

OPTIMIZING ISLAMIC EDUCATION FUNDING SOURCES: A REVIEW OF ISLAMIC FINANCIAL MANAGEMENT

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Abstract

This study aims to analyze the strategy for optimizing Islamic education funding sources through a sharia financial management approach. The background of this study is the high dependence of Islamic educational institutions on conventional funding sources such as tuition fees and government assistance, which tend to be unstable and less sustainable. Using a descriptive qualitative approach, data were collected through in-depth interviews, observations, and documentation studies at several Islamic educational institutions that have implemented a sharia financial system. The results of the study indicate that the application of sharia principles in fund management especially from zakat, infaq, sedekah, and waqf (ZISWAF) plays a significant role in increasing the financial independence and efficiency of educational institutions. Strategies such as productive waqf, collaboration with zakat institutions, and digitalization of the financial system have proven effective in increasing community participation and financial transparency. However, the main obstacles are still found in the aspect of sharia financial literacy among managers and the limitations of the sharia-based reporting system. This study concludes that optimizing Islamic education funding sources can only be successful if supported by increased human resource capacity, technological innovation, strengthening institutional cooperation, and commitment to sharia financial principles. This research is expected to be a scientific contribution in the development of a sustainable sharia-based educational financial management model.

Keywords: Islamic Education, ZISWAF Fund, Sharia Financial Management, Productive Waqf, Institutional Independence.

INTRODUCTION

Education is a fundamental aspect in the development of a nation's civilization. In the context of Islam, education not only functions as a means of transferring knowledge, but also as a vehicle for forming the morals and character of the people. Therefore, the sustainability of Islamic education is highly dependent on the quality of resource management, especially in terms of financing in accordance with sharia principles (Ahmad, Nur: 2020).

One of the major challenges faced by Islamic educational institutions today is the limited operational funds. Many madrasahs, Islamic boarding schools, and Islamic universities have difficulty in meeting financial needs to support educational activities optimally. This happens because of dependence on one or two main sources of funding, such as tuition fees or government assistance, which tend to be unstable (Hamid, Abdul: 2021)

In fact, Islam has the potential for very rich alternative sources of funds, such as zakat, infak, sedekah, and waqf (ZISWAF). This potential is often not utilized optimally by Islamic educational institutions due to various obstacles, both in managerial aspects and the lack of public understanding of the importance of their contribution to sharia-based education (Masykur: 2019).

From the perspective of Islamic financial management, the management of education funds should be carried out professionally, transparently, and sustainably. This includes planning, collection, management, and financial reporting in accordance with Islamic principles, such as justice, honesty, and not containing usury (Antonio: 2019).

Optimizing Islamic education funding sources is not only related to finding funds alone, but also includes systematic efforts in designing management strategies that can strengthen Islamic educational institutions. This is where the importance of the Islamic financial management approach as an instrument for managing funds efficiently and oriented towards the welfare of the community (Karim: 2016)

Several studies have shown that Islamic educational institutions that apply Islamic financial principles in managing their funds tend to be more financially sustainable. For example, the use of productive waqf has been proven to be a source of long-term funding that not only supports operational activities, but also the development of educational facilities and infrastructure (Nasution: 2020).

In addition, the integration of Islamic financial information systems also plays an important role in increasing the accountability of educational institutions. With this system, financial reporting becomes more transparent and easier to audit, thereby increasing public trust and community participation in supporting Islamic education (Suryanto: 2022).

However, the implementation of sharia financial management in Islamic education still faces many obstacles. Some of them are the low level of sharia financial literacy among educational institution managers and the lack of specific regulations governing sharia-based financial mechanisms in the education sector (Latif: 2021)

Therefore, this study is important to examine in more depth how the optimization of Islamic education funding sources can be carried out effectively through a sharia financial management approach. This study aims to explore relevant and applicable strategies to improve the financial sustainability of Islamic educational institutions (Rofi'i, M: 2021)

By conducting this study, it is hoped that policy recommendations will emerge that can help Islamic educational institutions manage their funding sources independently, professionally, and in accordance with sharia. This is important so that Islamic education not only survives, but is able to compete in terms of quality and sustainability with other educational institutions in the modern era (Zuhdi: 2021).

RESEARCH METHOD

This study uses a descriptive qualitative approach with the aim of understanding in depth the strategy for optimizing Islamic education funding sources from the

perspective of sharia financial management. This approach was chosen because it is appropriate for studying complex and contextual social phenomena, such as the management of education funds in Islamic institutions that involve normative religious values, internal policies, and external factors from society and government.

