

HAJJ FUND INVESTMENT MANAGEMENT IN INDONESIA

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Abstract

Does the management of investment in Hajj funds in Indonesia impact the economy and welfare of the pilgrims in Indonesia? This study aims to see how the management of hajj funds in Indonesia. This research is motivated by the phenomenon of Hajj funds' investment management pattern that is applied in Indonesia. The location of this research is in Indonesia, where most of the population is Muslim. This study uses a qualitative approach. Data collection techniques used are through interviews and documentation. Interviews were conducted with the Hajj fund manager at the Indonesian Ministry of Religion, the Badan Pengelola Keuangan Haji (BPKH), and Bank Syariah Mandiri. Hajj funds managed by BPKH are placed on deposits and investments in securities. BPKH has now developed a hajj fund, and the investment returns positively impact the welfare of the hajj. The management of hajj funds through investment is the right way to benefit the congregation and for the welfare and benefit of the congregation during the pilgrimage. The return on investment is a government subsidy for pilgrims or covers the difference between the total cost of organizing the pilgrimage and the deposit paid by prospective pilgrims to the government. Pilgrims themselves can feel the subsidies provided through the management of hajj funds.

Keywords: Fund Management; Governance, Hajj in Indonesia, Investment Funds

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Introduction

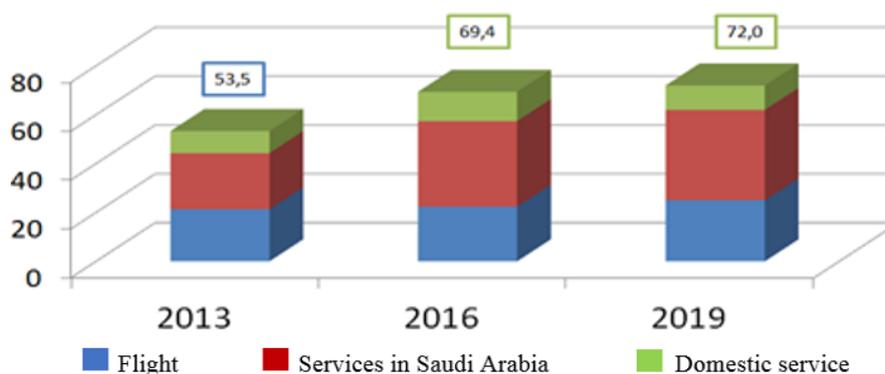
People who have a portion number will only be sent to Saudi Arabia after waiting for about ten years, from 2006 to 2017. Every year, about 500,000 pilgrims sign up for Hajj. The Saudi Arabian government gives Indonesian pilgrims a quota of 211,000 for Hajj, which is a lot. Until 2017, the number of regular pilgrims was 3,305,297, and there were 104,941 special pilgrims. It is clear that with such a large number of waiting lists accumulated, the piled-up Hajj finances are also quite large, which is the Hajj Financial Management Agency. Investments in Hajj funds are carried out through three programs: buying State Sharia Securities, buying government debt instruments, and time deposits. There have been three types of Hajj funds that have been used so far: government securities, Sharia deposits, and state Sharia Securities, or Sukuk.. As of June 30, 2017, these three types of funds totaled Rp 99 trillion (Rongiyati, 2017).

The idea of investing in hajj funds emerged when Indonesian President Jokowi inaugurated members of the Supervisory Board and the Hajj Financial Management Executive Board on July 26, 2017. The government's desire to divert hajj funds to the investment field is quite reasonable because the public's interest in performing the hajj pilgrimage is very high. At the same time, the Hajj quota is minimal, so it has a waiting list until 2030 (Rochimi, 2010). Furthermore, in August 2017, the government planned to divert hajj funds in the form of investment in infrastructure and fields that could provide benefits.

