

# VALUE FOR MONEY (VfM) AS A TOOL FOR EVALUATING ZAKAT FUND MANAGEMENT EFFECTIVENESS

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**Abstract:** This research aims to measure the efficiency and effectiveness of zakat fund management by BAZNAS Sidoarjo Regency using the value-for-money method for two years, namely 2021 and 2022. The research method used is qualitative with a descriptive approach. The measurement results show that the efficiency level in managing zakat funds in 2021 was 56%, which decreased to 46% in 2022. Despite the decline, during these two years, the efficiency level can be categorized as efficient. Meanwhile, the level of effectiveness in managing zakat funds reached 100% results in each program implemented, indicating a balanced level of effectiveness. In conclusion, BAZNAS Sidoarjo Regency has succeeded in maintaining an efficient level of efficiency in managing zakat funds, while the level of effectiveness remains balanced. This research contributes to understanding and improving the optimal management of zakat funds.

**Abstrak:** Penelitian ini bertujuan untuk mengukur efisiensi dan efektivitas pengelolaan dana zakat oleh BAZNAS Kabupaten Sidoarjo dengan menggunakan metode *value-for-money* selama dua tahun, yaitu tahun 2021 dan 2022. Metode penelitian yang digunakan adalah kualitatif dengan pendekatan deskriptif. Hasil pengukuran menunjukkan bahwa tingkat efisiensi dalam mengelola dana zakat pada tahun 2021 sebesar 56%, yang menurun menjadi 46% pada tahun 2022. Meskipun mengalami penurunan, selama dua tahun ini, tingkat efisiensi dapat dikategorikan efisien. Sementara itu, tingkat efektivitas dalam mengelola dana zakat mencapai 100% hasil pada setiap program yang dilaksanakan, menunjukkan tingkat efektivitas yang seimbang. Kesimpulannya, BAZNAS Kabupaten Sidoarjo telah berhasil mempertahankan tingkat efisiensi yang efisien dalam mengelola dana zakat, sementara tingkat efektivitasnya tetap seimbang. Penelitian ini berkontribusi dalam memahami dan meningkatkan pengelolaan dana zakat secara optimal.

**Keywords:** value-for-money, zakat, fund management, baznas

## A. INTRODUCTION

The National Zakat Amil Agency (BAZNAS) relies heavily on Zakat funds for community welfare. As the primary institution in charge of handling zakat money at the local level, BAZNAS Sidoarjo Regency has several issues connected to the efficiency and efficacy of these funds' management. An in-depth study of the efficiency of zakat fund management, particularly through the Value for Money (VfM) approach, is critical for determining the extent to which zakat monies can have the greatest societal impact.<sup>1</sup>

Zakat funds have a strategic role in relieving poverty and enhancing social welfare.<sup>2</sup> However, issues arise when the effectiveness and efficiency of zakat fund management become the primary focus, given limited resources and ever-increasing requirements. As a result, there is a need for a comprehensive evaluation approach to determine the extent to which zakat fund management can be regarded as efficient and effective.

According to the research, the Value for Money (VfM) method can be an effective tool for determining the extent to which a program or activity can provide optimal value in the context of zakat money. According to Smith (2018), VfM provides a systematic framework for monitoring the efficiency and effectiveness of fund utilization, guaranteeing that every unit of value invested has a meaningful social impact.<sup>3</sup>

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<sup>1</sup> Noor Amila Wan Abdullah Zawawi et al., "Financing PF2 Projects: Opportunities for Islamic Project Finance," *Procedia Engineering* 77 (2014): 179–87, <https://doi.org/10.1016/j.proeng.2014.07.015>.

<sup>2</sup> Mohammad Ayub Miah, "Effectiveness of Zakat-Based Poverty Alleviation Program: Evidence from Bangladesh," *International Journal of Zakat* 6, no. 2 (2021): 2021–48.

