

## *Financial Management Process of Pesantren*

*Nurul Muhibbin Tanah Laut*

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### ABSTRACT

Pesantren Nurul Muhibbin Tanah Laut, which is classified as a new Islamic boarding school, was founded in 2018, and as such, it requires significant input and assistance in resolving issues, particularly those relating to financial management and accounting information systems. If an error is made, not only social sanctions are imposed, but also legal sanctions; this must be a bright spot in the pesantren's financial management. This research employs a qualitative approach in the hope of identifying financial phenomena that can be used as material for joint evaluation. The study examines financial planning, implementation, supervision, and reporting phenomena. This financial process will be visualized as a flowchart in the hope that the relationship between the various components is obvious. Several of the findings in this study indicate that financial planning has been successful in terms of implementing a priority scale, deliberately forming APBPP, and developing plans to strengthen pesantren financial management. The implementation process has not perfectly implemented the principle of accountability and generally continues to make ineffective cash payments, the supervisory process continues to violate the principles of organizational adjustment and responsibility, and the management accounting process and reporting continue to have numerous shortcomings, such as conventional accounting processes and the use of accrual accounting. The pesantren currently lacks a flow chart that adequately depicts the financial management process.

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## 1. INTRODUCTION

In Indonesia, education is etymologically translated as "Tarbiyah" from the Arabic verb "Rabba," which means to nurture, educate, and nurture. Education is about more than acquiring ideas, information, knowledge, capacities, or life capabilities for any individual. Education shapes who people are and what they know in all contexts and locations, as well as what and how they know. Education defines how people participate in social life and provides opportunities for social and economic participation in labor markets as well as pathways for social and spatial mobility for individuals and families[1]. However, despite their higher education, there are still many people who are less than optimal at achieving the goals of this education.

In achieving a better quality of life, it is also necessary to understand the measurement tools of human intelligence including IQ, EQ, and SQ. Intellectual Quotient is a person's intellectual ability relative to a group of peers[2]. Intellectual Quotient is a person's intellectual intelligence that influences his life, but Goleman once explained that intellectual intelligence is not sufficient, because intellectual intelligence is only a tool. A theoretical perspective that conceives of emotional intelligence as comprising a small number of mental abilities relating to perception, understanding, and management of emotion[3]. B.J. Habibie said in the book *The Power Of Ideas* that the highest knowledge will return to religion[4]. Robert A. Emmons defined spirituality as "a search for meaning, unity, connectedness to nature, humanity and the transcendent". Although spirituality is incumbent in religiosity, individuals describing themselves as spiritual may not consider themselves religious. David C. Dollahite defined religion as "a covenant faith community with teachings and narratives that enhance the search for the sacred and encourage morality"[5]. With the paradigm in the community that spiritual intelligence is important for the quality of life, Islamic boarding schools are created. It is undeniable that pesantren are able to bring about major changes to the public regarding the importance of religion and education[6]. As a result, many people register themselves or their families to attend Islamic boarding schools, so that they can bring benefits to themselves and others. The term "pesantren" comes from the word "student"-an, where the word "santri" means student in Javanese. The term "cottage" comes from the Arabic "funduq" which means lodging[7]. Islamic boarding schools can be interpreted as institutions that teach Islamic education to their students with the Kiai as the main figure, and students are required to be in dormitories for certain period. With the main goal is to develop abilities, knowledge, and skills, students to become religious experts and or become Muslims who have the skills or expertise to build Islamic life in society. There is a paradigm and public interest in pesantren, so there is an inflow of funds to pesantren either through student payments, grants or waqf.

The flow of funds can be a challenge for Islamic boarding schools that are not well coordinated, but sound financial management can help solve financial management problems for an institution, agency, company, or Islamic educational institution such as a pesantren. However, establishing a financial management system in Islamic boarding schools is not a simple task. L. Ackoff defines a system as a conceptual physical unit composed of components in mutually dependent states. The system operates similarly to a gear wheel, rotating within the machine and complementing one another. If a gear is not moving, all processes will be halted, even if the gear is not large or dominates the view; however, because this object is in the system, it still has a significant influence on the course of the process.

Similarly, financial management, as a unit comprised of the planning, implementation, supervision, and accountability processes, requires a well-defined set of systems. Without a clear and standard set of systems for the distribution of information, it is likely that an incorrect stage will occur during the distribution of information.

