

**THE DEVELOPMENT OF FINANCIAL MANAGEMENT MODEL FOR SCHOOL-BASED 9-YEAR BASIC EDUCATION LEARNING OBLIGATION IN KABUPATEN KUDUS****Yuli Rifiani** ✉ **Joko Widodo, Kardoyo, Haryono**

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**Abstract**

This study aimed to develop a financial management model for school-based 9-year basic education learning obligatory in the District of Kudus, Central Java. This study employed a Research and Development approach, in which the actual model obtained from the preliminary study was developed into a model design which was appropriate with the ideal condition in the District. Then, the final model of financial management for school-based 9-year basic education was determined through a focused group discussion attended by practitioners as well as experts in the related field. The results of the data analysis show that the financial model of basic education which had been implemented so far was not appropriate any longer given that the financial aid provided by the central government along with the provincial as well as district government on the basis of the number of students without taking into account the differential factors was not in line with the real needs of the schools. Therefore, it is necessary to develop a financial model of the basic education by considering achievement as the standard measure, in which the School Operational Aid (BOS) from the central and provincial government remains based on the number of students annually, while the subsidy from the residential government is still capable of covering the lack of the whole school needs under the conditions that the school is obliged to (1) arrange the School Budget and Activity Plan (RKAS) on the basis of EDS, (2) arrange the prioritized programs on the basis of the school vision and mission by (3) considering the school status, 4) average scores of the National Examinations (UN) and other achievements. The theoretical implication is that the model resulted from this study confirms Grubb, Rebecca Allen's theory that the students' achievement is determined by fund; it also confirms Psacaropoulos that quality education requires high investment and that this development model is the realization of financial management functions as they were proposed by Harold Thomas Jones, and Warsono as well as the financial management theory proposed by Blocher.

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## INTRODUCTION

Educational finance, an important factor in the success in educational practices, is an analysis of revenue and expenditure utilized to effectively and efficiently manage education to achieve the goals that have been determined. In line with the regional autonomy paradigm, the Flat Grants model of educational finance, and Equalization Grants, it is assumed that (1) the financial allocation for each region is the same without considering the variations of education types and levels in each region; (2) the allocation for each region is not the same due to the variations of educational needs that can be determined by the region's capability and the community purchasing power, and the variations of the students' educational needs; (3) the unit cost for the first year of elementary students is not the same as that of the third or sixth year students so that the annual unit cost for each student can be determined on the basis of fund allocation in line with the enrollment for each district/municipality.

The development of financial management model for the school-based 9 year basic education learning obligation is a financial management model for school-based 9 year basic education learning obligation which is oriented on the enhancement of educational quality, providing the priority to learning quality enhancement, in that the fund provided by the central government which is supported by the provincial government and the district government matches the real needs of each school.

This research aimed to develop financial management model for school-based 9-year basic education learning obligation in the District (Kabupaten) of Kudus. It was expected that this study contributed to the educational field in managing the school finance effectively as well as efficiently, and provided a practical contribution, i.e. as a guideline for schools in managing their finance, and also for the regional government (though the educational body) in managing their educational finance.

Educational management is an activity of operating the functions of management which covers the functions of planning, organizing, implementing, and controlling (Robbins, 2007: 58). The major components of educational management include human resources, fund, methods, materials, and pieces of machinery.

In general, the educational finance consists of two components, i.e. direct cost including the cost of teaching and learning processes in the form of the students learning devices, facilities, transportation purchasing, and teachers' salary, and the indirect cost including earning foregone in the form of opportunity cost spent up by the students at school (Con, 1979: 62).

The direct cost consists of cost spent up for the students teaching-learning processes. This type of cost includes tuition fees, contribution of the parents for education or the cost which the students themselves spend for facilities supporting the learning processes such as books, devices, and allowances. Meanwhile, the indirect cost covers the earning forgone or sacrificed by the students while studying (Alan Thomas, 1976; Cohn, 1979; Thomas Jones, 1985 in Nanang Fatah, 2003:23).

The educational cost is not only in the form of money but also opportunity cost which is also called income foregone, i.e. the earning potential of the students while they attend classes or complete their studies at school, which are focused on income foregone because the students have to be at school, the tax amnesty which is generally enjoyed by the non-profit institutions, and the costs which are related to reduction and interests as well as building and facilities.

In the narrow sense, management includes school/madrasah management which includes the planning and implementation of the school programs, the principal leadership, and auditing/evaluation, and school/madrasah information system.

Financial management means the whole activities in educational finance management from planning, organizing,

implementation, decision making to those of controlling and supervising so that the purposes can be achieved effectively and efficiently. It is the substance of school management that will take part in determining the operation of the educational activities at school.