<sup>3</sup> Veronica Vecchi et al., "Value for Money Analysis: Standard and Value-Based Methodologies BT - Public Private Partnerships: Principles for Sustainable Contracts," ed. Veronica Vecchi et al. (Cham: Springer International Publishing, 2021), 145–64, [https://doi.org/10.1007/978-3-030-65435-1\\_8](https://doi.org/10.1007/978-3-030-65435-1_8).

Previous research by Brown et al. (2019) demonstrates how VfM considers efficiency not only from a financial standpoint but also the consequent social impact. This method enables a comprehensive evaluation of zakat fund management, taking into account economic, social, and environmental factors.<sup>4</sup>

Abdullah's (2020) study in the local environment, particularly in Sidoarjo Regency, indicates many issues faced by BAZNAS, such as obstacles in collecting zakat, unfair distribution of funds, and confusion over the true impact arising from each distribution of cash.

Using the Value-for-money technique, this study intends to answer crucial concerns about the efficiency of zakat fund management at BAZNAS Sidoarjo Regency. The research will look into how BAZNAS utilizes VfM principles in the management of zakat funds, how its social impact is monitored, and what improvement measures can be discovered.

## **B. THEORETICAL BASIS**

### **Definition of Performance and Its Measuring Levels**

The level of achievement in implementing an activity, program, or policy to attain the organization's goals, objectives, mission, and vision is described as performance.<sup>5</sup> Performance phrases are frequently used to refer to an individual's, group's, or organization's level of accomplishment or achievement.<sup>6</sup> Performance can be determined if the individual or group has

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<sup>4</sup> Abdelhafid Benamraoui et al., "VfM Audit and the UK Public Sector: A Critical Review of the VfM Reports," *Financial Accountability and Management*, no. December 2020 (2022): 1–27, <https://doi.org/10.1111/faam.12338>.

<sup>5</sup> Santi Kalangi et al., "Principal Leadership Performance: Indonesian Case," *The International Journal of Social Sciences World* 3, no. 2 (2021): 74–89.

<sup>6</sup> Subianto Karoso et al., "Analyzing the Relationship of Work Environment and Quality of Work Life on Employee Performance: The Mediating Role of Organizational Commitment," *Journal of Madani Society* 1, no. 3 (2022): 167–73, <https://doi.org/10.56225/jmsc.v1i3.140>.

predetermined success criteria or indications. Indicators or criteria This success manifests itself in the form of goals or targets that will be met. A person's or group's performance will suffer in the absence of a goal or target. This is possible since there is no standard for evaluation.

Meanwhile, performance measurement is the process of assessing performance progress against predetermined goals or targets, which includes data on the efficiency of resource use, both natural and human resources, in producing goods or services, the quality of goods or services, and the results of activities in comparison to the stated goals. A desired and effective activity contributes to the achievement of a goal or target. Meanwhile, Lohman defines performance measurement as an activity that assesses the achievement of specific goals generated from the organization's strategic targets.<sup>7</sup>

Whittaker defined performance assessment as a tool for improving decision-making and accountability. According to Simons, performance assessment can aid in strategy execution by comparing actual results to strategic goals or objectives. So the definition of performance measurement is a method or tool used to record and assess the achievement of executing actions based on goals, targets, and strategies so that an organization's progress or improvement may be known and the quality of decision-making and accountability can be improved.<sup>8</sup>

Because the public sector cannot be isolated from the public interest, performance measurement is critically required to establish how successfully the public sector's goals and vision have been achieved. Meanwhile, performance assessment is particularly effective in helping

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<sup>7</sup> Mohamad Mahsun, *Pengukuran Kinerja Sektor Publik* (Yogyakarta: BPFE Yogyakarta, 2013).

