


THE IMPORTANCE OF EDUCATION FINANCING MANAGEMENT IN THE MANAGEMENT OF EDUCATIONAL INSTITUTIONS

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Article Info	ABSTRACT
<p>Article history: Received May 21, 2024 Revised Jun 10, 2024 Accepted Jun 17, 2024</p> <p>Keywords: Leadership Contingency Education</p>	<p>Financial management in education is the process of planning, organizing, controlling, and monitoring financial resources used to finance educational activities. This research aims to identify the importance of financial management in education through a literature review. The research method used is a literature review, which is an analysis of sources of information derived from literature or documents related to the research topic. The sources of information used in this study consist of scholarly journals, books, and documents related to financial management in education. The results of the study indicate that financial management in education plays a crucial role in ensuring the smoothness and success of the learning process. Good financial management will ensure that available funds are used effectively and efficiently, thereby improving the quality of education. Financial management also allows schools to manage financial risks, such as unexpected costs or funding shortages. Financial management in education also plays a vital role in ensuring fair and equitable access to education for all students. With good financial management, schools can provide equal opportunities for all students to obtain quality education. In conclusion, financial management in education is essential to ensure the success of the learning process and equitable access to education. Therefore, effective and efficient financial management is required in education. This research recommends that the government and educational institutions evaluate and improve existing financial management systems, as well as increase transparency and accountability in the use of education funds.</p> <p>This is an open-access article under the CC-BY 4.0 license.</p> 

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INTRODUCTION

Education financing management is one of the most important things in the management of educational institutions. In an effort to increase the effectiveness and efficiency of educational institutions, financial management and education financing play an important role in providing the resources needed to carry out various educational activities.[1] In the context of globalization and increasingly fierce competition, educational institutions must be able to manage available resources optimally in order to meet the needs of students and obtain good results in the learning process. Therefore, financial management and education financing need to be taken seriously by managers of educational institutions."[2]

The effectiveness of financial management and financing of education covers various aspects, such as fund collection and management, efficient use of resources, and quality performance measurement. The managers of educational institutions need to have the ability to manage resources and funds in order to achieve the educational goals that have been set."[3] In the context of financing management, Islamic educational institutions are faced with various challenges, including economic fluctuations, changes in community needs, and demands to maintain religious values in every aspect of their activities. Therefore, it is important for these institutions to have a good and well-planned financing strategy."[4]

With financial management being the main focus in Islamic educational institutions, there are several gaps that need to be addressed. One of them is the lack of in-depth understanding of the principles of Islamic financial management among managers of educational institutions.[5] Sometimes, the financial management approach used tends to be secular and pays little attention to religious values. In addition, there is also a need to increase transparency and accountability in the management of funds as well as a more appropriate budget allocation in accordance with the priorities of Islamic education."[6]

The purpose of financing management in Islamic educational institutions is to ensure that the available financial resources are utilized efficiently and effectively, so that the educational objectives and values upheld can be achieved properly.[7] Thus, financing management in Islamic educational institutions does not only focus on financial aspects alone, but also on achieving the mission and vision of Islamic education holistically. The availability of adequate funds if not managed properly, so it is possible that waste, incompatibility of spending with the plan, let alone misappropriation of funds can occur, so good planning, must have the suitability of school spending with the plan, supervision and accountability need to be managed properly.

METHODS

This research uses the library research method because the data needed in compiling this work is obtained from literature review.[8] Data collection in this study uses the

documentation method, which is a method of searching for data in the form of variables or things in the form of notes, transcripts, books, magazines, and other written objects secondary sources come from various readings such as books, journals, articles, and other literature that can support this research in collecting data using documentation techniques, while for data analysis used in this research is content analysis.[9].

RESULTS AND DISCUSSION

Definition and Principles of Financial Management

Financial management and financing in education is very important to apply because schools are not for-profit institutions, so the community and parents have a responsibility to ensure that every revenue of educational institutions is used to improve the quality and quantity of professional educational services. In this context, it is important to be able to manage the use of funds transparently and accountably, improve cost effectiveness and efficiency, minimize misuse of funds, explore funding sources creatively, and place competent and professional treasurers (Santoso and Pambelum, 2008).

Based on definitions taken from several sources, it can be concluded that financial management is an activity consisting of planning, organizing, managing, supervising, and being accountable for the use of funds or financial resources in an organization. In the context of education, financial management has a very important role in creating and maintaining values through decision-making and financial management in educational institutions. Effective and efficient financial management can help improve the quality and quantity of professional education services and increase public accountability for the management of education funds. The principles of school financial management include fairness, efficiency, transparency and public accountability. In its application, there are some effectiveness that need to be considered, such as self-management, the principle of human initiative, transparency, accountability, effectiveness and efficiency. These principles must be carried out by paying attention to important aspects such as openness, accountability, achievement of goals, and results generated from activities. Therefore, school financial management must be carried out openly, with the use of school money in accordance with planning and accounted for, as well as effective and efficient activities to achieve the desired goals and results.

1. Transparency

The principle of transparency in financial management and financing of education refers to managing activities in educational institutions, such as financial management, in an open manner. Openness regarding the source and amount of finances, details of use, and accountability must be clear to make it easier for interested parties to find out. Financial transparency is very important in increasing support and participation from parents, communities and governments in all programs in educational institutions. In addition, transparency can also create mutual trust between the government, the

community, parents and school residents through the provision of accurate and adequate information (Siswanto, E., 2013).

