

Educational Financing Management For The Enhancement Of Education Quality

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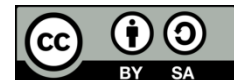
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ABSTRACT

The quality of a nation's education system is strongly influenced by the management of resources, particularly financial resources, which are one of the national education standards. This study employs a literature review approach by analyzing books, journal articles, and scholarly works related to educational financing. The results indicate that sufficient and properly managed funding has a positive impact on school quality, learning processes, and student outcomes. Sound financial management is based on the principles of accountability, transparency, integrity, consistency, efficiency, and effectiveness, carried out through budgeting, allocation, implementation, monitoring, and evaluation. Previous studies highlight that inadequate financing leads to substandard results, while effective financing enhances teacher professionalism, infrastructure provision, and institutional credibility. In addition, the implementation of total quality management (TQM) emphasizes continuous improvement, leadership focus, stakeholder collaboration, and intrinsic motivation as key strategies for quality enhancement. In conclusion, educational financing management plays a decisive role in improving the quality of education, and its effectiveness depends on professional administration, active stakeholder involvement, and compliance with national education standards

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1. Introduction

Education is a fundamental factor in shaping human character. Recognizing its significance, the Government of Indonesia has taken education seriously and continuously strives to improve its quality. A well-structured education system is expected to produce a generation of high-quality citizens who are capable of driving positive changes in society, the nation, and the state.

In an effort to enhance educational quality, the Government of the Republic of Indonesia issued Regulation No. 19 of 2005 on National Education Standards. This regulation

represents the government's commitment to improving the quality of education in Indonesia. Furthermore, these standards are elaborated in Law No. 20 of 2003 on the National Education System, which serves as the legal foundation for achieving national education quality standards. These standards encompass eight components: (i) Graduate Competency Standards, (ii) Content Standards, (iii) Process Standards, (iv) Educational Assessment Standards, (v) Standards for Educators and Education Personnel, (vi) Infrastructure and Facilities Standards, (vii) Management Standards, and (viii) Financing Standards.

One of the quality standards that must be achieved by all educational institutions is the standard of educational financing. This standard regulates the components and amount of operational costs for each educational unit over one year. According to Rusdiana, (2015), there are three types of costs in this standard: (a) educational unit investment costs, (b) personal costs, and (c) educational unit operational costs. Optimal management of these three types of educational financing is essential for improving institutional quality (Mukhsin, 2019). A comprehensive concept of educational quality refers to the delivery of educational services that meet established standards, thereby ensuring satisfaction for teachers, staff, students, parents, and the broader community.

Educational financing is a shared responsibility between the government and society. Therefore, mutual trust must be fostered—both internally within the government and externally between the government and the public, as well as among members of society. This trust can be built through transparency, participation, and accountability in educational administration. Planning, implementation, and monitoring are key elements in ensuring the effectiveness of educational financing. Financial accountability serves as a form of public responsibility, particularly for institutions utilizing public funds. Transparent financial management can enhance parents' and the community's trust in schools, as all fund usage is openly disclosed (Komariah, 2018).

The fundamental goal of managing educational financing is to ensure that schools meet the expected standards. At every stage of financing, the primary focus should be on achieving the school's vision and mission. Financial management involves three main stages: preparation, implementation, and monitoring. Common challenges include limited funding sources, abandoned programs, and activities that do not align with the institution's strategic vision, mission, and policies. Proper oversight and sound management are crucial to safeguarding education from irregularities that may cause harm (Azhari & Kurniady, 2017).

Several key aspects should be considered in educational financing management, including: (1) forecasting educational needs, (2) allocating costs for each component, (3) analyzing funding sources, and (4) monitoring financial use. These four aspects require special attention to support improvements in educational quality. When financing policies are implemented effectively, the educational process can proceed as intended (Komariah, 2018).

