

# The Dynamics of Education Funding: A Madrasah Ibtidaiyah Perspective

Dian Juliani<sup>1\*</sup>, Ani Widayati<sup>2</sup>, Citra Purwita<sup>3</sup>

<sup>1</sup>Accounting Study Program, Department of Accounting Education, Faculty of Economics and Business, Universitas Negeri Yogyakarta, Special Region of Yogyakarta, Indonesia

<sup>2</sup>Accounting Education Study Program, Department of Accounting Education, Faculty of Economics and Business, Universitas Negeri Yogyakarta, Special Region of Yogyakarta, Indonesia

<sup>3</sup>Management Study Program, Management Department, Faculty of Economics and Business, Universitas Negeri Yogyakarta, Special Region of Yogyakarta, Indonesia

\*Correspondence: [dianjuliani@uny.ac.id](mailto:dianjuliani@uny.ac.id)

**Research aims:** This study examines the management of education financing, focusing on the primary funding sources and the challenges associated with their management.

**Design/Methodology/Approach:** A qualitative approach was employed, using in-depth interviews with the school principal to explore funding sources, challenges, and the practices implemented to manage these resources effectively.

**Research findings:** The research revealed that the primary funding sources are government allocations SOS (School Operational Support) and RSOS (Regional School Operational Support), parental contributions (tuition fees and infaq), and community donations. Challenges include dependency on unstable external funding, irregular disbursement of government funds, economic constraints affecting parental contributions, and the unpredictability of community donations. These challenges highlight the need for diversifying funding sources and enhancing transparency in financial management.

**Theoretical contribution/Originality:** This study underscores the critical need for diversified and transparent financial management in educational institutions. It provides insights into managing dependency on external funding and improving sustainability in educational financing, contributing to the broader discourse on funding models in primary education.

**Practitioner/Policy Implication:** The findings suggest policy recommendations for improving the reliability of government fund disbursement, developing support programs for economically disadvantaged parents, and establishing community partnerships to secure consistent funding.

**Keywords:** Education Financing; Funding Sources; Financial Management; Sustainability

## Classification

Research Paper

## History

Submitted:

December 07, 2024

Revised:

January 15, 2025

Accepted:

February 20, 2025

DOI:

[10.18196/pas.v2i1.22](https://doi.org/10.18196/pas.v2i1.22)



This work is licensed under a  
Creative Commons  
Attribution 4.0 International  
License

Citation: Juliani, D., Widayati, A., & Purwita, C. (2025). The Dynamics of Education Funding: A Madrasah Ibtidaiyah Perspective. *Public Accounting and Sustainability*, 2(1), 60-68.

## Introduction

Education is a fundamental right of every individual that significantly impacts a country's social and economic development. To realize the quality of education, sustainability and effective management of education financing are equally important factors. Adequate education financing not only leads to the quality of teaching and learning but also affects the provision of facilities, curriculum development, and the welfare of educators. In the context of primary and secondary education in Indonesia, financing is often a major challenge for the government, the community, and the schools themselves.

Good education financing management has been proven directly impact education quality. Effective financial management ensures the availability of adequate resources for teaching materials, infrastructure, teacher training, and education program development. Well-managed schools are better able to provide essential educational resources, which leads to improved learning outcomes (Ismail & Sumaila, 2020; Kurniady et al., 2018). Schools that utilize education funds effectively are more likely to see improvements in infrastructure

and education quality (Hafni & Rahmawati, 2022), as proper planning and allocation lead to a more stable and supportive learning environment.

Education financing management covers the entire process of managing funds used to support education operations. These funds can come from various sources, including the central and local governments, community donations, and contributions from parents. Previous studies show that the contribution of government funds, particularly through School Operational Support (SOS) and Regional School Operational Support (RSOS), often makes up 60–90% of total elementary school financing in Indonesia (Ismail & Sumaila, 2020; Menteri Pendidikan dan Kebudayaan RI, 2021). In contrast, parents' contributions, such as tuition fees or *infaq*, typically cover 10–30%, and community donations remain incidental and project-based, often contributing less than 10% (Mushthofa et al., 2022; Pratiwi, 2016). Each source of funding has its advantages and challenges in managing it. For example, funds from the government, such as SOS, provide stability but often do not cover all school needs. Meanwhile, parental and community contributions can provide additional funds but depend on the economic capacity of parents and the level of community participation.