2. Accountability

Responsible management of funds can be realized through the accountability required by parents of learners, the community and the government. Education managers must periodically submit financial reports to these education stakeholders. There are four important pillars in realizing accountability in the financial management of educational institutions, namely: 1) transparency in receiving and managing education funds, 2) performance standards in carrying out the duties, functions and authority of financial managers, 3) participation in creating conditions for easy, cheap and fast financial management of educational institutions, 4) regulations and governance that become signs in carrying out public policies in providing maximum education services.

3. Effectiveness

The effectiveness of an educational institution refers to the organization's ability to achieve its goals, adapt to the environment and continue to exist. Effectiveness can be achieved by creating a work atmosphere that motivates workers to take responsibility and be creative in improving efficiency in achieving organizational goals.

The effectiveness of financial management and education financing consists of a four-stage process, *das sollen* and *dassein*. These stages include the characteristics of the source of education costs as input, administrative behavior and financial allocation by the treasurer as process, learning outcomes, attitudes, justice and equality as output, and the number of graduates with outstanding learning achievements and good reputation as outcome. The effectiveness dimension of financial management and education financing emphasizes the expected results, goals and targets. An educational institution is considered effective if it is able to achieve success at these stages with quality indicators.

4. Efficiency

Utilizing limited educational resources to achieve optimal results is the principle of educational efficiency. The same applies to financial management and financing of education, where efficiency relates to the results produced in accordance with the desired needs with the amount of resources spent. A book written by Ni'mah (2009) explains that financial management and education financing are considered efficient if the ratio between inputs or resources and outputs is optimal. Meanwhile, according to Nanang Fattah (2002:35), efficiency in education financing is related to the utilization of limited educational resources so as to achieve optimal education service delivery. In terms of education costs, efficiency can be achieved by allocating the right education budget by prioritizing input factors that can improve student learning achievement and expand education services for everyone.

Financial Management Process in an educational environment

Education financing management can be divided into three important stages: planning, implementation and monitoring. Activities in financing management include budgeting, bookkeeping and audit. The basic concepts of education financing

management include determining the work program for implementing the education budget, planning the determination of the education budget, and the sources and allocation of financing. All these stages must be carried out professionally and transparently to achieve the goal of improving the quality and quantity of education services (Sherly, 2020).

1. Planning

Planning is the first step in identifying the needs of the organization by determining the objectives, location, time and manner of implementation. In the context of school finance, planning refers to the collection of resources to achieve educational goals in schools by making budget proposals for each activity. The planning process begins with a meeting attended by the principal, teachers' council, school committee, teaching and education personnel, and foundation leaders. The results of the meeting will form the RKAS, which is a cost budget plan for the needs of teaching and education personnel. The principal and school treasurer will prepare the budget based on the results of the meeting, but in preparing the budget, there are obstacles in the form of increasing needs but limited available funds. Therefore, the principal uses a priority scale to overcome these obstacles and fulfill the most urgent needs first.

2. Implementation

The financial implementation process in financial management is carried out based on the plan that has been made, and if necessary, adjustments will be made. This implementation consists of two processes, namely managing revenues and expenditures. On the revenue side, the school's financial resources come from the foundation and the government through the School Operational Assistance (BOS) fund and the free education fund. The management of financial receipts is carried out by the treasurer through a one-door system, and recorded in the general cash book and daily cash book. Financial resources are allocated to two areas: 70% for student activities and 30% for human resources (HR) activities. Because of the one-door system, the school treasurer handles the financial bookkeeping and the principal knows about it. On the expenditure side, each program has a corresponding cost requirement. Each program has a responsible party and the expenditure is adjusted to the school budget activity plan. The main obstacles in the implementation of school finance are limited funds and changes in the price of goods that rise, so a priority scale is used for the most urgent needs. The implementation of school finance is only handled by the principal and treasurer, who are accountable to the foundation.

3. Surveillance

To monitor and be accountable for school finances, evaluation, accountability and the involvement of external supervisors are conducted. Evaluation is done by checking the implementation of the school program every quarter or every six months by the foundation and the principal. After that, follow-up is done to minimize non-essential needs and maximize the use of funds. The principal plays an important role in evaluating each activity by providing an understanding of the expenditure and monitoring each

program. There is also an external evaluator from the education and culture office who checks the physical evidence of expenditure on the report at the end of the fiscal year. School financial accountability is reported to the national ministry of education through a report document prepared by the school principal and school treasurer. Once reported, the report is revised by following up on activities that have not been carried out. Transparency in financial supervision can be seen through evaluation by the principal and monitoring by the foundation.

CONCLUSION

Education financing is an amount of money or value used for the implementation of education implementation and realizing educational goals. the source of funds is also used as academic services, meeting the needs and supporting the learning process. In the concept of financing, you must know the source of funds from where, what it is used for, and accountability. This is so that the finances are clear. So that in carrying out the concept of financing, you must know the stages such as cost objects, cost management information, financing, finance, budgets, costs, and cost triggers. This is very important to support the smooth implementation of educational programs so that problems do not occur regarding financing in educational institutions. With the existence of many problems in managing finance or financing, it is necessary to stage the stages of preparing education financing so that it is effective and efficient, namely financial planning, budget execution, and financial supervision. With this it can minimize if there are financial or financing problems in the institution. Thus the presentation of articles that I can convey hopefully in the future financing management in Islamic education can be implemented even better. Finally, thank you for your attention. Hopefully useful.

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