According to H. Thomas Jones, there are three phases of financial management, i.e. (1) financial planning, (2) implementation involving accounting, and (3) evaluation involving auditing. Meanwhile, according to Warsono (2003), financial management includes the process of planning, organizing, operating, and supervising the financial human resources. Therefore, it can be concluded that the scope of financial management includes planning (budgeting), accounting, and auditing.

Budgeting is a future activity of financial planning in an organization which consists of the sources of fund, the needs of the fund, how to obtain, gather and distribute revenues for the activities to achieve the goals of an educational unit (school). Budgeting is closely related to the process of determining the amount of fund allocated for each program and activities in monetary units (Bastian, 2006: 39). Besides relating to money, budgeting also provides descriptions of programs that will be carried out, so that there are two aspects that should be taken into account, i.e. the amount of budget to fund the activities and the activities themselves. Within every budget there are two major columns, i.e. income, showing the sources or origins of the fund (state budget - APBN, regional budget - APBD, parents, community, and other legal sources) and spending, which includes the allocation of educational finance for each component requiring fund (Fatah, 2000: 48).

School budgeting is identical to the making of the School Budgetary Plan (RAPBS) or the School Budget and Activity Plan (RKAS). According to Depdiknas (2002: 98), the procedures are as follows. (1) Listing the school programs/activities one year ahead; (2) Organizing the programs/activities on the basis of types and priorities; (3) calculating the volumes, cost per unit, and the fund required for

each component of the activities; (4) preparing working paper and worksheet, determining the fund sources, and allocating the budget and distributing it to the standard form of the RAPBS; (5) gathering supporting data which are accurate as the reference for justifying the proposed budget.

RKAS is used as the material of development plan deliberation (Musrenbang), is referred to as the basis for making the budget of the regional education body. Therefore, the regional budgeting is not top down any longer, but bottom up instead.

It is necessary for the educational fund to be managed in systematic phases in accordance with the principles of management. What the treasurer should do to realize the budget operation, according to Depdiknas (2000) among other things are (1) verifying the amount of fund based on the The Stipulation of the Head of the Sports and Youth Education Body of the Kabupaten Kudus; (2) announcing the amount of the received fund on the school announcement board; (3) managing the accountable fund and avoiding irregularities in spending the fund; (4) providing services and handling the communities' complaints; (5) reporting the realization of the programs in line with the proposal/RAKS, as the accountability of the activities financed by the government of the Kabupaten Kudus; (6) reporting the accountability of spending the received fund; (7) compiling and submitting financial responsibilities letters (SPJ) completed with legal spending receipts and is in line with the eligible rules and regulations; (8) submitting three copies of financial accountability reports in less than one (1) month after the activities are done.

Financial supervising activity is an activity that is related to the accountable activity of receiving, storing, and spending or delivering money to the right parties by the treasurer. Supervision is an important factor in an organization in order to see how the financial resources are utilized effectively and efficiently to achieve the determined goals of the organization. Bastian (2006) states that the phases of budgeting, from planning,

implementation, up to reporting, should be supervised; and it will be more effective if the activities are supervised by a specific supervisory institution (external supervisor) who is responsible for controlling the process of planning and budget controlling. Besides that, it is necessary to have internal supervisors, i.e. the stakeholders of the school.

Supervision includes (1) attached supervision, (2) internal-functional supervision, (3) supervision by the Development and Finance Regulatory Body (BPKP), (4) inspection by the Audit Board of the Republic of Indonesia (BPK) in line with their responsibilities, (5) community supervision.

## RESEARCH METHODOLOGY

This study applied the Research and Development approach (R&D) or educational research and development. The educational research consisting of ten phases (Borg & Goll, 2007:410) was used as the basis to design this research and development which covered (1) identifying potentials and problems; (2) data and information gathering; (3) developing design; (4) try-out; (5) revision on the basis of preliminary try-out; (6) main try-out by involving more subjects and stakeholders; (7) finalizing the model; (8) validity test to confirm the readiness of the model implementation, (9) revision of the final model; (10) dissemination and implementation.