The Hajj waiting list impacts the deposition of Hajj funds that prospective Hajj pilgrims have deposited, and these are stored in conventional banks and Islamic banks. Until 2017 alone, hajj funds were estimated at Rp 97.18 trillion, and this number will increase for hajj registration in the years to come. The government's desire to divert Hajj funds in the form of investment is based on Article 20 of Law No. 34 of 2014, which gives the independent BPKH authority to manage Hajj funds in a cooperative and non-profit manner. Based on the description above, research has been conducted on managing the investment of Hajj funds in Indonesia by tracing the design and pattern of Hajj investment that has been carried out in Indonesia.

Hajj funds are funds deposited by the public for the cost of organizing the pilgrimage. The Hajj funds need to be invested because the cost of the expedition from year to year has increased due to the decline in the value of the rupiah currency or inflation. The Hajj Finance Organizing Agency explained that the actual cost of organizing hajj for one prospective hajj pilgrim was IDR 72 million for 2019, while the pilgrimage funds deposited by pilgrims were

only IDR 35 million per person. Hajj Financial Management Agency will provide a subsidy of Rp. 35 million. The increase in the pilgrimage cost is because money does not only function as a medium of exchange. But also, as a speculation tool (Siswantoro et al., 2020). The number of pilgrim funds collected increases with the increase in prospective pilgrims or the waiting list from year to year. For this reason, the deposited hajj funds need to be invested in taking advantage of the value. Data revealed by BPKH in 2018 that the cost of the allocation of hajj expenses includes flight costs (46%), accommodation and transportation (34%), living costs (6%), and other costs within the country (14%). Can be seen in the following figure:



Source: Research results, 2019

Figure 1. Hajj Costs from 2013-2019 Rp/person

In 2020-2021 the departure of hajj pilgrims was the cause of the covid 19 pandemic. The release of prospective hajj pilgrims in 2020-2021 has resulted in a long queue list and the swelling of hajj funds managed by BPKH. Currently, the stored hajj funds are opened for \$10.67 million or Rp. 168 trillion, as of the end of June 2021, with a whole queue of 190,000 regular pilgrims and 15,085 special pilgrims who are ready (Budiman, Juni 2021). So, investment in Hajj funds needs to be maximized because, based on data from the Ministry of Religion, the quota for Hajj pilgrims in 2020 is 221,000 consisting of 203,320 regular pilgrims and 17,680 special pilgrims. If in 2021, the number of hajj quotas remains at 221,000 people, the number of prospective hajj pilgrims in 2023 will be 442,000, while the percentage given by Saudi Arabia is only 221,000 if there is no reduction. The cost of hajj in 2021 will increase to IDR 44.3 million. Does the investment management of Hajj funds in Indonesia impact the economy and welfare of the pilgrims in Indonesia? Based on research conducted on the governance of Hajj fund investment in Indonesia, tracing the design and pattern of Hajj investment that has been carried out in Indonesia.

Investment is used for future benefits or advantages and to commit (money to earn a financial return). In the capital markets and finance dictionary, investment is defined as investing money or capital in a company or project to make a profit (Nasution, 2008). Investment is a Commitment to several funds or other sources carried out in the present to obtain future profits (Eduardus, 2008). This investment consists of 1) Tangible investments, such as gold, land, buildings, and other immovable assets. 2) Intangible investments, such as shares, Sukuk, and other securities.

Another opinion explains that investment can be in financial assets consisting of certificates of deposit, commercial paper, and money market securities (Gitisudarmo, 2002). This investment is carried out on the money market, while tangible assets can be in stocks, bonds, Sukuk, etc. Real asset investment is carried out by purchasing buildings, plantations, mining, and productive assets (Jumali, 2016). A process is needed to consider the expected return on profits and the risks of achieving investment objectives. There are several steps in making investment decisions (Nasution, 2008), namely: a) determining investment policies, b) securities analysis, c) formation of portfolios, d) revising portfolios, and e) evaluation of portfolio performance. In addition to *musharakah*, this investment is made through *mudarabah*. This partnership is a form of cooperation between parties who have capital (*sahib al-mal*) and managers (*mudarib*).