<sup>8</sup> Alessandro Sicora et al., "Using Intuition in Social Work Decision Making," *European Journal of Social Work*, 2021.

managerial activities or organizational operations from an internal organizational standpoint.<sup>9</sup> Some of the advantages of monitoring performance both internally and publicly in public sector companies are as follows: To ensure organizational performance, strategic efforts must be made to assure effectiveness and efficiency. First and foremost, implementers must grasp the measurements or indicators used to assess performance results. This clarifies expectations and helps steer efforts in the appropriate direction.<sup>10</sup>

The next stage is to guarantee that the previously agreed-upon performance plan is met. In this scenario, the earlier agreement serves as the foundation for determining if the activities taken are consistent with the set plan.

The monitoring and evaluation procedure is critical for measuring performance and implementation. This entails regular monitoring, achievement evaluation, and comparing results to previously set work plans. If nonconformities are discovered, corrective measures must be executed as soon as possible to improve performance. Providing objective rewards and penalties helps to provide direct repercussions for the implementer's performance based on the agreed-upon performance measurement indicators. This is not just a kind of achievement recognition but also an encouragement to improve performance. Following that, using a performance assessment system as a communication tool enables leaders and employees to interact successfully. This can aid efforts to improve overall organizational performance.

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<sup>9</sup> Beby Oktania Putri Kusnadi and Yuliasuti Rahayu, "Perspektif Balanced Scorecard Sebagai Pengukuran Kinerja Organisasi," *Jurnal Ilmu Dan Riset Akuntansi* 10, no. 1 (2021): 1–15.

<sup>10</sup> Ali Tafriji Biswan and Syahirul Alim, "Praktik Balanced Scorecard Sektor Publik: Sistem Pengukuran Kinerja Untuk Meningkatkan Performa Organisasi," *Jurnal Bina Manajemen* 9, no. 2 (2021): 184–204.

The seventh step involves identifying the level of satisfaction that has been met or not met. This helps assess the extent to which organizational members are satisfied with the conditions and achievements that have been achieved. Next, the eighth step is the use of a performance measurement system as a tool to understand the process of agency or organizational activities. This provides an in-depth understanding of the course of activity processes and facilitates the identification of areas requiring improvement or change.

The ninth step is to ensure that decision-making is carried out objectively, where the results of performance measurements provide a strong basis for making the right decisions. This involves careful analysis of the data and avoiding subjective decisions. Lastly, the use of a performance measurement system helps in indicating improvements that need to be made. Data collected from performance measurements can provide insight into areas where improvement is needed and steps that can be taken to improve overall organizational performance.

### **Value for Money**

Today's public management implementation is based on three primary criteria: economy, efficiency and effectiveness, and transparency and public accountability. Accountability for value for money, namely economical, namely being frugal and careful in procurement and allocation of resources, whether natural or human, efficient means powerful and useful in using existing resources, as well as effectively, namely successful in the sense of achieving the goals and objectives that have been set.<sup>11</sup>

Before digging deeper into economic audits and the concepts of efficiency and effectiveness, it is advisable to first understand the substance

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<sup>11</sup> Mardiasmo, *Akuntansi Sektor Publik* (Yogyakarta: ANDI, 2009).

of the fundamental criteria guiding value-for-money management. These factors include cost-effectiveness, efficiency, and effectiveness. Economics is the wise and cautious use of resources to achieve desirable results. Efficiency, on the other hand, refers to behavior that aims to minimize losses when employing economic resources, as measured by the output-to-cost ratio. Effectiveness is the achievement of goals, an outcome that is inextricably related to the relationship between goal accomplishment and the resulting output.<sup>12</sup>

a. The economy

Economics is the study of the connection between markets and input costs. In other terms, economics is the activity of purchasing input commodities or services of a specific quality or quantity at the lowest possible cost (paying less). This concept of economy or effectiveness covers management that is properly carried out with no waste. An operational activity is considered economical if it can eliminate or minimize unnecessary costs.<sup>13</sup> Thus, in essence, economics, or economical/precise, has a similar meaning to efficiency because both require cost reduction and elimination. An increase in expenditures should be accompanied by a higher gain in benefits.

b. Effectiveness

Efficiency is a component of the fundamental concept of value in money management. Efficiency is inextricably linked to the concept of productivity, or production. Efficiency can be measured by comparing the output generated to the input consumed (cost of output). The activity procedure Operations are said to be efficient if a product or result can be delivered with the fewest financial resources.