The challenges of managing education funding are not only related to the lack of available funds but also the uneven distribution of funds, inefficiency in management, and lack of transparency and accountability in using funds. Therefore, a good understanding of education funding management is crucial for schools, communities, and the government. As we strive to improve the quality of education, it is important for policymakers, schools, and communities to have a better understanding of the various aspects of education financial management.

Effective and efficient financing is expected to improve the quality of education and provide wider access for all levels of society (Aflaha et al., 2021). From an Islamic perspective, educational financing management focuses on allocating funds and how these funds can be used equitably and in compliance with the Sharia principles (Munir, 2013). Free-based education financing of education establishment contributions can be implemented well with careful planning, transparent management, and continuous evaluation (Mushthofa et al., 2022). Therefore, improvements in transparency and accountability are crucial to encourage more efficient and planned expenditure of education funds (Pratiwi, 2016).

More stringent evaluation processes and financial oversight are needed to enhance the efficiency and accountability of fund management (Prayoga & Risnandi, 2019). For example, research by Pratiwi (2016) illustrates a case where mismanagement of funds in several schools led to delays in paying teachers' salaries, resulting in low teacher morale and poor-quality teaching. In some regions, the lack of transparent financial management led to funds being misallocated for non-educational purposes, where crucial infrastructure improvements were neglected, directly impacting the learning environment and the effectiveness of educational programs.

A concrete example can be found in the case of schools in remote areas of Indonesia, where funds from the government are often delayed, and there is insufficient monitoring of fund distribution. It creates an environment where school activities, such as extracurricular programs, classroom materials, and teacher salaries, are either underfunded or mismanaged. Consequently, student performance and engagement can significantly decline, as seen in studies by Ismail and Sumaila (2020), which highlighted schools in rural areas where fund mismanagement led to poor infrastructure, lack of teaching aids, and subpar student learning outcomes.

Education financing management can improve education quality, especially in Islamic religious education, with proper planning, implementing, monitoring, and evaluating strategies (Rasyidah et al., 2022). Several challenges need to be resolved in managing education financing, especially in terms of socialization, human resource development, and the provision of supporting tools to facilitate the management of education funds (Shunhaji et al., 2020). Education cost policy standards in basic education are crucial in ensuring the

efficiency and effectiveness of using the education fund. With detailed technical guidelines, each education unit is expected to properly manage education funds to achieve quality education goals (Vista & Sabandi, 2020).

Proper management of education financing is essential to ensure the continuity of quality education, and effective and efficient management will encourage the achievement of educational goals and improve the quality of education (Nafisah et al., 2017). Optimal management of education financing is essential to increasing the quality of education (Kurniady et al., 2018). Good financial management in educational institutions is essential to achieve the goal of quality education. Competent and responsible financial management can ensure that budgets are used effectively and efficiently, promoting successful educational activities and improving school quality (Andiawati, 2017).

The financial management of education during the COVID-19 pandemic shows various obstacles and challenges, especially regarding budget planning and realization (Hafni & Rahmawati, 2022). Effective education financing management can improve the quality of education by planning, organizing human resources, and implementing and monitoring education financing, although there are still challenges in budget management (Ekowati et al., 2019). Education financing management through the SOS fund can enhance the quality of education with structured and accountable fund management (Ismail & Sumaila, 2020). Implementing good management of SOS funds will contribute to schools improving the quality of education. However, there are several obstacles, such as delays in disbursement and changes in regulations in managing these funds (Sari & Saputro, 2023).

The interest of this study is to provide a comprehensive overview of how education financing is managed at the primary school level, focusing on the main sources of funds used by schools in Indonesia, such as SOS funds, tuition fees, and community donations. The research aims to discover the challenges schools face in managing these funds and their impact on the quality of education provided. It will explore how reliance on a particular funding source can affect the stability and sustainability of school operations.

Madrasah Ibtidaiyah integrates Islamic religious education with the national curriculum, creating a dynamic that differs from public elementary schools. MI specializes in religious values in every aspect of education, from education management and fund management to character building for students. The unique nature of fund management in MI, which involves greater community participation and the incorporation of religious values, provides deeper insights into how faith-based education affects the management of education funds and the challenges faced in managing resources more transparently and sustainably. Therefore, this study focuses on Islamic elementary schools as the object of research to identify and analyze the sources of funding used by schools and the challenges faced in the management of education funds. The study results are expected to provide a detailed overview of fund management practices at the school level, along with more appropriate policy recommendations to improve the management of education financing in Indonesia.

