yusuf (2005): Zakat Workshop, San Jose: South Bay Islamic Association
7. Shaykh Yusuf Talal DeLorenzo: [www.muslim-investor.com](http://www.muslim-investor.com)

**Share the Knowledge - Be a Part of Sadaqah Jariah!**

Hidaya Foundation would like to invite you to be a part of this effort of helping to understand the concept of Zakat. Help us educate the givers of Zakat on how to properly calculate it so the rights of the poor can be fulfilled. May it be a sadaqah jariah (continuous charity) for us all!

Read the material and pass it on and/or scan the QR code to the right to access a soft copy of this material and more!



For more in depth information, including frequently asked questions, additional topics and videos about Zakat, and a functional Zakat Calculator, please visit:

**[www.hidaya.org/zakat](http://www.hidaya.org/zakat)**



**Hidaya Foundation**

**1765 Scott Blvd, Suite 115**

**Santa Clara, CA 95050**

**1.866.2HIDAYA | [mail@hidaya.org](mailto:mail@hidaya.org) | [www.hidaya.org](http://www.hidaya.org)**

**A US based 501(C)(3) Non-Profit Organization, Tax ID #77-0502583**