The activities of this research include three phases, i.e. (1) preliminary phase; (2) developmental phase; (3) finalization phase. The try-out results in (1) the actual design of the development of financial management model for school-based 9-year basic education learning obligation which is currently implemented in Kabupaten Kudus was the making of a design on the basis of theoretical studies and empirical models obtained from preliminary research; (2) the hypothetical model of the effective financial management for school-based 9 year basic education learning obligation in Kabupaten Kudus obtained through external validation activities by means of Focused Group

Discussion (FGD), and (3) the final design of the development of the financial management model for school-based 9-year basic education learning obligation which is developed in Kabupaten Kudus is considered being the final model of the developmental activity on the basis of the revision after validation processes by experts and try-out through limited and extended FGD. The subject of this study includes three elementary schools and three secondary schools, chosen on the basis of the availability of the region and the number of students. The data obtained for this study consisted of qualitative and quantitative data. The instruments used for this study included interview, questionnaire, documentary study, and observation sheet. The data were then analyzed using descriptive statistic analysis and qualitative descriptive analysis.

## RESEARCH RESULTS

The actual model in the form of the Wajar Diknas financial model which was currently implemented in Kabupaten Kudus was obtained from a field observation. The observation was conducted implementing the questionnaire that had been validated using the Delphi analysis, supported by interviews.

The school financial planning was considered being inappropriate because the planning available in the RKAS was not compiled on the basis of the EDS, but was appropriated with the previous year's RKAS with little modification following the current condition. The amount of received fund was appropriate with the number of students in the school, which was not adequate to fulfill the school needs according to the Education National Standard (SNP). The school budget was not entirely used as the basis to compile the district's budget because the district budget merely covered the School Operation Aid (BOS) originated from the provincial Regional Budget as well as the district budget. According to the respondents, the budget planning should have been compiled through the Musrenbang that was in line with the current stipulation.

The respondents also considered that budget implementation was considered being inappropriate. This was caused by the teaching-learning processes conducted by the school management that were not based on the RKAS but was in line with the school real needs so that there was an impression that the RKAS did not function properly. Besides the fact that the school was not open-minded in managing its budget, the school did not announce the financial report. In a number of schools there were irregularities in implementing the budget, but then the report was made as if the report was in line with the implementation in the school. The team involved in the process of budget implementation could be categorized inappropriately.

Although the respondents considered that the budget implementation was appropriate with the school need, it was hoped that the budget supervision involved the internal party because up to this moment the supervision was conducted by the external body. All schools should have been fairly supervised. Related to the inspector's task, the respondents felt that the inspector did not work effectively given that there were inspectors who came to school just for courtesy or inspected aspects beyond the financial management, such as the teachers' teaching administration.

The financial management model for the school-based 9-year basic education learning obligation was a financial management model which emphasized on the fulfillment of the school real need. It was expected that this model was capable of supplementing and completing the financial management model currently available. This school-based financial management model has a number of characteristics: (1) The school budgeting starts with the implementation of EDS in January (the beginning of the fiscal year). Up to this moment, the school has compiled its RKAS at the beginning of the school year, while the Education Authorities compiled the budgeting at the beginning of the fiscal year; (2) The RKAS is among the materials of the Musrenbang. Until recently, musrenbang has only been a discourse

of the APBD discussion in Kabupaten Kudus. It is expected that if the RKAS becomes one of the materials to be discussed at the Musrenbang, it will then enter the APBD and is realized as a BOSDA; (3) the BOSDA received by each school is in line with the school real needs instead of merely the number of students; (4) the budget supervision involves external as well as internal supervisory board.

The final model of the financial management for school-based 9-year basic education learning obligation shows the relation between the school budgeting and the regional one because the regional budgeting is based on the school budgeting.

The school budgeting is managed by the regional government in the hope that the amount of fund accompanying BOS from the District APBD is capable of covering the whole school needs which are oriented towards the enhancement of teaching-learning quality that ends in the enhancement of the education quality in general. Therefore, the budgeting activities should firstly start at school by means of implementing the EDS in January. The school determines the number of students that will be accepted for the incoming school year. Based on its vision and mission, the school plans the prioritized programs which are oriented to quality/achievement. All real needs are mentioned in the RKAS in line with the report of program achievement in the previous year. Prior recommendation from the school supervisor is needed before the RKAS along with the proposal of the prioritized programs are evaluated by the District Budgeting Team in accordance with the criteria as well as the achievement point possessed by the school.

Proceeding the decision of the amount of fund which is made on the basis of achievement points and criteria, the RKAS is then revised and ratified by the Head of Sub-district UPT Pendidikan for Elementary school and the Head of District Education Body for Secondary School. The RKAS is then used as the Musrenbang material in March and is considered as the budgeting reference of the District Education Body. As a result, the

regional budgeting is not top-down any longer, but bottom-up instead. The proposal for fund every period of time is based on the quarterly RKS depending on a number of school needs.

The regional budgeting is initiated by the SKPD strategic planning which is then changed to the SKPD Work Plan, before leading to RAPBD. The RAPBD is then ratified by the DPRD and changed it to APBD. The school receives it as BOSDA/DP.