Thus, the *musharakah* and *mudarabah* partnerships are partnerships that play a role in making investments. Profits and losses in *mudharabah* are based on the profit ratio. For this reason, the issue of work, wages, and services have been determined by Islam through profit and loss. As a result, Islamic economics places a high value on the free circulation of goods and services available in the market (Hariyanto, 2017). Based on this, Islam pays attention to several moral and legal rules to make the market a noble field and encourage healthy competition, avoiding monopolistic practices and prohibited methods for greater profits.

Hajj Concept

The verse of the Qur'an describes the ability to perform Hajj; in this case, the Hanafi school suggests three things; namely physical, financial, and security. Ibn Abbas explained the word "*ishtha'ab*," which includes health, the ability to accumulate wealth, and no obstacles. At the same time, the Maliki school explains that *ishtha'ab* consists of physical strength, adequate supplies, and safe roads. Likewise, the *Shafi'i* school suggests that *istitha'ab* consists of physical ability, financial ability, and transportation (Nazri, 2013). In contrast to the Hanbali school, which explains that *istitha'ab* is: financial ability as a provision and travel (al-Zuhaili, 2011).

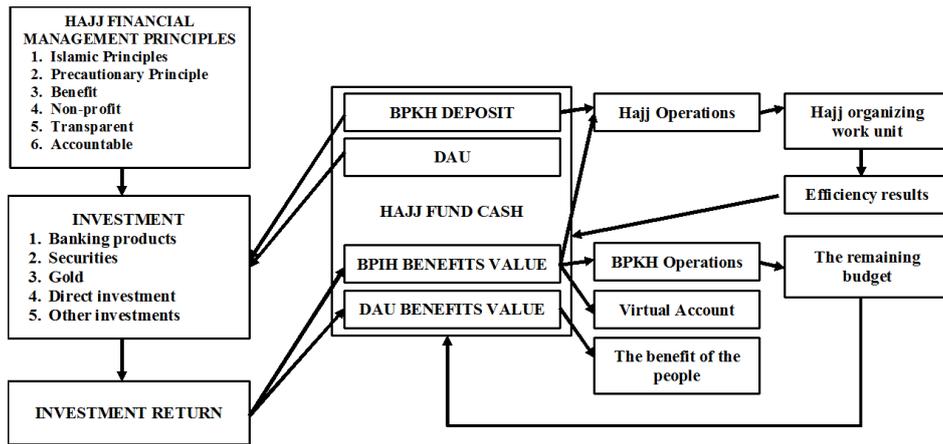
According to the MUI fatwa commission in 1975, Muslims are said to be able (*istitha'ah*) to carry out the pilgrimage. If they are physically, spiritually, and equipped to carry out the pilgrimage without neglecting their families' obligations, they are said to be capable (Hasanudin & Mubarrok, 2013). *Istitha'ah* is a mandatory requirement for Hajj; this is not directly related to the financing of Hajj arrangements (Hasanudin & Mubarrok, 2013).

Methods

This research uses a qualitative approach in collaboration with non-field workers in formal, juridical, and legal policies regarding the financial management of Hajj funds in Indonesia. This research includes socio-economic research with descriptive analysis involving multi-disciplinary (Bisri, 2003). The research data consists of an inventory of laws and government regulations concerning Hajj Funds and the management of Hajj Fund Investments in Indonesia. This data will be complemented by implementing the governance and investment of Hajj funds by the autonomous institutions of the Indonesian Ministry of Religion and the BPKH, which manages Hajj funds in Indonesia. Data collection techniques are through interviews and documentation. Interviews were conducted with the management of Hajj funds at the Ministry of Religion of the Republic of Indonesia, the Badan Pengelola Keuangan Haji (BPKH), and Bank Syariah Mandiri. Descriptive qualitative methods were used to do the research analysis. It went through several stages: data processing, which included data verification activities, data editing activities, data mapping, data coding, and data interpretation.

