

Transparency with our donors and our work.

Our Commitment:

We believe transparency and accountability are essential to responsible charitable work.

This document outlines how we manage donor contributions, report on our activities, and maintain responsible oversight.



1. Thaakat's Transparency In Work & Reporting

We Are a Direct Empowerment Organization; Not a Pass-Through

Thaakat does not collect donations and grant them to anonymous intermediaries. We invest in permanent educational and healthcare infrastructure in chronically underserved communities, partnering directly with a single vetted on-the-ground partner, Idara Al Khair (IAK), whose operations we audit quarterly and have strict compliance controls with. There is no opaque daisy chain. There is no mystery about where money goes.

Zero Board Salaries — Every Dollar is Documented

Our board is 100% volunteer. No board member receives any compensation. This is not just a claim — it is verifiable in our financial filings. Since our inception, our board has invested over 100,000 voluntary hours to power our work forward.

Overhead Is Real, Transparent, and Zakaat-Clean

We do have overhead, and we don't hide it. Our 2025 Administrative Expense Ratio is 3.1%, well below the 10–15% industry norm. Critically, our overhead is not funded from your zakaat. It is covered by unrestricted contributions to our Lifeline Fund, a dedicated budget designed to sustain organizational growth without touching restricted donations.

Our Numbers Are Cash Numbers

Thaakat does not use gift-in-kind accounting to manufacture a favorable program expense ratio. Our 94.4% program expense ratio reflects actual cash disbursements to our programmatic work. What you see is what happened.

A Clear, Documented Zakaat Policy

We follow the Wakala model of Islamic charitable giving. The Wakala model recognizes that teachers who teach the children, cooks who prepare the food, and healthcare workers who treat patients are all legitimate recipients of zakaat output, they are the mechanism through which relief is delivered. We are explicit about what is and is not zakaat-eligible (e.g., construction costs for new buildings are not fully zakaat eligible and neither are water wells).

2. 2025 Financial Snapshot

Metric	2025	2024	What This Means
Total Revenue	\$2,968,155	\$2,281,468	30% YoY growth in giving
Total Project Disbursements	\$2,504,382	\$2,002,642	Directly to our programs
Total Overhead (Admin + Functional G&A)	\$147,315	\$106,900	Funded by unrestricted budget
Net Income	\$316,457	\$171,826	Building operating reserves
Program Expense Ratio	94.4%	94.9%	We're Transparent. Want a further breakdown? Feel free to ask us.
Admin Expense Ratio <i>*Normalized to exclude prior period costs that were incurred in the current year.</i>	3.1%	3.1%	Far below the 10-15% norm
Operating Reserve (Months)	2.95 months	n/m	We maintain reserves instead of spending on unnecessary costs

Restricted Funds Accountability

Every restricted dollar is tracked by program.
As of December 31, 2025:

Program	Restricted Balance
Pakistan Program (Restricted)	\$260,438
Africa Program (Restricted)	\$183,119
Lifeline Fund (Unrestricted)	\$66,295

Important: The balance outlined here is funded entirely from corporate contributions and sponsorship allocations, not from your zakaat or restricted program donations.



3. How We Protect Your Donation

Our Partner: Idara Al Khair (IAK)

We do not scatter funds across a network of unknown intermediaries.

Rather, the Thaakat–Idara Al Khair Welfare Society partnership envisions a long-term, institutional alliance that:

Scales access to education, healthcare, and vocational training across Pakistan and beyond.

Builds permanent social infrastructure (schools, hospitals, housing) designed for continuity and impact.

Demonstrates a replicable model of international–local collaboration rooted in trust and transparency.

Through this single, deeply vetted on-the-ground partner, we have maximum visibility and input. Idara Al Khair Welfare Society meets all of the following standards:

- ✓ PCP Certified (Pakistan Centre for Philanthropy).
- ✓ Shariah Board Approved with Alhamd Shariah Advisory Services.
- ✓ Registered with the Sindh Charities Registration and Regulation Council.
- ✓ Subject to Thaakat’s quarterly audits of all facilities and annual independent 3rd party financial audit.



Infrastructure Documentation Standards

Before a single dollar is released for any Thaakat school or medical facility build out, we require:

- ✓ Architectural blueprints and full construction plans.
- ✓ Land deed verification and ownership confirmation.
- ✓ Governance and management contracts.
- ✓ Compliance sign-off against our internal safeguards checklist.
- ✓ Shariah verification and a detailed breakdown of the permissible funding structure for each independent infrastructure initiative.

