

E-System of Hajj Fund for Savings and Investment

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ABSTRACT

The process of converting the repeated daily operations at work in the organization from manual method to the method of computerized considered one of the most important reasons for the success and progress the organization because of its strong influence on the progress of the work of the organization by saving time and effort in addition to reducing the many other sources, such as human resources. In this paper, we will examine the impact of the computerization of the Hajj fund system, which was a developed system of savings operations, and management of Sukuks in addition to the growth of the Islamic capital investment in Hajj fund in accordance with the rulings of Islamic Shari'ah. The most important thing provided by this system is a new addition exclusively for the first time in the Arab world as a whole, a savings and management of Sukuks system. It has been consolidated this added integrally with multiple sub-systems within the scope of one business to form a unified integrated system within the Hajj Fund in the Hashemite Kingdom of Jordan. During the development of Hajj fund system, the method was used agile engineering approach.

Keywords

Savings; Islamic savings; Hajj Fund System; Islamic investment; Agile; Computerized Hajj Fund

1. INTRODUCTION

The technological solution with good infrastructure, a state of the art architecture, software applications that handle the business process and well-trained resources to support a competitive system that has the benefits such as lower cost, efficient, transparency, expandability. In another side the process of converting the repeated daily operations at work in the organization from manual method to the method of computerized considered one of the most important reasons for the success and progress the organization because of its strong influence on the progress of the work of the organization by saving time and effort.

Agile approach is fits to software development project that have small team and small work environment. Each member in the team should have a high level of knowledge because every team member is involved in different tasks periodically or randomly such as designer, programmer, etc., Agile software development pattern formed as fully pliability and rapid adaption in process, product, and business to change as it is known in agile manifesto that is defined as following [1]:

- Individual and interaction over process and tool.
- Working software over comprehensive documentation.
- Customer collaboration over contract negotiation.
- Responding to change over the following plan.

As it is clear through agile manifesto, agile approach provides an alternative to exhaustive or traditional approach solution for small or medium size project. Every agile development must include primary characters as following: incremental, iterative, and evolutionary, feedback loops, checkpoints, etc.

The high level of product named epic. This epic is placed and documented as a product backlog based on user requirement, which lead to create user stories through work breakdown structure that needs to be developed. These user stories are placed as sprint backlog and tasks, each sprint period from two to four weeks based on size and effort required. After the sprint is finished, we need the acceptance of user testing, and planning for the next sprint.

The size of global Shari'ah-Compliant assets is estimated at about \$400 billion to \$500 billion. Institutions like Standard & Poor's Ratings Services believe that the potential market for Islamic financial services is closer to \$4 trillion, meaning that Islamic finance currently has only achieved about 10% of its potential and therefore still has a long way to go. The market share of Islamic financial institutions is estimated to stand at 12 per cent in Malaysia and 17 per cent in the six GCC countries where it is growing faster than anywhere else. One area of Islamic finance that attracted and continues to attract lot of interest from the business community worldwide is the global 5'ulertle market. The market is currently estimated at \$70 billion in value, and is expected to top the symbolic \$100 billion mark by 2010, according to recent estimates. Companies and governments seeking capital for the huge infrastructure projects from the Gulf region and across the Muslim world are expected to sell about \$30 billion of Islamic bonds during the next years [2].

In this paper, we will present all the aspects and benefits of the system Hajj Fund, which was developed to fund Hajj in the Hashemite Kingdom of Jordan, and we are going to explain some of the differences that have characterized our system from other Islamic systems that were used globally.

This paper is arranged as follows: the second section includes brief relevant background information over the topics of Agile Approach and the current state of the system in Hajj fund. Then, third section presents related works about some of Islamic funds systems. Also, in the fourth section we explain our Hajj fund system. But, last section presents discussions and conclusion.

2. BACKGROUND

In this section, we will show you some of the concepts that you must understand in order to reach a conceptual perception about some of the topics that will lead to understanding the integrated environment for this paper are as follows.

2.1 Agile Approach

Rapid development and delivery is now often the most important requirement for software systems. Dissatisfaction with the overheads involved in software design methods of the 1980s and 1990s led to the creation of agile methods. These methods: focus on the code rather than the design, are based on an iterative approach to software development, are intended to deliver working software quickly and evolve this quickly to meet changing requirements.