Result and Discussion

In general, the management of hajj funds refers to the Law of the Republic of Indonesia Number 34 of 2014. The following is explained through the picture below regarding the management of hajj funds in Indonesia:



Source: Research results, 2019

Figure 2. Hajj Fund Management in Indonesia

Regarding the management of hajj funds in Indonesia, Article 3 of the Law of the Republic of Indonesia Number 34 of 2014 also states that BPKH mandates the financial management of hajj to improve the quality of the Hajj; rationality, and efficiency of the use of Hajj Organizing Fees; and benefits for the Muslims. The principle of managing Hajj funds is by the mandate contained in Article 2 of the Republic of Indonesia Number 34 of 2014 concerning Hajj Financial Management that the management of Hajj funds must adhere to the principles (Law of the Republic of Indonesia Indonesia Number 34 of 2014):

Islamic Principle

The explanation of what Hajj financial management means must adhere to "Islamic principles," which means that all Hajj Financial management is based on broad Islamic tenets.

Precautionary Principle

The management of Hajj funds must adhere to the principle of "prudence," which means that the control of Hajj finances is carried out carefully, thoroughly, safely, and in an orderly manner and by considering aspects of financial risk.

Benefit

Hajj financial management must adhere to the principle of "benefit," which means that the management of Hajj funds must be able to provide benefits or benefits for pilgrims and Muslims.

Non-profit

An explanation based on the "non-profit" principle that Hajj Financial management is carried out through business management that prioritizes developing funds to provide the maximum benefit for the Hajj Pilgrims and the help of Muslims with no dividend distribution from the manager.

Transparent

Hajj financial management must adhere to the "transparent" principle, meaning that Hajj Financial management must be carried out openly and honestly by providing information to the public, especially Hajj pilgrims, regarding the implementation and results of Hajj Financial management.

Accountable

Hajj financial management must adhere to the "accountable" principle, which means that Hajj financial management must be carried out accurately and can be accounted for by the public, especially the Hajj pilgrims. Funds originating from BPIH deposits of Hajj pilgrims and the People's Endowment Fund will be invested by the mandate contained in Article 48 of the Law of the Republic of Indonesia Number 34 of 2014 concerning Hajj financial management, placement, and investment of Hajj finances can be in:

Banking product

For three years since the BPKH was formed, the Hajj financial expenditures or investments in placements in Islamic banking products are at most 50% of the total Hajj financial placements and investments. Henceforth, after three years of BPKH being formed, Hajj's expenditure or financial investment in the form of Islamic banking products is a maximum of 30% of Hajj finance's total placement and investment. The remainder of the Hajj financial placements in Islamic banking products is allocated for investment. Islamic banking products include a) Current Accounts; b) Time Deposits; and c) Savings.

The data obtained from the summary of the 2018 BPKH financial statements (audited) shows the results of the Hajj fund development instrument placed in the bank amounting to Rp. 65.4 trillion, or 58% of the total development. As for the 2019 semester one report on the comparative balance for June 30, 2019, the placement of hajj funds in banks amounted to 51.9 trillion.

Securities

The financial investment of hajj funds can also be made in sharia securities issued by the central government, Bank Indonesia, and sharia securities regulated and supervised by the Financial Services Authority (OJK). The Islamic securities referred to include shares listed on the stock exchange, Sukuk, Islamic mutual funds, sharia asset-backed securities, sharia real estate investment funds, and other sharia securities. The data obtained from the summary of the 2018 BPKH financial statements (audited) shows that the results of the Hajj fund development instrument placed on investment are Rp. 46.9 trillion, or 42% of the total

development. As for the 2019 semester one report on the comparative balance sheet for June 30, 2019, the placement of Hajj funds for investment amounted to 61.2 trillion.

Gold

By the mandate contained in Article 48 of the Law of the Republic of Indonesia, Number 34 of 2014, concerning Hajj financial management, Hajj Financial Investment in the form of gold can only be carried out in the form of certified gold bars, which are produced and sold domestically and in the form of gold accounts managed by Islamic financial institutions that are regulated and supervised by the Financial Services Authority. Investment in gold is 5% of the total placement and Hajj Finance investment.