Without adequate financial support, the educational process will not run as expected. Therefore, financial resources must be managed efficiently and effectively to support the achievement of educational objectives. Financial issues in education encompass matters related to teaching personnel, learning processes, infrastructure, marketing, and other

financial aspects (Syaifullah, 2021). Thus, adequate educational financing is essential for ensuring quality education. However, abundant funding does not guarantee quality if not managed properly. Consequently, sound financial management is necessary to ensure that available resources can empower the school community to achieve educational goals.

2. Research Methodology

This article was prepared using a literature review method, which involves collecting, analyzing, and synthesizing information from books, scientific journals, and relevant scholarly articles to highlight key concepts related to the topic.

3. Result and Discussion

According to Alex, the quality of education is reflected in the development of students' potential. Education can be considered of high quality if students are able to develop their potential to the fullest. Similarly, Suryadi defines educational quality as the ability of educational institutions and units to manage and utilize educational resources to enhance learning capacity. Therefore, quality standards in education management are essential and fundamental to the overall management of education. One key approach to improving educational quality is continuous improvement, which implies that education managers consistently undertake various improvements to ensure that all components of education delivery meet the established quality standards (Mujayaroh & Rohmat, 2020).

From this perspective, one of the requirements for improving educational quality, as stipulated in the National Education System Law, is the standard of educational financing. This standard regulates the components and amount of operational costs for educational units applicable for one year. It consists of three types of costs: (a) educational unit investment costs, (b) personal costs, and (c) operational costs of educational units.

In relation to educational financing, Fattah (2016), explains that insufficient funding affects the quality of primary education, the learning process, and the quality of outcomes produced, making them substandard. This indicates a positive correlation between the amount of educational funding and the improvement of educational quality across both formal and non-formal institutions, whether public or private.

Several studies have discussed educational financing management in improving educational quality:

No	Author(s)	Research Findings
1	Suminah et al., (2022)	Emphasize that improving educational quality is a primary goal. Achieving quality education requires funding that meets the government's standards. Educational financing must be implemented with transparency and accountability in accordance with applicable laws and regulations. This practice increases the credibility of schools/madrasahs and

No	Author(s)	Research Findings
		supports educational quality improvement. The three cost categories in educational financing—educational unit investment, personal costs, and operational costs—must be managed in accordance with the General Cost Standards and Specific Cost Standards set by the government.
2	Simamora et al., (2022)	Argue that to enhance educational quality, adequate funding is essential for educational activities. Effective and efficient allocation of funds requires sound financial management, guided by five principles: accountability, transparency, integrity, consistency, and efficiency. Funds obtained from the government, parents/guardians, and the community are used to support educational processes such as teacher and staff salaries, educational activities, and facility provision. All expenditures are monitored and responsibly reported. Failure to manage financing effectively can lead to lower educational quality, as reflected in the performance of graduates.
3	Abubakar et al., (2022)	Education is an essential and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have spiritual strength, self-control, personality, intelligence, noble character, and the skills they need regarding the nation and state. The purpose of national education is to develop the potential of students to become human beings who believe in and fear God Almighty, have a noble character, are healthy, knowledgeable, capable, creative, independent, and become democratic and responsible citizens. The National Education Standards (SNP) consist of content standards, processes, educators and education personnel, graduate competencies, facilities and infrastructure, financing, management, and assessment. With the existence of these national standards, the direction of improving the quality of Indonesian education becomes more explicit, which states that the SNP's fulfillment is carried out to

No	Author(s)	Research Findings
		realize the implementation of quality education. Take part in contributing to financing education for the expected educational goals. The description presented is the use of education financing with rudimentary supervisory management techniques, and the obstacles faced by school principals in managing education financing are problems.
4	Nurhayati et al., (2022)	Show that educational financing management influences school quality. Their study reveals that financing management is a process of optimizing available resources, allocating funds, and distributing them as facilities or learning supports, thus enabling an effective and efficient learning process. To achieve high-quality schools, educational funds must be managed optimally and maximally. Therefore, the stages of educational financing management should be prioritized.
5	Maryono & Nurfuadi, (2023)	Explain that in the era of Society 5.0, educational financing management for improving educational quality requires attention to: (1) fulfillment of National Education Standards, particularly financing standards; (2) financial management principles covering budgeting, implementation, and evaluation; and (3) competence in selecting personnel responsible for managing funds.