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<sup>12</sup> Mahsun, *Pengukuran Kinerja Sektor Publik*.

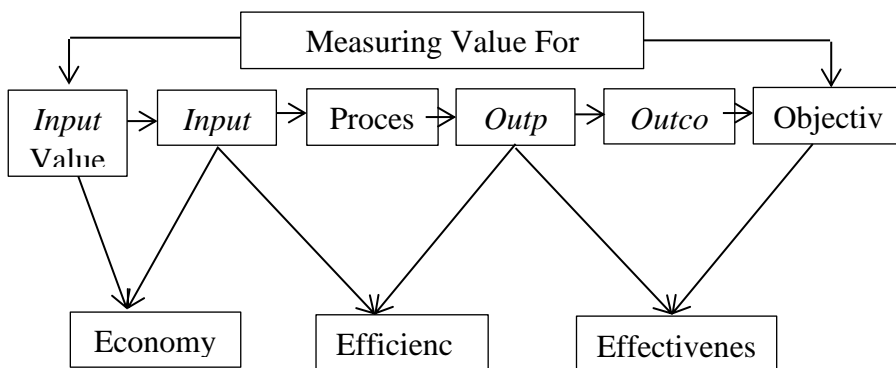
<sup>13</sup> Mahsun.

c. Efficiency

Effectiveness is fundamentally linked to the attainment of agreed-upon policy goals or targets (utility results). The relationship between expenditure and the aims or objectives that a company must attain is referred to as effectiveness. Activity Operations are said to be effective if the procedure by which they are carried out achieves the final policy aims and objectives (spending wisely).

An organization's performance can be considered good if it is capable of carrying out duties to meet targets or objectives defined by high standards, indicators, or standards at a low cost. Technically, good performance can be accomplished by an organization if the administration and service providers are provided by the organization concerned at the economic, efficient, and effective levels. The following figure depicts the relationship.

Figure 1  
Value For Money Measurement Relationship



The illustration above clearly shows that the subjects of value for money are tied to each other. Organizations discuss input, efficiency, and output when measuring the level of an economy. Input and output are discussed in organizations. Whereas measuring an organization's effectiveness discusses output (output) and impact (outcome).



Input is all the types of input resources that are used for a particular process and produce output. Inputs This can take the form of raw materials for processes, people (labor, expertise, and skills), infrastructure such as buildings and equipment, or technology (hardware or software). Input is divided into two categories: the first primary input includes cash, and the second, namely secondary input, includes basic materials, personal services, buildings, and other inputs needed in an action to produce output. The primary input turns into a secondary input. 50 For example, to carry out teaching and learning activities at a university, of course, input is needed in the form of lecturers, classrooms, LCD projectors, and so on, not money (cash) directly used for the teaching and learning process at the university. Cash or money is needed to purchase facilities and infrastructure, which are input resources to be processed into certain outputs.<sup>14</sup>

Input measurement refers to the resources utilized by a process to produce output. This procedure can take the form of an activity or a program. The amount of resources consumed or used for an activity program or organization is indicated by input measurements. Financial indicators in the form of budgets will be required as input indicators. These input indicators are required to calculate the economic level. If there are only input indicators, it is not practicable unless output indicator determination is used. Obtaining input cheaply must be accompanied by process efficiency.

Output is the end outcome of a process or action within an organization. The number of procedures performed by surgeons, the number of college graduates, the number of cases settled by police, the number of laws and regulations passed by the legislature, the number of

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<sup>14</sup> Ismail, *Manajemen Strategis Sektor Publik* (Yogyakarta: Qiara Media, 2021).

buildings cleaned, the length of roads created, and so on are examples of output.