Based on the explanation that has been stated, the research questions will be asked as follows:

**RQ<sub>1</sub>:** *What are the main sources of education funding at the primary school level in Indonesia?*

**RQ<sub>2</sub>:** *How are the challenges faced in managing funds sourced from the government?*

**RQ<sub>3</sub>:** *How do parents' contributions through tuition payments contribute to the sustainability of education financing?*

**RQ<sub>4</sub>:** *How far do community donations support the school's financial needs, and how does the uncertainty of these donations affect the school's financial planning?*

## Literature Review

Education funding is crucial in ensuring access to quality education and maintaining sustainable education systems. Need-based funding and transparency in financial management are necessary to improve the effectiveness of education in many countries (Happyana et al., 2024). Effective financial management is essential to support school operations, infrastructure development, and educational programs. Education funding is sourced from various stakeholders such as the government, parents, the private sector, and even international non-governmental organizations.

One of the sources of funding for educational institutions is government funding from both the central government in the form of SOS and local governments in the form of RSOS. Effective management of SOS funds contributes to improving the quality of education but still requires improvement in coordination and transparency so that the benefits are maximized (Ismail & Sumaila, 2020).

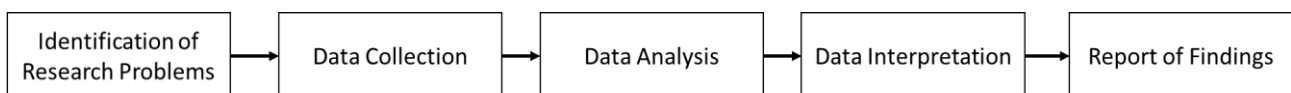
Although the government provides SOS and RSOS funds, the challenges that often arise are delays in fund disbursement and uncertainty in the allocation amount (Sari & Saputro, 2023). The importance of transparency and accountability in education financial management is emphasized to reduce inefficiencies in allocating funds (Pratiwi, 2016). Optimizing the use of funds with more structured planning can improve the sustainability of school operations (Hafni & Rahmawati, 2022).

Resource planning and allocation strategies in educational institutions, where allocation policies often face constraints in the efficiency and effectiveness of using funds (Liu, 2024). The study emphasized the importance of long-term strategies to ensure the sustainability of education financing. In addition to the right strategy, education fund management is expected to emphasize transparency and accountability. There is often a lack of auditing in the distribution of education funds, leading to inequality of access and budget inefficiencies (Jaafar, 2024). Implementation of a digital-based financial recording system to make fund management more transparent and easily auditable (Pratiwi, 2016).

Parental contributions can provide schools with additional financial resources but also introduce financial burdens, particularly for low-income families (Mushthofa et al., 2022). In many developing countries, the allocated educational resources often do not match the actual needs. The dynamics of education funding involve various aspects, ranging from sources of funds and allocation mechanisms to challenges in management.

## Methodology

This research uses qualitative research. The stages of qualitative research use the Creswell (2010) method with stages: (1) Identification of research problems, (2) Data collection, (3) Data Analysis, (4) Data interpretation, and (5) Reporting of findings. The Outline of the stages of qualitative research is shown in Figure 1.



**Figure 1** Outline of The Stages of Qualitative Research (Creswell, 2010)

Madrasah Ibtidaiyah was chosen as the research object because it provides an advantage in understanding the unique dynamics of fund management, which involves external resources such as parental contributions, community donations, and government funds. The principal, as the primary respondent, can provide in-depth insights into fund management, the challenges faced, and the solutions implemented to maintain the

sustainability of education in the madrasah while ensuring transparency and accountability in the use of funds. This study aims to explore the challenges of fund management in madrasah and the role of the community in supporting transparency and accountability in the use of funds.

The research data collection was conducted using the interview method. The resource person for the interview was the principal. The interview method was used to obtain in-depth information on various aspects of education financing management, the funding sources used, and the challenges faced in managing education funds. Data analysis in this study was conducted inductively to find patterns, themes, or categories in the interview transcripts. Data was interpreted by reading and understanding the transcripts, coding, and analyzing patterns and relationships. The findings are presented in the form of a narrative, which is often accompanied by direct quotes from respondents.