The aim of agile methods is to reduce overheads in the software process (e.g. by limiting documentation) and to be able to respond quickly to changing requirements without excessive rework. In another side, the differences between the traditional development approach and the agile development approach, the Specification, design, implementation and testing are interleaved and the outputs from the development process are decided through a process of negotiation during the software development process, but in a plan-driven or traditional approach to software engineering is based around separate development stages with the outputs to be produced at each of these stages planned in advance [3].

2.2 Jordanian Hajj Fund

Jordanian national project according to Islamic Shari'ah law, aimed at all the Jordanian people categories of the poor and middle-income and rich. The Fund seeks to raise the level of services provided to the pilgrims, on the basis of induction on savings, and achieve economic development, as part of induction to perform the Hajj; where they are competing for 20% of the number of pilgrims Hashemite Kingdom of Jordan in favor of savers seats in a Hajj fund, under certain conditions set by the system and instructions. Hajj Fund vision to become one of the leading investment funds in the world, which offers subscribers an optimal investment for their savings, according to the provisions of Islamic Shari'ah law in addition to achieve to the pilgrimage [4].

3. RELATED WORK

In this section, we will study the related work in the area of the role of Islamic financial institutions in enriching the structure and menu of financial instruments for capital markets that related of Hajj. But we noted in literature review that all operations in the Islamic financial institutions are semi-automatic.

Tabung Haji (TH) like mentioned in [5], which is an admiration Islamic financial institution in Malaysia. It established in 1963. It owns fifty-three years of expertise in Deposit, services and processor Haji and investments. Such as a director of Islamic fund to the biggest countries through funds in praise of fifty-eight billion RM. TH aims to support the economy of Muslims in Malaysia to use the funds and resources available.

TH centralizes on superior service, rewarding have acquired a global acknowledgement and become a model of a director, and creative Islamic financial services through the plurality of Islamic countries in the world.

TH progressives to support their site in the market both locally and global domain to get in investment though some sections like plantation property development and construction, Islamic finance, oil and gas, and hospitality. TH capable of improving competitive feedback to their stakeholders every year. While a net profit is more than Three billion RM.

TH competitive by original services and charming servings program made to promote savings and investment. At this item, TH owes more than eight million depositors and one hundred twenty-three branches, with more six thousand "touch point" by the country, Also it owns an office operating in Jeddah, Saudi Arabia.

Hajj Fund of India (HFI) that mentioned in [6]. Because Hajj costs increase year after year in India, it was foundation the Hajj fund that supplies Hajj service for Muslims in India. The most Indians don't prefer to save these savings in the traditional banking system to keep. So that, our devout savings don't use to an advantage based commercial performance forbidden in Shari'ah. Though up to date, there isn't safe place to keep their savings banks which aren't fully guaranteed. If they insert individual amounts kept to Hajj, they look up that a big amount of money stays flat and doesn't keep any economic action. This doesn't deal with Islamic spirit in additions, these are a trainer to be sold on land and property to combine funds for Hajj. Hajj fund of India gives a chance to solve this problem in a method which increase and reserve to Hajj. It turns on like a service agency to support safe holding your savings to religious aim. The service has crossed legal scrutiny. Every Indian Muslim can open their Hajj account with HFI. Deposits able to do any time in this Hajj account in multiples of thousands. As, 1000, 2000, 3000, 4000, 5000, etc. there is no limit. You able to deposit as payments as you wish and you can do it. So whenever it is suitable to you by Bank of India.

