

Effectiveness of Financial Management in Schools at Educational Institutions

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ABSTRACT

School is an educational institution in which the teaching and learning process is carried out and contains elements that are interconnected, these elements consist of educational technician staff consisting of school principals and teachers, administrative staff, school committees whose job is to help implement it. effectiveness of education, and students as learners. This study uses the library research method by applying a qualitative approach. And also this research uses literature data sources from books and journals related to the effectiveness of school financial management in Islamic education institutions. Data collection is done by tracing related references digitally. Then the collected data is displayed and constructed into a new concept. The results of this study include matters related to school financial management, the purpose of financial management in implementing school financial management is to meet funding needs related to school activities which can be carried out by planning in advance, trying to procure it, record it transparently and also use it to finance school programs effectively and efficiently, utilization of school finances, school financial resources consisting of the government, community funds, alumni funds and other sources and operational financing standards for educational units.

Keywords: *Effectiveness Financial Management, School Financial Management, Financial Management*

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INTRODUCTION

Each school has an obligation to manage school finances based on predetermined financial management principles, in order to be able to maintain and use the money circulating in the school environment as optimally as possible and as well as possible (Torlak & Kuzey, 2019). To get the results of good school financial management, the school must also be able to carry out the process of implementing a good financial management system as well. It is very important to carry out financial management in schools so that every expenditure and income from the school can be organized in an orderly manner (Castro & Tumibay, 2021). The existence of a school financial management system that is clear, appropriate, and regular will greatly affect the heresy of school education and operations within the school.

Supervision of the management of school financial management needs to be done in order to avoid possible mistakes with school finances. Financial management is very important in an institution, be it an educational institution or a non-educational institution so that it can regulate the process of performance activities in that

institution (Gilal et al., 2019). If in the management of financial management in the field of educational institutions there are several aspects that need to be owned, including financial management which contains processes in the form of financial planning, directing, monitoring, organizing, and efforts to control the resources owned by an organization that are more effective and efficient in order to be able to achieve organizational goals. (Hidayat, 2019),

The application of financial management in schools is very important in relation to the implementation of school activities. When there are funds that come in, for example funds from the government, the community, or parents to schools, a management system for financial management must be prepared and regulated in an honest and professional manner (Pongton & Suntrayuth, 2019; Boldureanu et al., 2020).

To realize a quality and good quality education, it is necessary to have overall management in the school system, one of which is quality in the management of financial management in schools (Munastiwi & Puryono, 2021). The placement of school finances, especially in the realm of education, is none other than investing in the development of human resources in the school itself so that it can produce good quality schools, especially in terms of human resources (Iskandar, 2019).

METHOD

This study uses the library research method by applying a qualitative approach. And also this research uses literature data sources from books and journals related to the effectiveness of school financial management in Islamic education institutions.

The Data collection is done by tracing related references digitally (Shehzadi et al., 2020). Then the collected data is displayed and constructed into a new concept.

RESULT AND DISCUSSION

Definition of financial management

Financial management in schools is usually also referred to as school administration. Financial management in schools includes all administrative activities related to the financial system. In the opinion of experts, they define administration or school financial management as having two meanings. The first is related to the narrow meaning of financial management. In this case what is meant is writing and reporting the entry and exit of school finances. The second is related to a broad meaning. Financial management is the procurement or use of finance to realize an activity that is needed (El Said, 2021). All forms of a series of activities starting from planning to be carried out, financial accounting, supervision, with the intention that one day they can be accounted for. In school financial management there are several series of activities carried out with planning. If there are activities to be carried out, the financial administration section must think about or make rough shadow notes that will be used so that finances remain stable and are in accordance with the school's budget. (Ayu Anggraini Putri, 2019). The general definition of financial management is the financial management steps in schools starting from accepting finances to being accountable for finances that will be used later openly. Problems related to finance actually become a very fatal thing if it is not used objectively, so that all activities which require financial expenditure really need to be considered carefully. (Jeflin & Afriansyah, 2020)

Financing standards and operating costs of educational units

Education has an important role as a form of human resource development. In the form of education both at the State level and at the institutional level, each has a problem related to financing. In accordance with the mandate given by the government in the Law, they have announced an annual education budget allocation of 20% of the APBN (State Revenue and Expenditure Budget), while the local government has set an education budget for teacher salaries and salaries of other educational staff specifically for the region. Quality education, of course, has a very expensive investment. The implementation of PP no. 29 of 2005 should be implemented immediately regarding the need to prepare financing standards related to standardization of educational costs which include operational costs, of course. Financing standards and operating costs for educational units, especially those in Indonesia, of course, have a very strong legal basis (Izumi et al., 2021). Related to this, it has also been explained in Amendment IV of the 1945 Republic of Indonesia Constitution concerning the obligation of citizens to have the right to obtain basic education and of course the government is obliged to finance it. Education funds that are not related to educator salaries and official education costs should be allocated at least 20% of the APBN, and also at least 20% of the APBD. (Rida Fironika K., 2011) It is necessary to understand more about the existing education financing system in Indonesia. Of course, education funding includes investment costs, operating costs, and personal costs. With this education funding, it is necessary to have a financing concept so that it is absolutely structured and can be accounted for. (Aflaha et al., 2021)