## Results and Discussions

### Education Funding Sources

Based on the interviews conducted with the principal, the researchers found some key findings related to education financing management, funding sources, and challenges in its management. Based on the explanation from the principal, it was found that the source of education funding comes from 3 (three) primary sources, which are: 1) Funds from the government in the form of SOS distributed by the Ministry of Religious Affairs, and RSOS from the Sleman District Government; 2) Funds from parents, such as tuition fees (education development donation) and infaq; 3) Funds from the local communities, such as voluntary donations for the construction of school facilities (such as mosques and school buildings).

The principal revealed that most education funding comes from SOS, distributed by the Ministry of Religious Affairs, and RSOS from the Sleman district government. However, these funds are often not distributed on time. The principal explained:

*"The SOS that we receive is quite helpful, but our biggest problem is the late disbursement. Sometimes, we have to wait for months before the funds are disbursed, which certainly inhibits school operations."*

This statement expressed a significant problem related to school financial management that depends on the disbursement of SOS funds. The delays in the disbursement of funds inhibit school operations and have a negative impact on the quality of education. Through this analysis, there should be improvements in the administration system of fund disbursement and diversification of funding sources to ensure the sustainability of school operations without relying on this primary source.

The second source of education funds is from students' parents in the form of tuition fees and infaq. Education development donations are paid by parents regularly every month. In addition to students' parents paying education development donation regularly, sometimes the school collects infaq funds at least once a week with the amount of infaq not specified and not required to be paid according to the ability and sincerity of the parents of students brought by students to school. The principal explained that:

*"Funds from parents, especially through tuition fees and infaq, are quite helpful, but often parents feel burdened, especially those with restricted economic conditions."*

The principal's statement highlights the important role of students' parents' contributions in financing education but also reflects the economic burden often faced by families with restricted financial conditions. Therefore, schools need to find ways to reduce reliance on parental contributions, diversify funding sources,

and provide support programs for families in need so that education at MI can be more sustainable and equitable.

The third source of education funding is from community donations. Voluntary contributions from the community are usually used to build school infrastructure, such as mosques and school buildings. However, these contributions are inconsistent and depend heavily on community initiatives. As explained by the school principal:

*"Donations from the community do support us, especially for physical constructions such as mosques and school buildings. However, the amount is irregular and sometimes difficult to rely on. We cannot rely on this as the main source of financing"*

This principal's statement expressed the main challenge schools face in managing education financing: uncertainty in community donations. While these donations play an important role in infrastructure development, reliance on this unstable source limits schools' ability to plan for long-term funding. It is, therefore, important for schools to find alternative funding sources that are more consistent and optimize the use of funds to benefit a deeper and more sustainable education.

### **Challenges in Education Financing Management**

Based on interviews conducted with the principal, some main challenges in managing education financing can be identified as the school principal stated:

*"The first, which comes from the State of Indonesia, is called SOS from the Ministry of Religious Affairs... Then there is RSOS, from the Sleman District, regional revenue and expenditure budget."*

Dependence on government funding, while essential, can be problematic when it is insufficient or not distributed on time. It can disrupt the functioning of school operations and educational activities. For example, if aid from the government is late or less than expected, schools may struggle to meet basic needs such as teachers' salaries and procurement of teaching materials.

The next challenge in managing education funds is the limited funds from the student's parents. Although parents contribute through tuition fees and infaq, the principal acknowledged that the funds from parents are not always sufficient to cover all operational needs. In the following quote, the principal explained that the contribution from parents only covers the costs that support educational activities but not necessarily the entire operational costs required:

*"Then the second, which is sourced from the parents of students, such as tuition fees. Then the costs of children's educational activities that support children are related to infaq and tuition fees."*

One challenge that often occurs is the volatility of tuition and infaq payments. In some cases, unsettled payments from parents can lead to a lack of funds for school activities that require regular expenditures.

The last challenge is unstable community contributions. Funding from the community, while helpful, is also often unstable or dependent on the socioeconomic conditions of the local community. The principal described how community donations were used to fund the construction of mosques and school buildings:

*"Then from the community, outside of students or donations that are not related to completing construction, these three sources are the support or source of education income from the community."*



The problem here is that community donations are often ad-hoc or unplanned. For example, the school needs to rely on community donations if there is a significant construction project, such as a new mosque or building. Heavily relying on community donations can lead to uncertainty, especially if the amount of community donations decreases or is insufficient to finish the project.

