


Legal Analysis of Digital Donation Campaigns: A Case Study of Agus Salim's Donation Compliance and Accountability Based on the Minister of Social Affairs Regulation Number 8 of 2021

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Article Info	ABSTRACT
<p>Article history:</p> <p>Received January, 2025 Revised January, 2025 Accepted January, 2025</p> <hr/> <p>Keywords:</p> <p>Digital Donation Campaign, Compliance, Accountability</p>	<p>This study examines the compliance and accountability of the Agus Salim digital donation campaign about Minister of Social Affairs Regulation Number 8 of 2021. Employing a normative juridical approach, the research analyzes legal provisions and evaluates the campaign's adherence to regulatory requirements, focusing on permit acquisition, transparency, and reporting obligations. The findings reveal partial compliance, highlighting challenges such as delayed permit approval, insufficient financial transparency, and gaps in reporting mechanisms. The study also identifies limitations in the regulatory framework, including enforcement difficulties and the absence of digital-specific guidelines. These results underscore the need for revised regulations and enhanced accountability measures to ensure the ethical and effective operation of digital donation campaigns in Indonesia.</p> <p><i>This is an open access article under the CC BY-SA license.</i></p> <div></div>

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1. INTRODUCTION

Digital donation campaigns have transformed philanthropy by utilizing digital platforms to expand reach and improve fundraising efficiency. In Indonesia, public fundraising is regulated under Minister of Social Affairs Regulation Number 8 of 2021, which enforces compliance and accountability in fund management. Dompet Dhuafa Riau exemplifies successful digital philanthropy by combining traditional methods with digital tools to encourage donations and build trust through services, mentoring, and training [1]. Likewise,

Lazismu Medan City has enhanced its fundraising capacity by adopting digital platforms and training administrators and volunteers, resulting in increased donations and donor satisfaction [2]. Digital tools like mobile apps and QR codes improve the collection of Zakat, Infaq, and Sadaqah (ZIS) funds, ensuring accessibility and transparency [3], while digital marketing fosters trust and attracts donors via social media, content marketing, and CRM systems [4]. However, compliance with regulatory standards and accountability in fund management remain challenges,

The Agus Salim donation initiative in Indonesia highlights significant legal challenges associated with digital donation campaigns, particularly regarding regulatory compliance, transparency, and accountability. Indonesia's current legal framework lacks specific regulations for donation-based crowdfunding, raising concerns about donor protection and fund management. Insufficient legal certainty and the absence of a defined legal status for crowdfunding platforms complicate regulation, leaving gaps in oversight and protections for service providers [5], [6]. Additionally, the absence of clear regulations on transparency and accountability in fund management exposes donors to risks, as no legal mechanisms ensure the proper use of funds, leading to potential misuse and disputes [7]. The digitalization of donation-based crowdfunding, including zakat, further complicates regulation, as current laws inadequately address nonprofit-oriented crowdfunding, resulting in a lack of justice and legal certainty [8]. To address these issues, innovative legal approaches integrating digital technology and cultural insights, such as data-driven regulation and enhanced public engagement through digital platforms, can improve transparency, accountability, and the effectiveness of Indonesia's legal system [9].

This study employs a normative juridical approach to analyze the compliance and accountability of the Agus Salim donation campaign within the framework of Minister of Social Affairs Regulation Number 8 of 2021. By examining the legal provisions and their practical application, this research aims to identify gaps in the regulatory framework and propose solutions to enhance the governance of digital donation campaigns in Indonesia.

2. LITERATURE REVIEW

2.1 *Digital Donation Campaigns: An Overview*

Digital donation campaigns utilize online platforms to enhance fundraising by

increasing reach, reducing costs, and enabling real-time donor interaction. Social media and crowdfunding websites broaden audience engagement, with video fundraising on Facebook shown to boost revenue and frequency [10]. Digital platforms also cut costs, allowing efficient resource allocation, and facilitate direct communication, enhancing donor engagement [11]. However, risks like fraudulent campaigns and insufficient transparency undermine public trust [12]. Ensuring fund authenticity remains a challenge, deterring donors. Blockchain-based charity platforms offer improved transparency and oversight, fostering trust [12], while collaborative tools between NGOs and volunteers enhance accountability and societal responsibility [13].

2.2 *Legal Framework for Public Fundraising in Indonesia*

The regulation of public fundraising in Indonesia, as outlined in the Minister of Social Affairs Regulation Number 8 of 2021, ensures transparency, accountability, and the prevention of fraudulent practices, which are essential for maintaining public trust and appropriate fund utilization. It mandates permit requirements, transparency in reporting, and the prohibition of fraudulent activities. All fundraising campaigns must obtain official approval from relevant authorities, ensuring that only legitimate organizations solicit public donations [14]. The permit process involves vetting the organization and its campaign purpose [15]. Organizers must maintain accurate records of collected funds and submit detailed utilization reports to ensure accountability and prevent misuse [5]. Information disclosure is emphasized to maintain donor confidence and ensure funds are used appropriately [16]. Additionally, strict measures and penalties are enforced against deceptive practices, complemented by oversight to detect and prevent fraud in the fundraising sector [5], [14].