Direct investment

Direct investment here means that it is done by: a. Own your own business; b. Equity capital; c. Investment cooperation; and D. other direct investments. Direct investment can be carried out in collaboration between BPKH and domestic and overseas business entities and institutions by the provisions of the legislation. Direct investment is at most 20% of the total placement and investment of Hajj Finance.

Other investment

By the mandate contained in Article 48 of the Law of the Republic of Indonesia Number 34 of 2014 concerning the financial management of Hajj, the other investments referred to are determined by the BPKH. Further investments are a maximum of 10% of the total placement and Hajj Finance investment.

At first, the pilgrimage was referred to as ONH (Ongkos Naik Hajj). However, after issuing Law Number 17 of 1999, the term ONH was replaced with BPIH (Biaya Penyelenggaraan Ibadah Haji). This law is sufficient to represent the organization of the pilgrimage, which is the task of the government, which in this case is represented by the Ministry of Religion or the Ministry of Religion. The implementation of the pilgrimage has a time limit and good governance. The Hajj Organizing Fee consists of an initial deposit by the congregation and a paid deposit when the community is about to leave for Hajj or termed direct costs and indirect costs. Determining the Hajj Organizing Fee is based on calculating the costs of the components of the Hajj Organizing Costs, both direct and indirect costs. The indirect prices include round-trip flight costs, airport taxes and passenger service fees, accommodation costs in Mecca and Medina, and living costs. At the same time, the indirect costs are the operational costs of the pilgrimage while in the holy land.

Hajj registration through the Ministry of Religion using the initial deposit applied in 2004, an

amount of Rp. 20,000,000. After implementing the Hajj registration as above, a candidate for Hajj cannot yet depart in the year he registers. So that there is a waiting list that waits for two years, and until registration in 2019, prospective pilgrims will depart at least ten years later. This is a problem; moreover, the quota received by the Saudi Arabian government for prospective Indonesian pilgrims for one year is 10,000 thousand pilgrims.

With the implementation of the initial deposit, the enthusiasm and desire for Hajj for the Muslim community are extraordinary because they can register for an initial deposit of IDR 5,000,000; through Islamic Banks through *Qardh wal Ujrah*, and the rest to get Islamic banks will repay the portion. It will also result in a longer waiting list for Hajj departures.

Regarding the initial deposit funds from the Hajj pilgrims, after being deposited in the Bank, the funds are included in the ownership of the Hajj Organizer Fee, and the prospective Hajj is included in the waiting list. That way, the initial deposit is the property of the prospective pilgrims. He further explained that the initial funds deposited by the congregation as a waiting list were entered into the account of the Minister of Religion. In the case of the DSN MUI Fatwa, it explains that the funds may be allocated to benefit more fruitful congregations.

For now, the waiting list for prospective Indonesian pilgrims is getting longer; this is due to the Saudi Arabian government's policy to reduce the hajj quota by 20% or 42,200 from the basic quota of 211,000 to 168,800 pilgrims due to the renovation of the Grand Mosque since 2013. Indonesia in 2016 became 3,080,122 people. If it is estimated that the annual quota of pilgrims is 200 thousand per year, then prospective pilgrims will wait for departure for 15 years.

Once the queue for Hajj departures is long, the funds raised through the Ministry of Religion's account need to be developed or invested. In connection with this, Sunaryo explained that the pilgrimage funds were significant due to the large queue of pilgrims leaving, so the hajj funds could be invested in relatively safe things, such as deposits. Then invest in State Sharia Securities, which are placed in the Indonesian Hajj Fund Sukuk. The government carries out the management of this hajj fund, and there is a guarantor institution. The invested hajj fund gets a profit of around 6% to 8% when the Ministry of Religion manages the hajj fund (Sunaryo, 2019).

It is hoped that shifting the management of hajj funds to BPKH can be developed with more significant results and the need to improve services. The BPKH Supervisory Board revealed to the DPR that they could manage hajj funds with a return of 12%. It is expected to be managed by competent people so that the profits generated are higher and beneficial for the

congregation. In addition, it was emphasized that with an increasing number of people in the Ministry of Religion, they do not fund managers of business people so that Hajj funds can be managed optimally through deposits and investments in Sukuk.