A direct measurement of a process is the output measurement. The output metric can be quantitative financial or quantitative non-financial. For example, quantitative financial output refers to the quantity of revenue generated by the marketing department or the Regional Financial Management Agency (BPK). Non-financial output is also expressed in physical units, such as the number of heart operations performed by surgeons, the number of university graduates, the number of roads paved, and so on.<sup>15</sup>

The concept of outcome is more difficult to grasp than input and output. Outcomes quantify what has been accomplished. Using words In contrast, an outcome is the result of a program or activity as compared to the expected results or targets. Expected results can be predetermined performance targets, whereas outcomes are the actual results obtained.

## **Measuring Value for Money in Economic**

### **a. Calculating the financial level of expenses**

Aspects Value-for-money measurement is an evaluation process that includes economic aspects, especially an assessment of the economic level of expenditure made by public sector organizations. The main focus of this measurement is on budget policies and actual expenditures involved in organizational activities. The importance of measuring the economic level cannot be separated from the role of data, especially data regarding expenditure budgets and their realization in the context of organizational activities. This information is the main basis for measuring the level of

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<sup>15</sup> I Gusti Agung Rai, *Audit Kinerja Pada Sektor Publik: Konsep, Praktik, Studi Kasus* (Bandung: Salemba Empat, 2008).

efficiency and effectiveness in the use of organizational funds. In this context, the use of formulas becomes an important tool for measuring economic levels. This formula creates a systematic framework for evaluating the extent to which an organization can utilize funds optimally. The efficiency criteria in this formula indicate the economic level of an expenditure. Efficiency is a central criterion in determining the economic level of an organization. By considering an efficiency value of less than 100% as an economic indicator, a value equal to 100% is categorized as a balanced economy, while a value above 100% is interpreted as a sign of uneconomic. Through value-for-money measurements, organizations can evaluate the extent to which fund management is carried out economically. By understanding and applying efficiency criteria, organizations can identify areas that need improvement to achieve optimal levels of efficiency in resource use. Thus, this measurement process provides a basis for public sector organizations to improve efficiency and effectiveness in managing their funds.

$$economy = \frac{actual\ expenditure}{expenditure\ budget} \times 100$$

**b. The efficiency level is used to calculate the amount of input**

Measuring the level of efficiency in the context of an organization is carried out by assessing the extent to which the input used by the organization can produce optimal output. This measurement process requires data regarding the realization of costs in obtaining income as well as data on income realization as the main element in evaluating the efficiency of an organization. The importance of measuring efficiency levels cannot be separated from the role of data, especially data that includes realized costs and income.

This data becomes the basis for evaluating organizational efficiency, helping to identify the extent to which the organization can produce optimal output concerning the use of inputs. In measuring the level of efficiency, the use of formulas is an effective method. This formula provides a framework for evaluating how well an organization utilizes its inputs to achieve desired results. This process allows an objective evaluation of the efficiency of an organization.

Efficiency criteria are the main determinant in assessing organizational performance. If the efficiency value is less than 100%, the organization is considered efficient. On the other hand, if the efficiency value is equal to 100%, it is called balanced efficiency. However, if the efficiency value exceeds 100%, it can be interpreted as a sign of inefficiency. These criteria provide clear guidance in assessing the extent to which an organization can optimize the use of its inputs.

Through efficiency measurements, organizations can evaluate how effective the inputs used are in achieving the expected results. By understanding and applying efficiency criteria, organizations can identify areas that require improvement to increase efficiency in achieving their goals. Thus, this measurement process provides a foundation for organizations to improve their management efficiency and achieve optimal output.

$$efficiency = \frac{realization\ of\ revenue\ costs}{income\ realization} \times 100$$

### **c. Measuring the Level of Output Effectiveness**

The level of effectiveness of an organization is measured by considering the results or outcomes produced compared to the value of the output that has been produced. This measurement process requires data regarding distribution realization and distribution targets as a basis for

assessing the level of effectiveness of an organization. The importance of measuring the level of effectiveness cannot be separated from the role of data, especially data that includes distribution realization and distribution targets.