2.3 *Compliance in Digital Fundraising*

Compliance in digital donation campaigns is essential for maintaining legitimacy and ethical standards, yet it faces

challenges such as a lack of awareness among organizers about regulatory requirements, insufficient monitoring mechanisms, and difficulties enforcing laws in the digital sphere. Compliance acts as a preventive measure, informing organizations about existing laws to uphold ethical standards and legitimacy in fundraising [17]. It ensures transparency and accountability, crucial for consumer safety and harm prevention [18]. However, the rapid evolution of technology often outpaces regulatory frameworks, complicating their effectiveness and relevance [19]. Cross-jurisdictional fundraising adds complexity with issues like registration requirements and jurisdictional authority, while nonprofit organizations face scrutiny, requiring robust compliance programs to maintain ethical behavior and accountability [20]. Technological solutions such as IoT and blockchain enhance transparency and accountability, fostering trust and aligning with legal concerns [18]. Hybrid regulation, blending local non-statutory enforcement with statutory intervention, offers flexibility in addressing digital compliance [19]. Effective compliance management includes strategic planning, risk assessment, policy development, and comprehensive programs involving education and training to maintain compliance and reduce barriers [21].

2.4 Accountability in Digital Fundraising

Accountability in digital donation campaigns is essential to ensure that funds are used as intended, requiring secure payment methods, donor information protection, and regular updates to stakeholders. Digital technologies have significantly transformed financial reporting and accountability, enhancing transparency and efficiency in emerging markets [22]. Advanced technologies like blockchain provide secure, immutable transaction records, reducing fraud risks and ensuring appropriate fund usage [22]. Compliance with regulations such as GDPR safeguards donor information, fostering trust [23]. Robust corporate governance frameworks and ethical guidelines further protect donor data, while web-based disclosure practices enhance

transparency by offering stakeholders access to financial information and updates on fund utilization [24]. Regular internal and external audits, along with clear communication, verify financial accuracy and compliance, fostering stakeholder confidence. Additionally, web-based technologies ensure timely updates, keeping stakeholders informed about the progress and impact of donation campaigns [23], [24].

2.5 Theoretical Framework

The normative juridical approach focuses on examining existing legal norms and their application in regulating specific activities. This study utilizes the normative juridical framework to evaluate the compliance and accountability of the Agus Salim donation campaign under Minister of Social Affairs Regulation Number 8 of 2021. This approach allows for a detailed analysis of the alignment between legal provisions and the actual practices of digital fundraising campaigns.

Despite the existence of comprehensive regulations, scholars argue that gaps remain in the enforcement and monitoring of digital donation campaigns in Indonesia. Limited technological infrastructure, lack of specialized oversight bodies, and ambiguities in certain legal provisions contribute to these challenges.

3. METHODS

3.1 Research Design

The normative juridical method focuses on examining legal norms and their application to specific issues. In this study, the approach is utilized to analyze legal provisions related to public fundraising and their implementation in the context of digital donation campaigns. The research also incorporates a case study of the Agus Salim donation campaign to provide practical insights into compliance and accountability challenges.

3.2 Data Collection

Data collection for this study involves reviewing both primary and secondary sources. Primary sources include legal

documents such as Minister of Social Affairs Regulation Number 8 of 2021, Law Number 9 of 1961 on Collection of Donations, and other relevant regulations governing public fundraising in Indonesia. Secondary sources comprise academic journals, books, legal commentaries, and reports from governmental and non-governmental organizations discussing digital fundraising, compliance, and accountability issues. Furthermore, public records, official statements, and publicly available financial reports of the Agus Salim donation campaign were analyzed to evaluate their adherence to regulatory requirements.

3.3 Data Analysis

The data analysis process consists of two main components. The first is a normative legal analysis, which interprets legal provisions to identify the obligations and responsibilities of digital fundraising organizers, focusing on permit requirements, transparency standards, reporting obligations, and accountability measures as outlined in Minister of Social Affairs Regulation Number 8 of 2021. The second component is a case study analysis of the Agus Salim donation campaign, evaluating its compliance with the legal framework by examining the campaign's permit documentation, fund management practices, and reporting mechanisms to assess alignment with regulatory requirements.

4. RESULTS AND DISCUSSION

4.1 Compliance with Legal Requirements

Minister of Social Affairs Regulation Number 8 of 2021 mandates that all public fundraising campaigns, including digital ones, must obtain a formal permit from the relevant authorities before initiating their activities. An examination of the Agus Salim campaign's documentation revealed that while the organizers applied for a permit, there were delays in receiving approval. This resulted in the campaign commencing operations without full compliance with legal requirements. The lack of strict enforcement mechanisms for digital platforms appears to

contribute to this issue, as many campaigns exploit regulatory loopholes by operating under the guise of non-commercial initiatives or by using third-party platforms that are not directly accountable.