Objectives of Financial Management in Schools

With the existence of management, school financial management will help the funding process from carrying out activities in schools that have been planned, trying to procure it, recording the financial management process in a transparent manner, and then using it for various events or activities in schools in an effective and efficient way (Iglesias-Pradas et al., 2021). The purpose of the existence of school financial management is:

1. Develop and increase the value of effectiveness and efficiency in managing school finances
2. Develop and improve transparency and accountability for the use of school finances
3. Avoiding mistakes in school budget matters

To be able to achieve the above objectives, it requires awareness and creativity of the school in knowing the sources of existing funds, placing treasurers who understand and have the ability to take care of school financial management, especially in terms of bookkeeping and financial accountability and are able to use it properly and honestly as already enacted in the law (Kaiser et al., 2022).

The main objective of school financial management is to be able to guarantee that existing funds are used in the daily activities of the school and that more funds are used for re-investment, maintenance and maintenance of goods/assets in the school, and also to be able to keep the regulations intact and school financial receipts, records, and expenses can be known clearly and carried out (Wang et al., 2020).

Financial management is also useful for maximizing profits and also for obtaining effective and maximum decisions in carrying out the development of the institution. Financial management is in charge of managing, receiving, allocating, and

also being accountable for financial management matters both income and expenses to support the implementation of good teaching programs . (Sinurat, 2019)

Utilization of School Finances

Every agency must have a strong relationship with financial matters, both educational institutions and non-educational institutions. Likewise in schools, issues that discuss school finances are usually outlined in tuition fees (Education Development Donations), welfare money per person, and salary (Adriana Hanny Bella Sukma & Alifia Maharani Nasution, 2022). Usually the money from the school's income will be held by the school for the welfare of the school such as repairing existing school facilities, adding school facilities, cleaning, or costs in human resources (Rekasari, 2020). What is meant by school facilities is for example the procurement of learning support tools or materials, personal cards, learning evaluations, school report cards, and so on. Another general matter that is included in financial management is the matter of salary for employees or teachers (Hasibuan, 2021).

In general, expenses given from schools usually cover 5 categories that need payment, namely as follows:

1. Maintenance, procurement and rehabilitation of educational facilities and infrastructure available in schools
2. Funding in an effort to improve teaching and learning activities and processes in schools
3. Increase in activities related to health promotion in schools
4. Support for the costs of activities and events at school as well as personnel capacity building
5. Activities in school households (Karyatun, 2018)

School Financial Resources

The financial resources generated by a school come from 4 components, namely from the government, the community, students' parents and alumni. (Janna & Arsyam, 2021)

Funds from the government

The Activity Entry List or often abbreviated as DIK is a fund that is distributed to each school systematically every academic year which is often called a routine fund. The amount of funds distributed through DIK is determined by the number of students from grade one to grade three at the school (Nelly, 2021). the budget that has been set by the government for each school has been adjusted to the needs based on the number of students so that spending and accountability for the use of these routine funds must be in accordance with the amount of the budget that has been set (Rachman et al., 2022). (Mahendra & Afriansyah, 2019) Besides that, the government also provides School Operational Assistance funds, or what is known as BOS funds, these BOS funds are distributed periodically which are intended to finance all activities that run in schools.

Funds from the community

Funds from the community are funds given for the progress of the school and are given voluntarily and are not targeted. Funds provided by the community are usually given from individuals, institutions and an organization.

Funds from parents of students

Funds for student guardians are commonly referred to as committee contributions, funds from student guardians before being issued have been arranged in a school committee meeting, where it is mandatory for student parents to pay this committee money. The contributions of this committee consist of:

- a. Fixed monthly funds. These funds are funds that must be paid monthly by a student's guardian. These funds in some areas are known as educational development contributions or abbreviated SPP.
- b. Incidental funds, these funds are funds that are paid once every three years where the student has been accepted at the school and these funds can usually be paid in installments.
- c. Voluntary funds, these funds are voluntary funds for parents of students who have leeway to fill in these voluntary funds, and in this voluntary fund there is no coercion at all from the school.

Funds from Alumni

Funds from alumni are usually not only in nominal terms, but sometimes alumni help with goods that can improve the quality of schools, such as books, learning tools and equipment.

CONCLUSION

Supervision of the management of school financial management needs to be done in order to avoid possible mistakes with school finances. Management of financial management is very important in an institution, be it an educational institution or a non-educational institution so that it can regulate the process of performance activities in the institution. With the existence of management, school financial management will help the funding process of carrying out activities in schools that have been planned, efforts are made to procure it, record the financial management process in a transparent manner, and then use it for various events or activities at school in an effective and efficient manner.

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