Bank Muamalat (BM) in [7], which is an Islamic commercial bank. It founds by the Indonesian council of "Ulama" and the Indonesian Government. BM is monitored by its own Shari'ah Supervisor Boral. At the day of signature of the articles of association, BM received RP. Eighty-four billion pledge for the deal of BM's shares. BM started their procession May 1992. Also, it received the authorization to work like a foreign exchange bank of October 27, 1994. This growing supported BM's position as administration Indonesian Islamic bank includes a developing group of products and services. Till the end of the year 2002, BM controlled the Islamic banking market in Indonesia by including total assets of Rp.2.10 trillion Stockholders' equity of RD.165.30 billion and the net profit of Rp 120.17 billion for the year 2002. The quick look of developing confidence in BM is underlying by the BM's success in increasing it's paid in capital by a correct case which increased fresh funds totaling to RP.104 billion from the bands shareholders in 2002. Developing confidence in BM is impacted by the confidence in BM is impacted by the true that BM experienced the development in its Mudarabah Time Deposits of 67% as well as develop Mudarabah savings funds by 29.9%. In 2002, BM helped more than 296,000 customers by a network of seventy branch offices and service outlets in eighteen cities and thirteen provinces with the aid of seven hundred forty-four highly trained personal. BM presents funding products financing products, and banking services. BM's funding products include; Ummat savings which are investment accounts with unrestricted with draws from any BM branch or ATM facility. Arafah Savings that means a saving plan for setting aside funds for Hajj). Fulinves Deposit which is a time deposit account for individual account holders with attractive revenue sharing package. Wadi'ah Current Account that means a third party demand deposit or current account that can be withdrawn at any time and the account holders are entitled to a plus payment from the bank on the basis of bank's earnings). BM's banking services include ATM. Phone Banking that means a 24-hour information service through telephone about products and services etc...

And Payment Points that means a service for BM's customers and non-customers to pay their telephone bills and alms.

Amanah Mutual Funds in [7], they were founded in the mid of eights. They demand to offer the services of financial intermediation and investment in accordance with the Islamic rules twelve to the American Muslims who won few chokers for Halal investment through the interest bossed American financial system. Amanah Mutual funds try to achieve the long-range equity investments for the sake of keeping their investments against inflation. Now, Amanah mutual funds won 2 funds is that the Amana Growth Fund pointing at the long-range develop of the capital by supporting the companies that are expected to register evolution in their stock prices and Amanah Income fund pointing at the current income as long at the keeping of the capital through inventing solely in those dividend paying combined stocks that are expected to own the most stable stock prices.

Abu Dhabi Islamic Bank (ADIB) in [8], which was a foundation in 1997. It was a public shareholding supply firm. It started its trade processed with paying capital of 1 billion Dirham's separate into hundred million shares with every share include a value of ten Dirham's. In according with the Islamic Shari'ah principles ADIB's shares transfer on the Abu Dhabi Securitas Market. The task of the ADIB is to be processed according to the principles of Shari'ah by clearly focusing on customer heeds, motivating by rewarding ADIB's employees, offering innovative financial products and services. Employing state-of-the-art delivery systems and that way are maximizing back ADIB goals at growing a company culture to supply its customers with cost effecting to supply its customers with cost effecting Shari'ah compliant financial services and quality. ADIB's company culture own the core company values of inquiring the Islamic Ideals, emphasizing creativity and the modern technology, practicing the feature in the operate of satisfaction, practicing rules of Shari'ah in all activities of ADIB's are focusing on 100% customer satisfaction and rewarding shareholders with competitive returns on their investment in ADIB. ADIB offers the facilities chequebook, electronic account, savings account, current account, twenty-four hour telephone banking, unrestricted recurring investment account, ATM card Murabaha-based car financing goods – financing furniture – financing from financing demand draft, remittance, section of standing instruction, safe deposit locker and Shari'ah compliant open-ended mutual fund Al-Hilal fund with ADIB like the fund manager.

4. OUR SYSTEM

4.1 The Previous Situation (Manual Form)

The fund gives the finance Murabaha and Ijara ended with ownership, and the grants process documented either manual ways, using Microsoft Systems office, or in cooperation with the Jordan Islamic Bank. Saving operations have been in the fund, such as the purchase of Sukuks in cooperation with the Jordan Islamic Bank. In addition to the financial operations (the financial process documentation, accounting entries, asset tracking) it was done in ways that hand or by using the Microsoft Systems office.

4.2 The Current Situation (After E-System of Hajj Fund was developed)

After the development of the Hajj fund system, it became contains many tasks and sections that lead to improve the functioning of the operations within the Hajj Fund as noted below.