Dependence on funds from the government and community donations that are not always guaranteed to be stable can be a risk that disrupts the sustainability of school operations. It indicates the need to diversify funding sources to reduce dependence on one particular source. With funding sources that depend on contributions from students' parents and the community, it may face difficulties in achieving financial independence. If contributions from these two parties cannot be consistently relied upon, the school risks facing liquidity issues, which could affect educational activities.

For education funding to be more stable, prudent planning and management of funds must be undertaken. It includes ensuring that education costs are predictable and well-organized and exploring more diverse funding opportunities from the private sector as well as grants and partnership programs.

## Conclusion

The challenges schools face in managing education financing show the importance of more systematic and sustainable fund management. Dependence on unstable sources of funds, such as community donations and inconsistent tuition payments, requires more effort to increase the participation of the parents, community, and government to support the continuity of education in a more planned and transparent manner.

The management of education financing shows the importance of collaboration between the government, parents, and the community in supporting school operations. Although there are challenges related to dependence on external funding sources and instability of contributions, a more planned management strategy and diversity of funding sources can increase the sustainability and quality of education. Further research in this area is expected to provide more innovative solutions for managing and utilizing resources to support better and more stable education.

Future research could explore how schools can diversify funding sources to reduce dependence on government aid and community donations—further study on how schools manage funds from various sources transparently and systematically.

Future research could explore more deeply the impact of fluctuations in funding on the quality of education provided. It includes how funding instability affects teaching activities, facility development, and the welfare of teachers and staff. Further analysis of the role of the community in funding education, both in terms of funds and active participation in school activities, can also be considered. It could examine how government policies related to SOS and RSOS affect both religious and public schools in the long term, especially regarding funding sustainability and efficiency of fund management.

## References

- Aflaha, A., Purbaya, D., Juheri, D., & Barlian, U. C. (2021). Analisis standar pembiayaan pendidikan. *IMASILE: Jurnal Studi Ilmu Keislaman*, 1(1), 24–59. <https://jurnal.ipeba.ac.id/index.php/masile/article/view/27>
- Andiawati, E. (2017). Pengelolaan Keuangan Lembaga Pendidikan/Sekolah. In *Prosiding Seminar Pendidikan Ekonomi Dan Bisnis*. core.ac.uk. <https://core.ac.uk/download/pdf/289792997.pdf>
- Creswell, J. W. (2010). *Research Design: Qualitatif, Quantitative, and Mixed Approaches*. SAGE.