The implementation of quality management in education requires proper and professional administration, sound organizational management, and adequate personnel to ensure well-executed processes that result in high-quality outputs (Ismail et al., 2021). To achieve quality, there are four fundamental efforts that educational institutions must undertake:

Creating a “win-win” situation among stakeholders, rather than a “win-lose” condition. This particularly applies to the relationship between institutional leaders and staff, where mutual benefits should be achieved to attain the quality of products or services provided by the institution.

Fostering intrinsic motivation among all individuals involved in the pursuit of quality. Every member of the educational institution should be motivated to continually improve the quality of their work, especially in alignment with the needs and expectations of users or clients.

Focusing leadership on long-term processes and results. The application of total quality management (TQM) in education is not a short-term transformation, but rather a long-term and consistent effort.

Developing cooperation among all parties involved in the process of achieving established quality goals (Nurhayati et al., 2022).

The improvement of educational quality has not yet met expectations due to several factors, including an “input-oriented” and “macro-oriented” educational development strategy that tends to be controlled by central-level bureaucracy. Many institutions still rely on outdated management models, which are less effective and efficient, resulting in suboptimal outcomes. Instead, management should be oriented toward customer satisfaction, as educational quality can be enhanced through the application of total quality management.

Improving education quality in each region through educational autonomy requires a clear, targeted, and effective approach, which calls for the implementation of management principles within educational autonomy (Suti, 2011). The quality of educational graduates is closely related to the teaching and learning process, which is influenced by both internal and external factors. Internal factors include curriculum, teaching staff, school leadership, learning processes, facilities and infrastructure, teaching aids and materials, management, and the school environment. External factors include community support and education policies that facilitate the implementation of education. The interaction between these internal and external factors plays a significant role in achieving educational goals (Nurhayati et al., 2022).

Educational quality can be comprehensively assessed by examining the availability of supporting infrastructure, professionalism of teachers and staff, a conducive organizational culture, quality leadership, and transparent financial management. When these elements perform optimally, the vision of a high-quality school can be realized.

School financial management must be carried out using management functions so that financing can be implemented effectively and efficiently. The functions of financing management include budgeting, implementation, and evaluation. Budgeting is a critical first step in improving educational quality, encompassing all expenditures—monetary and non-monetary—incurred to achieve predetermined objectives.

In discussing educational costs, several key aspects should be understood, including real costs, financial utilization, types of recurring and direct expenditures, capital expenditure, personal costs, social costs, fixed costs, variable costs, total costs, normal costs, marginal costs, and current price expenditures. Schools must consider factors such as teacher competence, the learning environment, and the socio-economic status of parents, all of which can influence school performance. There are four main categories of funding for educational institutions: government revenues, earmarked education revenues, tuition or service fees, and school funds or donations from individuals and the community.

The management of educational financing is critical, and financial administration is an integral part of educational practice in madrasahs. The Rencana Anggaran Pendapatan dan

Belanja Sekolah (RAPBS) indicates that private schools are financed by students or foundations, whereas the central government covers most educational costs at the school level. In financial implementation, the “actuating” function focuses on mobilizing individuals within the organization to achieve goals. This involves the effective and efficient utilization of resources to support the educational process. Actuating is considered a highly persuasive element in the administrative cycle. Evaluation, or “controlling,” ensures alignment between actuating and planning to achieve educational objectives. Monitoring is carried out to ensure that financial management processes follow the plan, while evaluation assesses progress and outcomes (Maryono & Nurfuadi, 2023).

4. Conclusion

Based on the above review, it can be concluded that one of the key standards in achieving high-quality education is effective and efficient financial management. The general principles of financing management include kinship, accountability, transparency, integrity, consistency, productivity, effectiveness, efficiency, and adherence to established procedures. Educational financing management involves a series of activities, including planning, bookkeeping, expenditure, monitoring, and accountability. This process cannot be separated from the role of school principals, who must coordinate all activities with colleagues to achieve educational quality through sound financial management.

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