This data is a crucial element that provides a basis for assessing the extent to which an organization achieves effectiveness in achieving its goals and output. In measuring the level of effectiveness, the formula becomes a useful instrument. This formula provides a systematic framework for evaluating the results achieved by an organization about predetermined distribution targets. This process allows an objective assessment of the level of organizational effectiveness. Effectiveness criteria are a determining factor in assessing organizational performance.

By considering an effectiveness value of less than 100% as an indicator of effectiveness, a value equal to 100% is considered balanced effectiveness, while a value above 100% is interpreted as ineffectiveness. These criteria provide clear guidance in assessing whether the organization is achieving the expected level of effectiveness. Through measuring effectiveness, organizations can evaluate the extent to which results are achieved by predetermined targets. By understanding and applying effectiveness criteria, organizations can identify areas that require improvement to increase effectiveness in achieving their goals. Thus, this measurement process provides a basis for organizations to improve their effectiveness in producing the expected output.

$$effectiveness = \frac{\textit{realization of distribution of funds}}{\textit{distribution target}} \times 100$$

### C. RESEARCH METHOD

This research adopts a qualitative approach with a descriptive research type. Denzin and Lincoln explains in their work on qualitative research methodology that qualitative research is carried out by detailing natural conditions and connecting several existing methods.<sup>16</sup> In this context, researchers use a descriptive approach to describe the actual situation of the BAZNAS Sidoarjo Regency. According to Bog and Taylor, qualitative research is a process that produces descriptive data, both in the form of spoken and written words from people and behavior observed during research. In this case, a qualitative approach was chosen to provide a general description of BAZNAS Sidoarjo Regency.

Data analysis in this research refers to the method developed by Miles and Huberman. By adopting this approach, researchers can provide in-depth and contextual descriptions related to the organization. To test the validity of the data, researchers used triangulation as an approach to test the trustworthiness of the data. By using qualitative methods and tested analytical tools, this research aims to provide an in-depth understanding of the condition and performance of BAZNAS Sidoarjo Regency.

### D. DISCUSSION

#### **Measuring the Effectiveness of BAZNAS Zakat Fund Management in Sidoarjo**

BAZNAS Sidoarjo district manages zakat money by collecting, distributing, and utilizing it. According to Mr. Hendra's interviews, BAZNAS Sidoarjo conducts activity collection by partnering with government agencies in the Sidoarjo area to collect zakat payments. At least

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<sup>16</sup> Norman K. Denzin and Yvonna S. Lincoln, *The SAGE Handbook of Qualitative Research* (California: Sage Publication, 2011).

112 government agencies collaborate with BAZNAS to collect zakat funds. BAZNAS Sidoarjo Regency is now maximizing collection via UPZ and Bank Syariah Mandiri. Professional zakat is collected in the following way: with a 2.5% cut in ASN pay. Every UPZ deposits its zakat through designated banks. Sidoarjo Regency collects funds separately or individually in addition to collecting from ASN on the BAZNAS payroll. Individual zakat is also made easier to apply via BAZNAS.

Of course, costs must be incurred to generate this income. Collection activities are deemed to be efficient if they generate a given amount of revenue while using the fewest resources or cash possible. It is vital to measure efficiency to determine the amount of efficiency achieved. Measuring the efficiency of collecting performance involves comparing the organization's input to its output. Measuring this input requires cost realization data, which is used to calculate income, whereas output requires income realization data. Use the following formula to calculate the level of efficiency:

$$efficiency = \frac{realization\ of\ revenue\ costs}{income\ realization} \times 100$$

BAZNAS Sidoarjo Regency received Rp. 371,033,433 in Zakat funds in 2021. BAZNAS Sidoarjo Regency spent Rp. 208,724,549 to earn this money. Researchers can calculate the level of efficiency of zakat fund management performance in 2021 using this data:

$$efisiensi = \frac{208.724.549}{371.033.433} \times 100$$

$$= 56\%$$

Meanwhile, the zakat funds acquired by BAZNAS Sidoarjo Regency in 2022 were Rp 554,151,000. BAZNAS Sidoarjo Regency spent Rp.