## **2. RESEARCH METHOD (10 PT)**

We collect data from the Pondok Pesantren Nurul Muhibbin Tanah Laut's planning, implementation, supervision, management accounting, and financial reporting sections based on the phenomena that occur in the object under study that correlate with financial management, in order to understand the process in detail. Our references include observations, interviews, documentation, and literature studies in order to obtain interpretations of the phenomena observed in the object of research in order to draw conclusions as a form of useful evaluation.

## **3. RESULTS AND DISCUSSION (10 PT)**

### **3.1. Planning**

Financial planning in the object as a whole can be said to be effective because it is carried out deliberately and in accordance with established procedures, beginning with an inventory of implemented plans and ending with the calculation of required funds, which are then poured into the Islamic Boarding School Expenditure Budget (APBPP). So that the actions desired by pesantren can be precisely described. Pesantren has applied the principle of priority, as evidenced by informants who stated that pesantren's current focus is on development. A priority scale will ensure that a logical sequence is established during the development process [8]. Apart from that, the pesantren has other plans. This demonstrates the managers' unwavering commitment to the establishment of the pesantren.

### **3.2. Implementation**

When the budget implementation that occurred in the object is compared to the theory expressed by Suharjono, some contradictions occur. The first inconsistency is that the implementation team has historically conducted transactions without providing proof of payment in the form of notes, despite Suharjono's statement that every receipt and payment transaction must be accompanied by evidence to be accounted for[9].

Additionally, a purchase and payment process that does not include a memorandum can obliterate the financial management principle of accountability[10].

Things like the foregoing can wreak havoc on the recording system, which will eventually wreak havoc on the pesantren's financial statements. Although the implementation department is not the party responsible for financial statement preparation, its absence will result in financial statement failure.

Thus, sound financial management entails a number of characteristics, one of which is management that is capable of accounting for the use of funds in accordance with predetermined plans. Additionally, it must adhere to the principle of effectiveness and efficiency[11].

### **3.3. Supervision**

If the supervisory process and Prayudi's theory are discovered, there will be a glaring lack of principles. To begin, the organization's adjustment principle. The objective should be to tighten the existing organizational structure so that the course of an activity proceeds normally and without undue burden on any one party.

According to the analysis, the underlying cause of this deficiency is the individual's lack of awareness of his organizational position. Second, the supervisory department's responsibility principle is not fully implemented because it relates to the implementation section, and field data indicate that the implementation section occasionally conducts transactions without a payment note, implying that accountability is not complete.

Apart from the two points mentioned previously, the comparison reveals that Nurul Muhibbin Tanah Laut has adhered to a number of supervision principles, despite the fact that the pesantren is still in its infancy. These principles include the principle of goal achievement, as demonstrated by the supervisory team's rapid evaluation of deviations during the implementation process and the direct involvement of researchers in the evaluation process. Second, the efficiency principle is demonstrated by the supervisory department's efforts to establish standards for the implementation process, ensuring that no deviations from the plan occur. Thirdly, the principle of supervision is demonstrated through risk mitigation. Fourth, the direct principle is demonstrated by the involvement of the implementing team, which is also responsible for supervising ongoing activities [12].

### **3.4. Management Accounting Reporting**

The researcher assumes that management accounting and reporting are the most appealing aspects of the financial management process because they are performed conventionally and financial management is associated with financial management activities such as budgeting, financial planning, cash credit, investment analysis, and efforts to obtain funds [13].

Indeed, the principles of transparency and accountability can still be achieved and used as a basis for evaluating pesantren in conventional ways. However, the risk is enormous due to the ease with which data written on media such as whiteboards can be erased. If this occurs, it will be difficult to determine the veracity of the financial data presented. Thus, a sound recording process can contribute to the development of sound financial reports.

Because the process of recording management accounting is not governed by generally accepted standards [14], it is perfectly acceptable for pesantren to use simple accounts. Whether a transaction is recorded as a single entry in a single bookkeeping system or as a double entry in a paired bookkeeping system, an economic transaction is generally recorded twice[15].

If the conventional system is continued to be used, along with uncategorized accounts, without regard for the increasing amount of revenue generated by the object, it will be difficult for the treasurer to prepare financial reports at the end of the year. Because the treasurer must first classify the data before generating a financial report. Of course, this will be extremely difficult to accomplish, as the previous recording process was insufficient. Categorization of Islamic boarding school financial reports for leaders can be done in accordance with management's needs and understanding.