After construction, we conduct quarterly on-site audits of every facility to verify condition, usage, and longevity. Our facilities are meant to be places of empowerment not one-time projects. They are tracked through the building's entire operational life to ensure these spaces continue to provide the greatest possible public value.



Third-Party Audits and Financial Controls

Transparency is central to how we earn and keep donor trust. We are committed to responsible stewardship and clear reporting on how funds are managed and deployed. Our books are open.

Independent Oversight

To ensure accuracy, compliance, and accountability, we partner with trusted third-party firms:



External Accounting:

All in One Accounting manages financial reporting and bookkeeping in accordance with nonprofit accounting standards.



Audit & Compliance:

CliftonLarsonAllen (CLA) conducts our independent audit, providing assurance that our financial statements are accurate and complete.

Our internal financial protocols are designed to meet and often exceed nonprofit best practices, including:

- *Segregation of financial duties*
- *Multi-level approval for expenditures*
- *Board oversight of budgets and financial performance*
- *Restricted fund tracking to honor donor intent*
- *Regular internal reviews and reconciliations*

100,000+ Volunteer Hours — The Real Overhead Story

Since inception, our board has contributed over 100,000 volunteer hours.

If these hours were compensated at even a modest market rate, our reported overhead would look dramatically higher and yet the work would have been done just the same. Our 3.1% administrative expense ratio reflects the genuine cost structure of an organization powered by people who believe in the mission.



4. Common Questions - Answered Directly

Q: Does any of my zakaat go to board salaries or admin costs?

A: No. Board compensation is \$0. Administrative expenses are covered by our unrestricted Lifeline Fund and corporate contributions, never by restricted zakaat or program donations.

Q: How do I know my money reached the people it was intended for?

A: We publish annual program reports tied to specific projects. Our partner IAK is independently certified, Shariah-board approved, and registered with the Sindh Charity Council. We audit all facilities quarterly and maintain documentation trails from donation to impact.

Q: What is the Wakala model and does my zakaat go to salaries of people in the field?

A: Yes, and this is correct under Islamic jurisprudence. The Wakala model recognizes that teachers who teach the children, cooks who prepare the food, and healthcare workers who treat patients are all legitimate recipients of zakaat output, they are the mechanism through which relief is delivered. We are explicit about what is and is not zakaat-eligible (e.g., construction costs for new buildings are not fully zakaat eligible and neither are water wells).

Q: What is the Lifeline Fund?

A: The Life Line Fund is what keeps our engine running behind the scenes. It supports the essential (but often overlooked) costs that allow us to operate with integrity. Critical programs such as accounting, legal and compliance services, auditing, fundraising, and operational support expenses are made possible through this fund. Unrestricted funds such as sponsorships and corporate contributions make this fund possible. Several grantors also make specific allocations to this fund to help amplify our growth as an organization.



5. Financial Details

Revenues	2025	2024
Total Revenue	\$2,968,155	\$2,281,468

Expenses	2025	2024
Project Disbursements		
Africa	\$42,090	\$241,509
Pakistan	\$2,454,642	\$1,749,133
Global Relief Program	\$7,650	\$12,000
Total Project Disbursements	\$2,504,382	\$2,002,642
Functional Expenses		
Events	\$47,974	\$27,721
Transaction Fees	\$18,208	\$14,445
Total Functional Expenses	\$66,182	\$42,166
G&A Expenses		
Accounting & Legal	\$61,754	\$40,707
Contractor Services	\$1,500	\$7,110
Dues & Subscriptions	\$3,767	\$2,886
Marketing - Social / Web	\$10,174	\$9,988
Supplies & Mailing	\$1,403	\$439
Contractors	\$1,250	\$3,704
Other Expenses	\$1,284	-
Total G&A Expenses	\$81,133	\$64,834
Total Expenses	\$2,651,697	\$2,109,641
Net Income	\$316,457	\$171,826



Our Pledge to **Every Donor.**

We believe accountability is not a compliance exercise,

It is the **foundation of trust** between a donor and the communities we are trying to **serve.**

Have a Question?

We invite you to contact us directly at **info@thaakat.org** or visit our [website](#) for a copy of our audited financials and annual tax filings.