Furthermore, the Management explained that the Hajj Financial Management Agency had been included in Law Number 34 of 2014 concerning Hajj Finance. Although the Act has mentioned BPKH, the formation of people who will manage Hajj funds at BPKH was only formed in 2017; BPKH was previously the People's Endowment Fund Management Agency. Law Number 34 of 2014 concerning Hajj Financial Management. BPKH manages Hajj Finance which includes the receipt, development, expenditure, and accountability of Hajj Finance. Thus, the presence of BPKH based on Presidential Regulation Number: 110 of 2017 concerning the Hajj Financial Management Agency, to be precise, on December 11, 2017, with consideration to implement the provisions of Article 28 paragraph 4, Article 30 paragraph 4, and Article 33 paragraph 3.

Switching the management of Hajj funds from the Ministry of Religion to the Indonesian Hajj Financial Management Agency is based on Law Number 34 of 2014 concerning Hajj Finance. Paragraph (1) of the Law explains that BPKH is a public legal entity independent and accountable to the President through the Minister. In the regulation, Hajj's placement and financial investment procedures are also stated. Since February 2018, the management of the hajj funds has officially shifted from the Ministry of Religion's account to the BPKH. To accommodate the hajj funds, BPKH has established 31 Deposit Recipient Banks for the Hajj Organizing Agency (BPS-BPIH), hajj funds for April 2018 to March 2019. It is specific for BPS BPIH, adjusted to the competencies and functions in managing hajj funds.

Furthermore, emphasized that BPS BPKH does not only work as a recipient of initial deposits, payments, and paid deposits for pilgrims but also works for placement, liquidity, operations, direct benefits, and investments, both investments, and other sharia financing investments. In the future, through BPS, BPKH is expected to be able to serve 550 thousand hajj pilgrims every year, so the distribution of virtual accounts to 3.9 pilgrims, including those on the waiting list, will increase the placement of unbalanced results.

Regarding the value of the benefits received by pilgrims, BPKH explained that the value of these benefits was allocated for the implementation of the pilgrimage in the form of an imbalance between results and BPKH operational costs. The value of the distributed benefits has reached Rp 500 billion for prospective pilgrims waiting since February 2019. The Chief Executive of BPKH added that the value of this benefit was given to around 4.1 million

prospective pilgrims waiting for Hajj. It is the distribution stage of the first two stages of the importance of gifts in February 2019. Meanwhile, the second stage of benefits distribution is determined after the BPK audit.

The management of hajj funds by BPKH has received support from the MUI DSN by using a *wakalah* agreement on funds deposited by hajj pilgrims and guarantees from the LPS that supervises it, OJK, and Bank Indonesia. The utilization of hajj funds that belong to each prospective hajj pilgrim will be managed by BPKH through a *wakalah* agreement as regulated in Article 6 paragraph (2) of Law 34/2014 concerning Hajj Financial Management.

The Hajj funds that have been deposited early may be added to the four requirements as stipulated in the fatwa of the MUI DSN; i) ensure efforts to develop sharia principles; ii) security; iii) benefits. If there are good benefits for the pilgrims for the benefit of the congregation; iv) liquid, meaning that these funds are needed continuously, the average need for pilgrims is IDR 3.5 trillion per year.

Hajj funds collected in 2018 amounted to 113 trillion, which were placed in deposits in Islamic banking and invested in Sukuk, the same as before when the Director-General of Hajj Service Providers managed the Hajj funds, Ministry of Religion. From the number of registered pilgrims, there are 4 million pilgrims, and it will decrease every year by 214,000 pilgrims.