254,503,452 to get this money. As a result, the level of effectiveness in managing BAZNAS Sidoarjo Regency zakat monies in 2022 will be as follows:

$$\begin{aligned} \text{efisiensi} &= \frac{554.151.000}{254.503.452} \times 100 \\ &= 46 \% \end{aligned}$$

According to the calculations above, BAZNAS Sidoarjo Regency is efficient in collecting funds in 2021 and 2022 because it earned a percentage value of less than 100%. This is because it is based on Mahsun's efficiency requirements, which are as follows:

- a. It is efficient if the obtained value is less than 100%.
- b. If it is equal to 100%, the efficiency is balanced.
- c. It is inefficient if the obtained value is more than 100%.

### **Assessing the Effectiveness of BAZNAS Zakat Fund Management in the District of Sidoarjo**

The level of effectiveness is calculated by comparing the outcomes of the organization to the output value. Measuring effectiveness necessitates data on distribution realization and distribution aims.

This level of effectiveness will be assessed in each distribution program implemented by BAZNAS Sidoarjo Regency. No objective must be distributed for each program in the distribution of BAZNAS Sidoarjo Regency money, which means that distribution is carried out depending on requests filed with BAZNAS Sidoarjo. In 2019, the level of effectiveness at BAZNAS Sidoarjo Regency in each distribution program is measured as follows:



**Table 1**

Effectiveness Level Measurement Table

No	Name of Program	Realization of Distribution	Target Distribution	Percentage
1.	Smart Sidoarjo	Rp. 105.575.000	Rp. 105.575.000	100%
2.	Sidoarjo Cares	Rp. 186.600.000	Rp. 186.600.000	100%
3.	Healthy Sidoarjo	Rp. 55.375.000	Rp. 55.375.000	100%
4.	Sidoarjo Makmur	Rp. 2.700.000	Rp. 2.700.000	100%

According to Mahsun's criteria, the distribution management carried out by BAZNAS Sidoarjo Regency is at a balanced level of effectiveness based on the findings of measuring the level of effectiveness above. This is because every measurement result of the Baznas distribution program achieves a 100% efficacy level.

Similarly, in 2020, BAZNAS Sidoarjo Regency will assess the level of effectiveness of each distribution program. No objective must be distributed in each program in the distribution of BAZNAS Sidoarjo Regency money, which means that the distribution is carried out depending on requests filed with BAZNAS Sidoarjo:

**Table 2**

Effectiveness Level Measurement Table

No	Name of Program	Realization of Distribution	Target Distribution	Percentage
1.	Sidoarjo Smart	Rp. 130.000.000	Rp. 130.000.000	100%
2.	Sidoarjo Cares	Rp. 270.000.000	Rp. 270.000.000	100%
3.	Sidoarjo Healthy	Rp. 79.000.000	Rp. 79.000.000	100%
4.	Sidoarjo Prosperous	Rp. 10.700.000	Rp. 10.700.000	100%

According to Mahsun's criteria, the distribution management carried out by BAZNAS Sidoarjo Regency is at a level of balanced effectiveness based on the findings of measuring the level of effectiveness above. This is because every measurement result of the Baznas distribution program achieves a 100% efficacy level.

## E. CONCLUSION

Based on the data analysis, the following conclusions can be drawn: The value for money approach was used to calculate the efficiency of zakat fund administration by BAZNAS Sidoarjo Regency, which yielded a figure of 56% in 2019 and a figure of 46% in 2020. Over two years, As a result, BAZNAS Sidoarjo Regency's level of efficiency in administering zakat funds utilizing the value-for-money technique may be classified as efficient. Meanwhile, BAZNAS Sidoarjo Regency's degree of effectiveness in managing zakat funds using the value-for-money technique, which achieved 100% outcomes in every program executed in both 2019 and 2020, demonstrates a balanced level of effectiveness in managing zakat funds.

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