

MCC Zakat Usage and Distribution Policy

Introduction:

This Zakat Usage and Distribution Policy outlines the guidelines and procedures for the allocation, and distribution of Zakat funds within the Muslim Community Center of Charlotte (MCC). It is designed to ensure transparency, accountability, and compliance with the principles and values upheld by the MCC Board of Directors.

General Guidelines for Zakat Usage:

1. Eligibility Criteria

- Zakat funds will be disbursed to individuals and families who meet the Islamic criteria of Zakat eligibility, as defined by the MCC Board of Directors.

2. Housing Requests

- Housing requests will be evaluated through a short phone call interview process.
- Based on the assessment, the individual will be directed to either:
 - i. Contact the Charlotte Metropolitan Housing Authority for a list of low-income housing options.
 - ii. Zakat Manager to be considered for a subsidy (donation) from MCC Zakat Funds, subject to availability and the maximum subsidy limit.

3. Maximum Subsidy:

- The maximum subsidy from MCC Zakat Funds for housing requests is set at \$1500. This limit is subject to periodic review and adjustment by the MCC Board of Directors.
- Any amount to a single individual or family greater than \$1500 within a three month period must be approved by the Treasurer.



Authorization and Oversight:

1. Approval and Allocation:

- Any amount to a single individual or family greater than \$1500 within a three month period must be approved by the Treasurer.
- Issuing and releasing of funds for zakat eligible programs/projects at MCC:
 - i. The ED will coordinate with committee leads in consultation with the Imam in assessing the need to utilize Zakat funds for projects, and will collaborate with the Treasurer to release the funds. This must be approved by the BoD for funds greater than \$500.

2. Compliance with MCC Policies:

- All housing requests and fund allocations must adhere to the policies, values, and mission of the MCC. Any request conflicting with these principles will be denied.

3. Loans:

- Any loan given in excess of \$300 must be approved by the Treasurer and must be put in writing and signed by both an MCC signatory and the recipient. All checks and cash paying back said loan must be delivered to the Treasurer and records kept of loan satisfaction. Treasurer shall issue a letter of loan satisfaction once the loan is paid off fully.
- Any loan up to or less than \$300 must be put in writing and signed by both the Zakat Manager and the recipient. All the repayments must be logged by the Zakat Manager.
- The Zakat Manager is responsible for managing loan collections and will follow up with borrowers to recover the loan amounts. All communications and collection efforts must be thoroughly documented for transparency and clarity. Efforts shall be made to reach out to the individual on a regular basis via phone calls and emails for loan recovery.

Accountability and Reporting:

1. Record Keeping:

- a. The Zakat Manager, responsible for distributing Zakat, must maintain precise records of all housing requests, assessments, approval and disapproval reasons, and fund allocations. The manager should clearly document the decision for each request, indicating whether it is approved or disapproved.



2. Financial Transparency:

- a. Any financial activity related to Zakat distribution, including housing subsidies, must be transparent and accessible for review by the MCC Board of Directors.

Non-Compliance:

1. Consequences of Non-Compliance:

- a. Failure to adhere to this Zakat Usage and Distribution Policy may result in sanctions, including but not limited to, suspension of access to Zakat funds.

Review and Amendment:

1. Policy Review:

- a. This Zakat Usage and Distribution Policy shall be periodically reviewed by the MCC Board of Directors every 6 months, to ensure its effectiveness and relevance.

2. Policy Amendment:

- a. Amendments to this policy may be proposed by the MCC Board of Directors or by request from relevant stakeholders, and shall be subject to approval.

By adhering to this policy, the Muslim Community Center of Charlotte aims to foster an environment of trust, accountability, and compliance with the principles of ethical Zakat usage and distribution.

Date of Adoption:

10/24/2024

Note: This policy is subject to periodic review and amendment by the MCC Board of Directors.

This policy serves as a clear framework for the distribution and loan collections of Zakat funds, particularly addressing housing requests, in alignment with the values and mission of the Muslim Community Center of Charlotte.