

GiveDirectly Zakat Policy

Applicable to the GiveDirectly Zakat Program in Memba District, Nampula Province, Northern Mozambique

1. Purpose

1.1 The purpose of this Policy is to set out the Shariah principles, governance rules, and operational controls for the collection, segregation, management, and distribution of Zakat by GiveDirectly (“GD”) through its Zakat-compliant giving programme in Memba District, Northern Mozambique.

1.2 This Policy is designed to ensure:

- a) Zakat is collected only with clear donor designation;
- b) Zakat funds are ring-fenced, protected from Riba, and safeguarded from misuse;
- c) Zakat is distributed exclusively to eligible Muslim households living in extreme poverty (Fuqara’/Masakin) in Memba District;
- d) 100% of Zakat reaches eligible recipients by way of direct cash transfers (Tamluk);
- e) All operational costs are funded from non-Zakat sources; and
- f) Full auditability exists from receipt to disbursement.

2. Scope

2.1 This Policy applies to:

- a) GiveDirectly staff, management, and volunteers involved in Zakat fundraising, finance, operations, enrolment, recipient verification, payments/disbursement, monitoring, and reporting;
- b) Country Office staff and field teams operating in Mozambique under the Memba programme; and
- c) Any third parties engaged in payment rails or transfer mechanisms, to the extent they interact with Zakat funds (subject to the control that Zakat funds may not pay fees).

2.2 This Policy applies only to Zakat-designated donations and does not govern Sadaqah or unrestricted donations except where referenced as non-Zakat funding used to cover costs or as a fallback for ineligible or uncertain households.

3. Collection Rules

3.1 Donor Designation and Consent

- a) GD will use a dedicated Zakat fundraising page (and any equivalent donation flows) that clearly offers donors an explicit option to designate a payment as Zakat.

- b) Donor-facing wording should make it clear that Zakat will be distributed exclusively to eligible recipients, and that 0% of Zakat will be used for operational costs, staffing, or fees.

3.2 Treatment of Untagged Payments

- a) GD will treat payments as Zakat only where the donor has explicitly designated the donation as Zakat.
- b) Any donation not clearly designated as Zakat will be treated as non-Zakat (general charitable funds) unless GD has a separate, explicit donor instruction evidencing Zakat intent.

3.3 Fund Segregation

- a) Zakat funds must be held in a segregated Zakat bank account or an equivalent ring-fenced custodial arrangement that keeps Zakat separate from non-Zakat funds.
- b) If a single banking arrangement is ever used for operational necessity, Zakat must still be strictly ring-fenced through dedicated sub-ledgers and daily reconciliation, and Zakat must not be used for any non-Zakat purpose.

3.4 Riba Controls

- a) Zakat funds must be held in an interest-free (non-Riba) account or a banking arrangement that does not pay interest to GD.
- b) If interest is credited inadvertently, it must be immediately isolated from Zakat, removed from the Zakat pool, and disposed to charitable purposes under Shariah Advisor guidance. It must not be treated as Zakat, and must not be counted towards donors' Zakat discharge.

4. Governance

4.1 Shariah Characterisation of GD's Role

- a) GD acts as Wakil (agent) on behalf of donors for the purpose of distributing Zakat to eligible recipients.
- b) From a Shariah perspective, Zakat funds held by GD are trust funds and are not GD's property; they must be handled strictly in line with donor designation and this Policy.

4.2 Tamlik Requirement

GD recognises that Zakat is validly discharged only upon Tamlik, meaning unconditional transfer of ownership of funds to an eligible recipient (or their

authorised representative). GD's disbursement model is therefore restricted to direct cash transfers that effect ownership transfer.

4.3 Breach and Remediation

In the event of negligence, misconduct, misallocation, commingling, or breach of this Policy:

- a) GD must immediately ring-fence affected amounts;
- b) Investigate root cause;
- c) Notify internal leadership and the designated Shariah Advisor(s); and
- d) Implement corrective action and, where required, compensate the Zakat pool from non-Zakat funds.

4.4 Shariah Advisor Oversight

GD's Shariah Advisor will review the following annually:

- a) Review and approval of the Zakat programme design and controls;
- b) Shariah review/audit of Zakat collection, segregation, and distribution;
- c) Certification statements for Zakat campaigns/programmes (as applicable); and
- d) Guidance on remediation for any breaches or exceptions.

5. Distribution and Delivery

5.1 Zakat Validity Point

Zakat is treated as discharged for donors when GD has executed the transfer and ownership is unconditionally passed to an eligible recipient.

5.2 Timeliness Standard

- a) GD aims to distribute Zakat as quickly as operationally feasible, with an expected timeframe of 1–3 months given existing operations in the region.
- b) As a governance control, GD will monitor ageing of Zakat balances to ensure distribution occurs within one lunar year from receipt.
- c) Any Zakat held beyond one lunar year must be exceptional, documented, escalated, and distributed as soon as reasonably possible under Shariah Advisor approval.