4.2.1 Tasheelat System

In addition to Murabaha and Ijara ended with ownership, the Fund offers Islamic products in other forms, such as the Islamic Istisna'a and Musharakah,... etc) and the automation of the Tasheelat system covers the following functions:

- Client Database.
- Guarantor's database.
- Applications database.
- Products database.
- Scheduling and disbursements.
- Automatic generation to all needed documents.
- Repayment & Collection.
- Portfolio management.
- Provision & PAR (Portfolio At Risk).
- Integration with banks.
- Incentives.
- Gateway to ATM, E-Payment, Mobile Banking.
- Operational Reports.
- Financial Reports.
- Managerial Reports.
- Statistical Reports.
- Integration with financial systems.

4.2.2 Saving System

We have the uniqueness of the Hajj fund at the level of the Arab world in automating savings system and the saving system covers the following functions:

- Client Database.
- Application Database.
- Products.
- Client's payments and withdrawals.
- Transactions:
 - Sales of instruments of deposit/saving.
 - Liquefaction instruments filling.
 - To withdraw part of the fund balance for investment purposes.
 - Conversion of savings.
 - Booking movements and decryption booking.
- Saving profit calculation.
- Clients profit distribution.
- Transfer of profit to the instruments
- Integration with financial system.

4.2.3 Accounting System

The automation of the accounting system covers the following functions:

- Multi Language Interface.
- Multi Branches.
- Multi Currency.
- Flexible Chart of Account.
- Various types of vouchers.

- Multi- Entry voucher.
- On-Line Transactions Checking.
- Posting.
- Budgeting Follow-up.
- Automatic End-of-Year Closing.
- Daily & history reports.
- Balance sheet.
- Trail balance.
- Profit and Loss report.
- Actual / Budgeting reports.

4.2.4 Fixed Assets System

The automation of the accounting system covers the following functions:

- Multi Department.
- Assets Management:
 - Purchase Value.
 - Purchase Date.
 - Purchase Status.
 - Depreciation percentage.
 - Total Depreciation.
 - Employee/Department.
 - Location.
- Assets Transactions:
- Assets Monthly Depreciation.
- Assets Status.
- Assets reports.
- Integration with Accounting System.

4.2.5 HR and Payroll System

The automation of the human resources and payroll system covers two categories of functions as the following:

4.2.5.1 HR functions:

- Personnel Basic Information
- Employee Educational Qualifications
- Employee Experiences
- Employee Training
- Employee Legal Documents
- Employee's cards and categorization.
- Employees Leaving
- Employees Vacancies.
- Employees Penalties.
- Employees Evaluations.
- Employees Transfer among branches and departments.

4.2.5.2 Payroll functions

- Payroll Control
- Cost centres Handling
- Basic Salaries.
- Handling Salaries and Salaries Slips
- Allowances Control
- Deductions Control
- Loans Control
- Penalties & Incentives Control
- Salaries in Advance
- Overtime Control
- Extra Months Control.
- End of service gratuity Control.
- Automatic Calculation of tax, social security,... etc.
- Banks Transfer
- Automatic Salaries Calculation
- Integration with Accounting System.

5. CONCLUSION

Finally, we can arrive to talk about the banks either Islamic or not, are becoming to be International factory which manage counting to multi-billion dollars. At present the minimum twenty countries (Bangladesh, Bahrain, Canada, Egypt, Indonesia, Iran, Jordan, Kuwait, Luxembourg, Malaysia, Pakistan, Qatar, Saudi Arabia, Singapore, South Africa, Sri Lanka, Sudan, UAE, UK, and USA) are showing one kind or several kinds of Islamic capital products. This astonishing international development of the Islamic banking and finance factory has based and hurried the moving of the operations of foundation and international of Islamic financial markets that involve the Islamic funds markets and the Islamic capital markets.

A fully integrated software application with centralized database that can serve all branches, full tracking, automated transactions, User-friendly screen/menu layout, good user-interface, appropriate security safeguards, online help at screen level, with Help Menu and Index of topics, work flow , easy to access, daily database backup, Interfacing to Tablets, SMS, ATM, Internet and Mobile Banking can serve the institution.

In this paper, we present a survey of the Islamic financial institutions that enrich the financial structure of capital markets systems. In addition to providing an explanation of the Automated System that is used in the Hajj Fund Foundation in the Hashemite Kingdom of Jordan to facilitate the procedures and processes by providing a variety of services and useful functions automatically, to get to the many benefits included lower cost and saving time/effort, efficient, transparency, and expandability.

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