Hajj funds were invested in securities, where the ratio was 50% in banks and 50% in deposits, and no Hajj funds were used for infrastructure development. However, in 2019 there was a change in Hajj funds; 50% of Hajj funds were placed in Islamic banks, 30% invested in securities, 20% for direct investment, and the rest for other assets, such as joint ventures with Saudi Arabia. The number of pilgrims in 2018 was 664,000, and this is the highest number in the last five years. For this reason, the BPKH target in managing hajj funds in 2019 is 121 trillion by attracting 700,000 prospective hajj pilgrims; because 31 BPS BPIH banks work it. In addition, the Head of the Supervisory Board of BPKH said that BPKH had achieved six achievements as the manager of Hajj funds, including; Appointment of 31 Deposit Receiving Banks (BPS) BPIH and 15 investment managers; Commission VIII approved the 2018-2022 strategic plan and the DPR RI's 2018 annual budget activity plan; MoU or Hajj financial cooperation with the Ministry of Finance, Islamic Development Bank (IDB), Adahi-IDB, PINA-Bappenas, exploring collaboration with hotel and catering owners in Saudi Arabia; Riyal procurement efficiency in the 2018 BPIH; audit of the Supreme Audit Agency (BPK) on BPKH operational costs in 2017 with an opinion without findings and

fair; and timely settlement of special hajj fees. The number of delayed pilgrims who opened 3,824,691 pilgrims with a total fund managed by BPKH was Rp 105,191,372,936,614.00; Synergy with stakeholders for the successful implementation of BPKH's duties and functions; We are improving services for pilgrims and conducting recruitment with the needs of 78 people, special pilgrimages, and Riyal auctions.

After the transfer of the management of hajj funds from the Ministry of Religion, the task of the Ministry of Religion, in this case, the Director-General of Hajj and Umrah Organization, since 2018, the Hajj funds have been transferred to BPKH, where 4,000,000 hajj pilgrims have decreased by 214,000 each year, the Director-General of Hajj only took 214,000 people for operational costs with a total cost of around 6 trillion to 7 trillion. This means that the Director-General of Hajj only manages the operating funds for the Hajj because it is the task of the Director-General of Hajj. The operational costs consist of an initial deposit and a paid deposit, and a subsidy fund with a balance of proceeds that have been developed or invested in becoming Rp. 70,000. The operational funds for the Hajj have not been used up so far, and these funds are returned to the DAU; if now, it goes to the Hajj treasury, which consists of the DAU, yield, initial deposit, and paid a deposit, the treatment and accountability for each is separate.

In this way, Hajj funds, as long as managed through the Director-General of Hajj, invested in deposits and Sukuk, are relatively safe, and there is no risk. In 2017 the refund of 103 trillion was in the account of the Ministry of Religion and was invested in SDHI number 30 trillion; the rest was deposited because investment through Sukuk is a consideration related to maturity; if at any time operational funds are needed, it can be taken through deposits.

Based on the description above, it can be understood that there is a positive impact related to investment in Hajj funds, both those managed by the Ministry of Religion and those operated by BPKH for the welfare of the pilgrims. This can be seen from the benefits and returns of managed Hajj funds, whether through deposits or Sukuk investments. Either the funds are used for direct costs or indirect costs. After being explained about the operational implementation of the pilgrimage, the funds needed by a pilgrim were not sufficient only with the initial deposit and repayment because the funds were only sufficient for the cost of the plane and living expenses while in the holy land. Meanwhile, other costs such as accommodation, passport processing, etc., are subsidized through deposits and investments. If the investment returns are understood from the previous description, they consist of Value of the Benefits of the Cost of Organizing the Hajj; Value of the Benefits of the People's

Endowment Fund.

About the value of the benefits of Hajj Organizing Fees from the investment of Hajj funds, it is intended for a) Hajj operational funds for each Hajj organizing work unit, b) BPKH operations, and c) The value of benefits for Hajj pilgrims is termed a virtual account, while the value of the benefits of the People's Endowment Fund will flow for the benefit of the people.

A virtual account is an account belonging to each waiting pilgrim. This account is used to accommodate the profit sharing of the value of the benefits generated in a period. This is something that never existed before BPKH was formed. This is a manifestation of the notion of non-profit as required by Law No. 34 of 2014 so that non-profits must understand that the value of the resulting benefits must be returned to all pilgrims.