- Ekowati, E. T., Sunandar, S., & Murniati, N. A. N. (2019). Manajemen Pembiayaan Pendidikan Di Sekolah Dasar Islam Ar Rahmah Kecamatan Suruh. *Jurnal Manajemen Pendidikan (JMP)*, 8(1). <https://doi.org/10.26877/jmp.v8i1.5368>
- Hafni, D. A., & Rahmawati, F. M. (2022). Pengelolaan Keuangan Pendidikan Pada Sekolah Dasar Di Masa Pandemi Covid-19. *JAMP: Jurnal Administrasi Dan Manajemen Pendidikan*, 5(2), 93–104. <https://doi.org/10.17977/um027v5i22022p93>
- Happyana, L., Azizah, R. N. N., & Jauhariyah, N. A. (2024). Kontroversi Kebijakan Pembiayaan Pendidikan : Antara Aksesibilitas Dan Kualitas. *Proceedings of International Conference On Islam Educationm Management and Sharia Economics*, 24–40.
- Ismail, F., & Sumaila, N. (2020). Implementasi Manajemen Pembiayaan dalam Pengelolaan Dana Bantuan Operasional Sekolah (BOS) di Madrasah Aliyah Negeri 1 Bitung, Sulawesi Utara. *Manageria: Jurnal Manajemen Pendidikan Islam*, 5(1), 1–17. <https://ejournal.uin-suka.ac.id/tarbiyah/manageria/article/view/2908>
- Jaafar, K. (2024). The Impact of Political Corruption on Social Welfare Policy: A Systematic Review of Malaysia's Welfare System and Political Financing. *Igdir University Journal of Faculty of Economics and Administrative Sciences*, (12), 33–44. <https://doi.org/10.58618/igdiriibf.1593043>
- Kurniady, D. A., Setiawati, L., & Nurlatifah, S. (2018). Manajemen Pembiayaan Pendidikan terhadap Mutu Sekolah Menengah Kejuruan. *Jurnal Penelitian Pendidikan*, 17(3), 263–269. <https://doi.org/10.17509/jpp.v17i3.9620>
- Liu, B. (2024). Strategie Planning and Resource Allocation in Higher Education Institutions. *The Educational Review, USA*, 8(11), 1359–1364. <https://doi.org/10.26855/er.2024.11.014>
- Menteri Pendidikan dan Kebudayaan RI. (2021). *Peraturan Menteri Pendidikan dan Kebudayaan Republik Indonesia Nomor 6 Tahun 2021 Tentang Petunjuk Teknis Pengelolaan Dana Bantuan Operasional Sekolah Reguler*.
- Munir, A. (2013). Manajemen Pembiayaan Pendidikan dalam Perspektif Islam. *At-Ta'dib: Journal of Pesantren Education* 8(2), 223–239. <https://doi.org/10.21111/at-tadib.v8i2.502>
- Mushthofa, A., Munastiwi, E., & Dinana, A. (2022). Manajemen pembiayaan pendidikan berbasis bebas sumbangan pembinaan pendidikan. *Jurnal Akuntabilitas Manajemen Pendidikan*, 10(1), 64–76. [10.21831/jamp.v10i1.46994](https://doi.org/10.21831/jamp.v10i1.46994)
- Nafisah, D., Widiyanto, & Sakitri, W. (2017). Manajemen pembiayaan pendidikan di Madrasah Aliyah. *Economic Education Analysis Journal*, 6(3), 788–797. <https://journal.unnes.ac.id/sju/eeaj/article/view/20316>
- Pratiwi, A. (2016). Pengelolaan Pembiayaan Pendidikan di SMP. *Manajer Pendidikan: Jurnal Ilmiah Manajemen Pendidikan Program Pascasarjana*, 10(5), 421–426. <https://doi.org/10.33369/mapen.v10i5.1292>
- Prayoga, A., & Risnandi, A. (2019). Manajemen Pembiayaan Pendidikan di Madrasah Aliyah Darussalam Sumedang. *Cakrawala: Studi Manajemen Pendidikan Islam Dan Studi Sosial*, 3(2), 117–131. <http://ejournal.iainu-kebumen.ac.id/index.php/cka/article/download/148/112>
- Rasyidah, A., Sarifah, R., Bakti, L., & Djamaluddin, P. (2022). Pembiayaan pendidikan dalam meningkatkan mutu PAI di SD Muhammadiyah Ngestiharjo. *Jurnal Al-Fikrah*, 11(1), 69–78.
- Sari, S. I., & Saputro, R. S. (2023). Implementasi Pengelolaan Dana Bantuan Operasional Sekolah Di Smpit Hidayah Klaten. *SECONDARY: Jurnal Inovasi Pendidikan Menengah*, 3(2), 164–175. <https://doi.org/10.51878/secondary.v3i2.2242>
- Shunhaji, A., Muid, N. A., & Desniati, P. (2020). Manajemen Pembiayaan Pendidikan Pondok Pesantren Darul Muttaqien Parung Bogor. *Andragogi: Jurnal Pendidikan Indonesia*, 2(1), 19–34. <https://doi.org/10.36671/andragogi.v2i1.82>
- Vista, A., & Sabandi, A. (2020). Analisis Kebijakan terkait Standar Pembiayaan pada Pendidikan Dasar. *Edukatif: Jurnal Ilmu Pendidikan*, 2(2), 170–175. <https://core.ac.uk/download/pdf/327691744.pdf>

#### About the author(s)

**Dian Juliani (D.J.)** — is currently as doctoral student at Economics and Business Education, Universitas Negeri Yogyakarta. Her research interest is financial accounting.

**Ani Widayati (A.W.)** — is a Ed. D. Student at Murdoch University, Australia. Her research interest is accounting education.



**Citra Purwita (C.P.)** — is currently as doctoral student at Economics and Business Education, Universitas Negeri Yogyakarta. Her research interest is financial management.

#### **Author(s) contributions**

Conceptualisation, D.J.; Methodology, D.J. and A.W. ; Investigation, D.J. A.W., and C.P.; Analysis, D.J.; Original draft Preparation, A.W.; Review and Editing A.W. and C.P.; Visualization C.P.; Supervision D.J.; Project Administration C.P.