5.3 Distribution Method and Fee Controls

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- a) Zakat will be distributed only via direct cash transfers to eligible recipients.
- b) No intermediaries may deduct fees from Zakat.
- c) All banking, transfer, remittance, payment processing, or operational fees must be covered from non-Zakat funds.

5.4 100% Pass-Through Rule

- a) 100% of Zakat collected must be disbursed to eligible recipients.
- b) 0% of Zakat may be used for staff salaries, administration, fundraising, distribution, banking, or transfer fees.
- c) GD must maintain evidence that operational costs are funded by non-Zakat sources.

5.5 Alignment with Donor Intent

Zakat funds must be allocated only to the stated Zakat programme and recipient pool (eligible Muslim households in extreme poverty in Memba District). Any deviation is prohibited unless:

- a) It remains within Shariah-eligible categories and aligns closely with donor intent; and
- b) It is approved by the Shariah Advisor; and
- c) It is transparently disclosed (where required).

6. Eligible Recipients

6.1 Zakat Recipient Restrictions (Programme-Specific)

Zakat under this programme may be paid only to households that meet all of the following:

- a) Muslim household;
- b) Living in extreme poverty (Fuqara'/Masakin);
- c) Residing in Memba District, Nampula Province, Northern Mozambique; and
- d) Approved in the Zakat Recipient Registry for this programme.

6.2 Non-Eligible Recipients (Programme-Specific)

The following are not eligible to receive Zakat under this programme:

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- a) Any household that is not Muslim;
- b) Any household where Muslim identity is materially uncertain;
- c) Any household not assessed as living in extreme poverty for programme purposes;
- d) Any institution, organisation, project, infrastructure build, or general community cost; and
- e) GD operational costs, staff, overheads, or any fees.

6.3 Fallback Support Using Non-Zakat Funds

Where a household is poor but religious eligibility is uncertain, GD will support that household using non-Zakat funds allocated to the broader Memba programme, ensuring Zakat remains protected while avoiding community tension.

7. Assessing Eligibility (Programme Controls)

7.1 Poverty Assessment Control

- a) GD will conduct door-to-door household interviews using its established enrolment processes and poverty targeting methodology.
- b) Eligibility evidence should be recorded in each recipient's file and in the Zakat Recipient Registry.

7.2 Muslim Identity Verification Control (Non-Invasive)

- a) Mozambique national ID does not record religion and direct questioning may cause harm. GD will therefore use culturally accepted, non-invasive indicators during enrolment to infer Muslim identity, including (where relevant) Islamic dress norms such as hijab for women in the household, and community context indicators.
- b) The indicators relied upon must be recorded in the recipient's Zakat eligibility record.
- c) If indicators do not provide reasonable assurance, the Uncertainty Safeguard applies (no Zakat disbursement).

7.3 Uncertainty Safeguard (Hard Stop)

Any material uncertainty about Muslim identity results in:

- a) Ineligibility for Zakat funds; and
- b) Referral for non-Zakat assistance only (if otherwise eligible for poverty support).

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8. Zakat Management and Internal Controls

8.1 Training and Awareness

- a) All staff involved in the Zakat chain (fundraising, finance, enrolment, disbursement) should be informed on:
 - Zakat restrictions and Tamlik;
 - Segregation and Riba controls;
 - The Uncertainty Safeguard; and
 - 100% pass-through and fee prohibition.

8.2 Accounting and Reconciliation

GD must maintain:

- a) A Zakat sub-ledger capturing all receipts and disbursements;
- b) Periodic bank reconciliation for the Zakat account; and
- c) A clear audit trail linking donor designation to recipient disbursement.

8.3 Programme Documentation

All internal concept notes, SOPs, and programme materials must state:

- a) This is a Zakat-restricted programme;
- b) Operational costs are non-Zakat funded;
- c) Eligibility conditions and the Uncertainty Safeguard; and
- d) Disbursement method and timelines.

9. Administrative Expenses

9.1 Prohibition on Using Zakat for Costs

GD will not use any portion of Zakat for administrative expenses, salaries, overheads, fundraising costs, banking fees, or transfer fees.

9.2 Non-Zakat Coverage Confirmation

GD must maintain evidence (budget lines or internal allocations) showing that all operational and implementation costs of the Memba programme and the Zakat distribution workflow are funded entirely from non-Zakat sources.

10. Policy Responsibility

10.1 Organisational Responsibility

- a) GD management is responsible for implementing this Policy and ensuring all relevant staff are trained and compliant.

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- b) The Mozambique country programme leadership is responsible for field compliance in Memba District.

10.2 Escalation and Reporting

Any material breach, near miss, or concern relating to Zakat handling must be reported promptly through internal reporting lines and escalated to the designated Shariah Advisor(s), with documented corrective actions.

11. Review

11.1 This Policy will be reviewed at least annually, and earlier if required due to:

- a) Operational changes in the Memba programme;
- b) Changes to payment rails or custody arrangements;
- c) Legal or regulatory developments; and
- d) Shariah Advisor recommendations.

11.2 Amendments

Any amendments must be approved by GD senior management and reviewed by the designated Shariah Advisor(s) before implementation.