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**How to Calculate your Zakat?**

Zakat is due if a person possesses a certain minimum amount of extra wealth (called nisab), in excess of items of personal use (such as clothing, food, shelter, household furniture, utensils, cars, etc.). Gold and Silver will always be subject to Zakat, provided that their respected weights exceed the nisab amount. According to scholars, nisab for gold is 20 mithqal (~ 87.49 gram), and the nisab for silver is 200 dirhams (~613.35 gram).

The prices of gold and silver vary everyday in international markets, hence one has to acquire the latest prices to calculate zakat.

The amount of cash held at the end of the relevant Zakat year will always be subject to Zakat as well. The nisab for cash is equivalent to the value of gold or silver (whichever is less). At present, the nisab of silver is less, so cash may be calculated according to silver. All the values of Zakat-able assets for the sake of calculation are converted into their cash values.

The calculator below is based on 2.5% of the total net worth that is available at the end of one lunar year. For a detailed Zakat Calculator visit [www.hidaya.org/zakat](http://www.hidaya.org/zakat).

Total Gold Value (without jewels)	\$
Total Silver Value (without jewels)	\$
Cash on hand	\$
Checking Account	\$
Saving Account	\$
Business Bank Account(s)	\$
Stocks	\$
Mutual Funds	\$
Business Merchandise Inventory	\$
Retirement Plans (401K/IRA/etc.)	\$
Real Estate (excluding personal residence)	\$
Accounts Receivable	\$
Other funds (profits, trust accounts, partnerships, etc.)	\$
Sub Total	\$
Less deductible liabilities only	\$
<b>Total</b>	<b>\$</b>
Total x 0.025 (Zakat you have to pay)	\$

**Our Mission**

To implement educational, environmental, social welfare, and health care programs in economically depressed areas of South Asia, West Africa and North America, while focusing on projects which promote self-employment.

**How Hidaya Distributes Zakat**

Hidaya Foundation collects and distributes Zakat donations for various projects per Shariah (Islamic Law) guidelines and as instructed by donors.

Zakat funds are used to support orphans, widows, poor elderly, families in extreme poverty, poor girls for marriages, deserving students, poor medical patients, and disaster affectees.

The projects where Zakat donations are utilized are No Orphan without Education, Sponsor a Student, Female Education Drop-Out Prevention, Support a School, Information Technology Training, Vocational Training, Career Development, Water Hand Pumps for Clean Drinking Water, Marriage Support for Girls, One Million Meals, Disaster Relief, Widow/Orphan Support, Farmer Assistance, Self Employment, Medical Assistance, Hospital Assistance, and Medical Camps.

It is better for an individual to pay his/her Zakat directly to deserving people, if possible. If not, then they may assign the responsibility to a trustworthy individual or organization. It is the individual's responsibility to ask questions from whomever distributes their Zakat regarding what kind of people their Zakat is being distributed to, how and why they are selected, etc. Remember, Zakat is obligatory on every Muslim and if it is given to the wrong person, the obligation may not be fulfilled. Zakat can only be given to people who do not have Nisab and who do meet the criteria according to Chapter 9, Verse 60 in the Holy Quran.

**Contact Us**

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# A Brief Guide to Zakat

**Why should I pay Zakat?**

Allah (SWT) commands in Al-Quran, "Take alms out of their property, you would cleanse them and purify them thereby, and pray for them; surely your prayer is a relief to them; and Allah is Hearing, Knowing." [Al-Quran 9:103]

Narrated Ibn 'Umar: Allah's Apostle (PBUH) said: Islam is based on (the following) five (principles): To testify that none has the right to be worshipped but Allah and Muhammad is Allah's Apostle; to offer the (compulsory congregational) prayers dutifully and perfectly; **to pay Zakat (i.e. obligatory charity)**; to perform Hajj. (i.e. Pilgrimage to Makkah), and to observe fast during the month of Ramadan. (Sahih Al-Bukhari, Vol.1, Book 2, No.7).

**What if I don't pay Zakat?**

Allah (SWT) has strongly warned those who are negligent in paying their Zakat. Thus He said in Al-Quran, "Those who hoard up treasures of gold and silver and spend them not in the way of Allah; give them the news of a painful punishment, on the Day when that (wealth) will be heated in the Fire of Hell and with it will be branded their forehead, their sides, and their backs, (and it will be said to them:) 'This is the treasure which you hoarded for yourselves. Now taste of what you used to hoard.'" [Al-Quran 9:34-35]

Further, on the authority of 'Ali, that the Prophet (PBUH) said: "Allah has enjoined upon rich Muslims a due to be taken from their properties corresponding to the needs of the poor among them. The poor will never suffer from starvation or lack of clothes unless the rich neglect their due. If they do, Allah will surely hold them accountable and punish them severely." (related by At-Tabarani in Al-Aswat and as-Saghir).

**What is Zakat?**

Zakat is an obligatory act ordained by Allah, the Almighty Creator, to be performed by every adult Muslim. Zakat is:

1. An important pillar among the five pillars of Islam.
2. A form of Sadaqah (charity) which is obligatory on Muslims; it is an act of Ibadah (worship) and not a tax.
3. Levied on specific assets only, identified by Shariah (Islamic Law) as assets having the potential for growth.
4. The compulsory transfer of ownership of a portion of the property of the giver, calculated at the rate of 2.5%, to poor and needy Muslims who qualify to receive Zakat according to the Shariah.
5. Calculated according to the lunar calendar on the market value of the Zakat-able assets after deducting specified liabilities.

With regard to calculations (and specific information throughout this document), we have followed the opinion of the Hanafi school of thought. Information on other schools of thought may be found by researching Fiqh (Islamic jurisprudence) books, or consulting your local scholars.

**What is the meaning of Zakat?**

The literal meaning of Zakat is "to be clean, to grow, to increase." It comes from the root letters za, kaf, ya, which has several meanings: to be clean [Al-Quran Chapter 24: Verse 21, Chapter 23: Verse 4], to pay the obligatory charity [Al-Quran 2:43], to be pure, innocent [Al-Quran 19:19, 18:74] to be better in purity [Al-Quran 18:81, 19:13], and to praise oneself, to justify [Al-Quran 53:32]. It has been used in Al-Quran to mean all of these things.

**A Brief Guide to Zakat**  
 (obligatory Charity)

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