Transparency is a critical component of fundraising compliance. According to the regulation, organizers must maintain detailed records of the funds collected and provide periodic reports to authorities and donors. The Agus Salim campaign demonstrated partial compliance, publishing general updates about total funds raised. However, detailed breakdowns of expenditures were not publicly disclosed, raising concerns about the transparency of fund management. Such practices undermine public trust and highlight the need for a standardized reporting format for digital donation campaigns to ensure accountability and clear communication with stakeholders.

The regulation requires fundraising organizers to submit comprehensive reports detailing the utilization of donations, including receipts, beneficiaries, and administrative costs. The Agus Salim campaign submitted reports to authorities; however, these reports were delayed and lacked sufficient detail to meet the stipulated standards. This finding underscores the challenges faced by digital fundraising campaigns in adhering to reporting obligations, especially when operating without adequate administrative resources or legal expertise.

The Agus Salim campaign's challenges in adhering to the Minister of Social Affairs Regulation Number 8 of 2021 highlight significant issues in the regulatory framework for digital fundraising in Indonesia. The campaign's experience underscores the need for more robust enforcement mechanisms and clearer guidelines to ensure compliance. The lack of strict enforcement and the exploitation of regulatory loopholes by digital platforms are critical concerns that need addressing to maintain the integrity of fundraising activities. To address these issues, the underdeveloped state of crowdfunding

regulations in Indonesia necessitates enhancements in legal frameworks, as clearer guidelines and penalties for non-compliance are essential [5]. Additionally, the need for standardized reporting formats for transparency in fund management is critical [25], and stricter oversight and enforcement of reporting obligations are necessary to maintain public trust [26].

4.2 Accountability in Fundraising Practices

Accountability in fundraising is tied to the ethical use of donated funds. While there was no evidence of misuse in the Agus Salim campaign, the absence of detailed financial disclosures raises questions about the ability of stakeholders to verify that funds were utilized for their intended purposes.

This reflects broader issues in digital donation campaigns, where the lack of independent oversight mechanisms can lead to potential misuse of funds and reduce donor confidence.

Effective communication with donors is an essential aspect of accountability. The Agus Salim campaign used social media and crowdfunding platforms to engage with the public, providing regular updates on fundraising progress. However, these updates often lacked critical information about the allocation and impact of funds, limiting their effectiveness in building trust.

4.3 Gaps in the Regulatory Framework

The findings from the Agus Salim case highlight several gaps in the existing regulatory framework:

Enforcement Challenges: The digital nature of campaigns makes it difficult for authorities to monitor compliance effectively, especially for campaigns operating on multiple platforms.

Ambiguities in Regulations: Certain provisions in Minister of Social Affairs Regulation Number 8 of 2021 lack specificity, making it challenging for organizers to fully understand their obligations.

Absence of Digital-Specific Guidelines: The regulation does not provide tailored guidelines for digital fundraising campaigns, which often operate differently from traditional fundraising methods.

4.4 Discussion

The Agus Salim campaign serves as a microcosm of the challenges faced by digital donation initiatives in Indonesia. While the campaign successfully mobilized significant public support, its partial compliance with regulatory requirements highlights the limitations of the current legal framework in governing digital fundraising activities.

To address these challenges, policymakers must consider revising the regulation to include specific provisions for digital campaigns. This could include creating a centralized digital platform for permit applications, requiring real-time financial disclosures, and establishing independent oversight bodies to monitor compliance.

Moreover, campaign organizers must prioritize transparency and accountability, adopting best practices such as third-party audits and regular impact assessments. By fostering greater collaboration between regulators and organizers, Indonesia can build a more robust and trustworthy ecosystem for digital philanthropy.

5. CONCLUSION

The Agus Salim digital donation campaign exemplifies the opportunities and challenges inherent in digital fundraising in Indonesia. While the campaign successfully engaged public support, its partial compliance with Minister of Social Affairs Regulation Number 8 of 2021 underscores the limitations of current legal and regulatory frameworks. Key issues identified include delays in permit approval, insufficient financial disclosures, and gaps in reporting standards.

The findings highlight the need for a more robust regulatory approach tailored to the digital fundraising landscape. Recommendations include the establishment of centralized digital permit systems, mandatory real-time financial reporting, and the creation of independent oversight bodies. Campaign organizers must also enhance their accountability practices through transparent

fund management and regular public updates.

By addressing these challenges, Indonesia can create a more effective and

trustworthy environment for digital philanthropy, ensuring that public trust is maintained and social needs are met in a responsible manner.

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