### 3.5. Flowchart

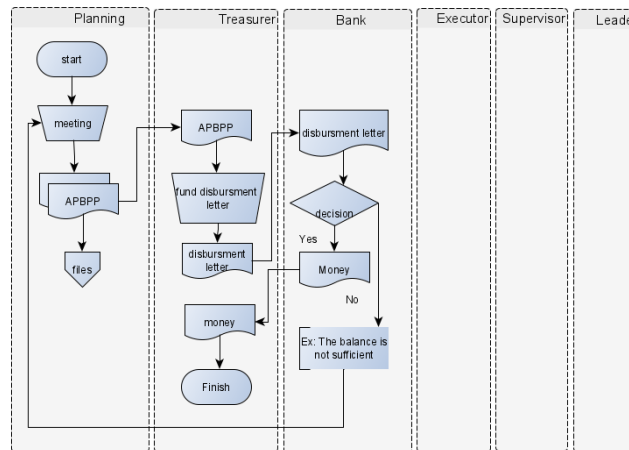


Figure 1. Planning to Disbursement of funds Process

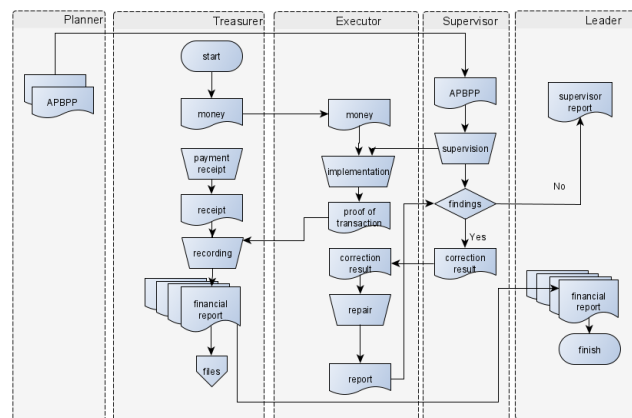


Figure 2. Implementation to Reporting Process

## 4. CONCLUSION

Financial planning has been successful in the research object, as it has implemented the priority scale, deliberately formed the APBPP, and there are plans to strengthen the financial management of Islamic boarding schools.

Then, there are two inconsistencies between the implementation process and Suharjono's theory, namely in terms of accountability and cash payments.

Additionally, there are two inconsistencies between the supervisory process and Prayudi's theory, specifically the principle of organizational adjustment and the principle of accountability. Additionally, pesantren adheres to a number of supervisory principles, implying that pesantren has an effective supervisory process.

Additionally, there are numerous flaws in the management accounting and reporting process, including manual accounting processes and funds for uncategorized accounts. This is due to the lack of a competent accountant involved in the accounting process for the related object. Nonetheless, the object of research maintains a distinct distinction between the manager's private and joint property, and the reports produced by the pesantren are consistent with Suharjono's theory.

Although this Islamic boarding school already has a reasonably efficient flow of accounting information, it has not been documented in a flow chart that illustrates the entire information process in the pesantren.

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born in Tanah Laut 15 February 2000. I did elementary school at SDN Pelaihari 6 during the year and graduated in 2012. Then continued in high school to be precise at SMPN 1 Pelaihari for 3 years and high school at SMKN 1 Pelaihari for 3 years with majoring in Computer Network Engineering. I am the 2nd best graduate of jurusan Computer Engineering in 2018 at SMKN 1 Pelaihari. Other achievements that I got were the 3rd place in the Indonesian Language Debate at the provincial level, the 1st place in the Computer Olympiad in Central Kalimantan, and the 1st place in the Indonesian Weekend Start Up Competition. The trainings I have attended are English language training, Taiwanese language training, national defense training, computer training, and leadership training. Organizations that I have participated in include the Student Regiment, International Volunteer Office, HIPMI PT, Ghalih Foundation, Street Workout Indonesia TALA, and Clan of Bar Tanah Laut. I am a student of the Tanah Laut State Polytechnic majoring in accounting, so I understand things related to financial management, management accounting, and financial information systems quite well.

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born in Banjarmasin 03 September 1989. I carry out my undergraduate education at the Banjarmasin State Polytechnic in the field of accounting for Islamic financial institutions. Then he continued his master's education at the Sepuluh November Institute of Technology, Surabaya, in the field of mathematics. I work as a lecturer at the Tanah Laut State Polytechnic. Some of the courses that I have taught for the last 3 years are introductory accounting 1, introduction to accounting 2, financial mathematics, and others.

**Karolina**

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