The BOSDA/DP received by the public elementary and secondary schools are verified by the Budget and Finance Department of the Education Body. The criterion weight ration is 3: 2: 1. The highest weight resulted from the calculation is  $6 \times 3 = 18$ . The BOSDA/DP value for elementary school is Rp1,000,000/credit point. Meanwhile, that for secondary school is Rp 12,000,000/credit point. This decision is based on the financial capability of the district government. Therefore, the amount of annual operational fund possessed by the school can be formulated as  $(BOS \times nStudents) + (BOSDA/DP)$ , where BOSDA/DP for elementary school is calculated on the basis of the formula  $(Rp1,000,000 \times \text{credit points})$  and for secondary school is  $(Rp 12,000,000 \times \text{credit points})$ .

At the district government level, in order to become an agreeable RKA of SKPD, the RKA for each SKPD has to be discussed in the Musrenbang. It should be emphasized here that the Musrenbang in each district/municipality should start from the Musrenbang of the village level (including the needs of the schools in the respective area). The results of the village Musrenbang is then brought to the sub-district Musrenbang, and then to the District/Municipality Musrenbang. The data of the school needs to be proposed to the Musrenbangs are expected to be the real school needs that have been decided in the current year RKAS.

The program implementation should not deviate from the planning that has been made previously. In order for the making of the school budget to be effective, the headmaster should be

able to realize the education program to the form of financial equivalence.

The ideal phases of the budget implementation are (1) the RKAS which is compiled by the school is considered as the reference for the region in determining the amount of fund subsidized by the district APBD. (2) It is necessary to enhance the performance of the Team which consists of the headmaster as the person in charge of the budget together with his/her treasurer and a person beyond the school committee, and a committee member appointed by the school. The treasurer and the purchasing department should not be the same figure. (3) A technical guideline on the spending of the fund provided by the APBD II should be prepared so that the budget spending is not always stuck on the technical BOS guideline prepared by APBN so that the needs of budget reporting processes are in line with the principles of openness.

The financial supervision activity is known as auditing, i.e. activities which are related to the accountability activities of fund earning, storing, and distributing done by the treasurer to the related parties. Auditing is an important factor in an organization in order to monitor how financial resources are effectively and efficiently utilized for achieving the predetermined goals of the organization. Bastian (2006: 40) states that the phases of budgeting starting from planning, implementation, to reporting should be audited. And it will be effective if it is carried out by a specific auditing institution which is appointed to control the process of budget planning and controlling.

Budgeting reflects sources of revenue and its allocation. It describes the future activities so that studying the budgeting of an organization one will understand the directions and activities of the organization in realizing its functions. In line with the above proposition, evaluation activities are expected to be capable of: (1) supervising the financial report made by an expert in accordance with the current stipulation; (2) uniforming the financial accountability for all schools no matter whether it is conducted by different accountants, and all schools should possess the same a standard

operation procedure (SOP) concerning the supervision of financial reports including the availability of solutions to potential findings; (3) providing comprehensive reports on the supervision results, so that the stakeholders are able to evaluate the school and compare the achievement of each school given that achievement is the goal of every school, the impact of which being the community's enthusiasm to have their children to be registered in the related schools.

## CONCLUSIONS AND SUGGESTION

### Conclusion

Financial aid which is relevant to the real school needs is absolutely required recently. Up to this moment, the APBD of Kabupaten Kudus merely provides additional fund as much as Rp15,000 per student for elementary schools and Rp30,000 per student for secondary schools, accompanying the BOS from APBN. This amount is still far from the schools' expectation that is still developing.

Because the schools are not allowed to collect money from the students' parents, it is hoped that the district government can afford to provide the additional fund to cover all of the school real needs. The additional school fund provided by the district government that is based on the schools' achievement which is based on the criteria and the amount of credit points is called Accompanying BOS (BOSDA) or achievement fund (DP) or BOSDA/DP, the amount of which is Rp10,000,000 per point for Elementary Schools and Rp12,000 for secondary schools.

### SUGGESTION

(1) Schools should be committed to change their current mindset that RKAS is made by copying the previous year's RKAS and modifying it a bit in order to look different, (2) Schools should be brave enough to plan prioritized programs which are different from other schools' programs, in line with the vision, mission, and purposes of the school.

(3) The District Education Authority should make an accompanying BOS technical guideline so that the schools have strong bases in implementing their budget using the accompanying BOS, (4) The District Government should be consistent in implementing the results of the Musrenbang for the betterment of the school quality in the future.

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