Data collection techniques were carried out through in-depth interviews, field observations, and documentation studies. Interviews were conducted with financial managers, leaders of Islamic educational institutions, and community leaders involved in collecting ZISWAF funds. Observations were conducted to see directly how fund management practices take place in the field, while documentation was used to analyze financial reports, organizational structures, and financial management policies applied.

The subjects of the study consisted of three Islamic educational institutions at the secondary and tertiary levels that have implemented sharia financial principles in their fund management systems. The selection of subjects was carried out purposively, namely based on criteria such as: having received funds from ZISWAF sources, having regular financial reports, and being open to external audits or evaluations. Data analysis techniques are carried out interactively through data reduction, data presentation, and drawing conclusions, in accordance with the Miles and Huberman analysis model.

To maintain the validity of the data, researchers use source and method triangulation techniques. Triangulation is done by comparing interview data with observation and documentation, in order to obtain a more complete and objective picture. With this method, it is expected that the research results can provide theoretical and practical contributions in the development of sharia financial management in the Islamic education sector.

RESULTS AND DISCUSSION

This study reveals that the majority of Islamic educational institutions in Indonesia are still highly dependent on conventional funding sources, such as school fees (SPP) and government assistance. This dependence poses a risk of financial instability when there is a delay in BOS funds or low SPP payments from parents, especially in areas with lower to middle economic levels (Hamid: 2020)

Several institutions that have implemented the principles of sharia financial management show higher independence in funding. This is indicated by the diversification of funding sources from zakat, infaq, sedekah, and waqf (ZISWAF) which are managed systematically according to sharia principles, such as transparency and trustworthiness (Adiwarman A: 2016).

Utilization of productive waqf is one of the successful optimization strategies. For example, the Al-Ittifaq Islamic Boarding School in Bandung develops the agricultural and livestock sectors from waqf land, the results of which are used to finance the operations of educational institutions in a sustainable manner (Ridwan: 2019).

In terms of budget planning, institutions that adopt the sharia approach tend to make financial projections based on the principles of *maslahat* and efficiency, not just profit. This is in line with the values of sharia management that emphasize the balance

between the world and the hereafter (Antonio: 2011)

The implementation of a sharia-based financial reporting system has also been found to be able to increase public accountability. Institutions that implement open sharia financial reports to donors and guardians experience increased trust and financial participation from the surrounding community (Suryanto: 2021).

However, a significant obstacle found is the low literacy of sharia financial management among educational institution managers. Many of them do not fully understand the basic principles of sharia in fund management, such as the prohibition of usury, gharar, and the importance of clarity of contracts (Ahmad: 2022)

Digital innovation in financial management is also starting to be adopted. Applications such as sharia financial SIM and QRIS for infaq donations have begun to be implemented in several modern Islamic schools, which has an impact on increasing the efficiency of financial collection and recording (Rofi'i, M: 2022).

Educational institutions that collaborate with the National Zakat Agency (BAZNAS) or the Zakat Institution (LAZ) have better access to ZIS funds and sharia management training. This collaboration is key to strengthening financial resources for community-based Islamic education (Wahid: 2020).

From the results of observations, Islamic educational institutions that are successful in managing sharia funds have a clear management structure, a trained financial team, and written policies that regulate income and expenditure based on sharia principles (Fadhil: 2021). This study concludes that optimizing Islamic education funding sources through sharia financial management is very potential if supported by HR training, a transparent reporting system, digital innovation, and strengthening collaboration with zakat and waqf institutions (Zuhdi: 2021).

CONCLUSIONS AND SUGGESTIONS

Based on the results of the research conducted, it can be concluded that optimizing Islamic education funding sources through a sharia financial management approach is a very potential strategic step in increasing the independence and sustainability of Islamic educational institutions. The application of sharia principles such as transparency, accountability, efficiency, and justice in the management of zakat, infaq, sedekah, and waqf (ZISWAF) funds has proven to be able to expand the scope of funding and strengthen public trust.

Educational institutions that successfully manage funds according to sharia generally have a professional management structure, supported by a good financial information system, and are able to collaborate with sharia financial institutions and Islamic philanthropic organizations. Productive waqf and digital donations are innovations that have a very influential effect on increasing education funding.

However, the main challenges still faced are the low level of sharia financial literacy among educational institution managers and limited access to technology and training. In addition, there are still many institutions that do not have a transparent financial reporting system that is in accordance with sharia principles, so that public

participation cannot be maximized optimally.

Thus, optimizing Islamic education funding requires not only a technical approach, but also a paradigm shift and commitment to making sharia principles the main foundation in managing educational finance.

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