For pilgrims who depart in the form of subsidies, while for pilgrims waiting to be included in this virtual account. As for the benefits of virtual accounts, there is an accumulation of profit-sharing periodically. The balance of the funds of each waiting congregation will increase in value, so this will be very helpful at the time of repayment later. Please note that the account holder can view this virtual account balance, but it cannot be withdrawn. The following describes the sources of distribution of benefit values and distribution of benefit values in 2018:

Table 1
Source of Distribution of Benefit Value 2018

Description	Value	%
Benefit value in 2018		
a. Value of BPIH Fund Benefits	5,514,723,399,878	74.61%
b. Benefit Value of the People's Endowment Fund	590,300,000	0.01%
Total Benefit Value in 2018	5,515,313,699,878	74.62%
Remaining Value of previous year's benefits	1,875,617,381,185	25.38%
Total	7,390,931,081,062	

Source: Research results, 2019

Table 2
Distribution of Benefit Value 2018

Description	Value	%
2018 Hajj Organizing Fee Subsidy	6,545,097,317,647	88.55%
Hajj Pilgrims Virtual Account	777,394,808,723	10.52%
BPKH Operations	67,848,654,692	0.92%
Program benefits	590,300,000	0.01%
Total	7,390,931,081,062	

Source: Research results, 2019

As explained earlier, there are two most urgent matters related to the management of hajj funds:

The initial deposit from the Hajj pilgrims is Rp. 35 million, only for the return flight fee of Rp. 29,555,597, - and living costs, then the living costs of pilgrims during their worship in the form of cash amounting to SAR 1500 or Rp. 5,680,005, -, and this is given before the pilgrims board the plane on their respective Embarkation.

Meanwhile, for other costs such as lodging, accommodation while in Medina and Mecca, as well as at the Indonesian Embarkation, consumption, land transportation, health, visas are subsidized through actual costs, so that the total cost for organizing the pilgrimage per person is Rp. 70 million.

The congregation quite feels the benefits of the invested Hajj funds because this investment can cover the costs required for a pilgrim. However, not all of the Hajj funds deposited by the pilgrims are invested in the Indonesian Hajj Fund Sukuk, as described previously. Considering the maturity of 3 to 5 years is too long, and the funds are deposited in a sharia bank that has been appointed by BPKH as described above. It also aims to improve the quality of the rational, efficient implementation of the Hajj in using BPIH for the benefit of the Islamic community. In addition to the management of hajj funds by BPKH, it is based on sharia principles, prudence, benefits, non-profit principles, transparency, and accountability, as stated in Law No. 34 of 2014 and Law No. 23 of 2008 concerning the Organization of the Hajj. by the Management agency which is carried out transparently, published, audited by the Supreme Audit Agency and supervised by the DPR.

The placement of hajj funds in this investment means that the previous Ministry of Religion and the current BPKH have tried to develop and make the existing funds productive to have a positive impact and benefit and provide benefits for prospective pilgrims in the future. Thus, the Hajj funds managed by BPKH have been placed on deposits and investments in

securities. Pilgrims themselves can feel subsidies provided through the management of hajj funds (Nazri, 2013).

This means that the return on investment is a government subsidy for pilgrims or to cover the difference between the total cost of organizing the pilgrimage and the deposit paid by prospective pilgrims to the government. Management of hajj funds through investment is the right way to benefit the congregation and for the welfare and benefit of the community during the pilgrimage (Possumah, 2017).

Conclusion

The management of hajj funds through investment is the right way to benefit the congregation and for the welfare and benefit of the congregation during the pilgrimage. The Hajj funds managed by BPKH have been placed on deposit and investment in securities. The placement of hajj funds in this investment means that the previous Ministry of Religion and the current BPKH have tried to develop and make the existing funds productive to have a positive impact and benefit and provide benefits for prospective pilgrims in the future (Zubaedi, 2016). This means that the return on investment is a government subsidy for pilgrims or to cover the difference between the total cost of organizing the pilgrimage and the deposit paid by prospective pilgrims to the government. Pilgrims themselves can feel the subsidies provided through the management of hajj funds.

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