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Optimizing Educational Resource Allocation: Strategic Financial Management and Its Direct Impact on Student Learning Outcomes

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Abstract:
This study analyzes the role of financial management in enhancing student quality at MTs Darussalam, Nganjuk Regency. The research focuses on three aspects of financial management planning, implementation, and evaluation aiming to determine how each contributes to improving educational quality. A qualitative approach with a case study design was employed; data collection techniques included observation, in-depth interviews, and document analysis, with data validity reinforced through source triangulation. The findings indicate that financial planning at MTs Darussalam is conducted participatorily through the formulation of the School Budget Plan (RAPBS), involving the principal, teachers, the treasurer, and the school committee to ensure the budget aligns with quality improvement priorities. Financial implementation adheres to principles of accountability and efficiency including the digitization of bookkeeping and a needs-based disbursement mechanism ensuring that budget realization impacts learning facilities and educator welfare. Evaluation is carried out through multi-layered reporting and external audits, using outcome indicators (such as increases in average report card grades) to measure budget effectiveness; subsequent evaluation feedback information evidence-based budget reallocation. The study implies that transparent, participatory, and evidence-based financial management significantly supports the enhancement of student quality. As a result, the Madrasa is able to sustain participatory practices, further strengthen administrative digitization, and develop alternative funding sources to ensure the continuity of quality improvement programs.

Keywords: **Evaluation; Financial Planning; Implementation; Management; School Financial; Student Quality**

Introduction

Education is a strategic instrument and a key pillar in the development of civilization and the improvement of the quality of a nation's human resources. In a national context, Law Number 20 of 2003 concerning the National Education System explicitly mandates that education be organized to develop the potential of students to become people who are faithful, pious, have noble morals, are healthy, knowledgeable, capable, creative, and independent. To realize these noble ideals, every educational institution, especially madrasas, is required to continuously improve the quality of its education. The quality of students in this case is not only represented by high academic achievement, but also includes the development of comprehensive skills (*life skills*), character formation, and competencies that are adaptive to the challenges of the times (Mulyasa, 2012) .

Improving student quality is inseparable from the effective management of educational resources, particularly financial management. Educational financial management is the process of planning, organizing, implementing, and monitoring all financial resources to ensure effective and efficient educational delivery. Good financial management enables educational institutions to meet infrastructure needs, improve the quality of learning, and support various programs oriented towards improving student quality. Conversely, suboptimal financial management can hinder the achievement of educational goals (Fatah, 2012) . Normatively, educational financial management must be based on the principles of transparency, accountability, effectiveness, and efficiency so that every use of the budget can be accounted for and provide optimal benefits for improving educational quality (Arifin, 2020) . However, in practice, madrasas still face various challenges, particularly the high dependence on School Operational Assistance (BOS) funds. Delays in the disbursement of BOS funds often impact the smooth operation of madrasas, requiring a financial management strategy capable of maintaining the continuity of the educational process (Matin, 2014) .

Phenomenon the interesting For studied at MTs Darussalam, Nganjuk Regency . This Madrasah apply policy liberation cost education for all over participant educate and rely on funding operational from BOS funds. When this happens delay disbursement of BOS funds, foundation provide bridge funding for guard sustainability activity education so that the learning process still walk optimally (L, 2019). In addition , MTs Darussalam has apply management finance based e-RKAM application as system planning, implementation, and reporting supporting budget transparency and accountability management of BOS funds for student activities (2020) . Supervision is also carried out through evaluation physical by the madrasa committee as form verification to realization use budget.

A number of study previously generally discuss management madrasah finances supported by various source financing, such as BOS funds and contributions society. However, research that examines management finances at madrasas that are not collect cost education, depending on BOS funds, as well as supported by a bailout mechanism from foundation Still relatively limited. Condition the show existence *research gap* that needs to be filled reviewed more carry on For enrich study about management finance education , especially in institutions Islamic education. Based on condition said , research This aim analyze management finance in increase quality participant studied at MTs Darussalam, Nganjuk Regency. Research This focus discussion on the planning, implementation , supervision and management strategy processes finances implemented by madrasas in support improvement quality participant education. Research results expected can give contribution theoretical to development study management finance Islamic education and become reference practical for madrasas in manage finance in a way effective , efficient , transparent and accountable.

Method

This research uses a qualitative approach with a descriptive case study research type. The qualitative approach was chosen to understand and describe in depth the phenomenon being studied through data collection in the form of words, information, and facts obtained in a natural context. Case study research allows researchers to study a phenomenon intensively, in-depth, and continuously so as to be able to describe the conditions that occur comprehensively (Anggito & Setiawan, 2018) . The research was conducted at Madrasah Tsanawiyah (MTs) Darussalam Nganjuk located on Jalan Kenanga, Sugihwaras Hamlet, Sambiroto Village, Baron District, Nganjuk Regency, East Java Province.

The data sources in this study consist of primary and secondary data. Primary data is data obtained directly from the primary source without any intermediary media (Silahi, 2003). Primary data was obtained directly through interviews with key informants, namely the Principal, the Treasurer, the Head of Administration, and teachers at MTs Darussalam Nganjuk. These data were used to obtain information regarding the role of financial management in improving student quality. Meanwhile, secondary data was obtained from various supporting documents, such as archives, work program documents, activity reports, and documentation in the form of photographs related to the implementation of financial management at MTs Darussalam Nganjuk.

The data collection techniques used included observation, interviews, and documentation. Observations were conducted directly to obtain a concrete picture of the implementation of financial management in madrasas. In-depth interviews were conducted with predetermined informants, while documentation was used to complement and strengthen the data from observations and interviews. Data validity was tested using triangulation techniques, namely by comparing data obtained from various sources and data collection techniques to ensure the validity and consistency of research findings (Silahi, 2003) . Data analysis was conducted using the Miles and Huberman model which includes three stages: data reduction, data presentation, and drawing conclusions interactively and continuously until credible research results were obtained (Silahi, 2003) . The research stages include the pre-field stage, implementation of research in the field, data analysis, and preparation of the research report.

Results and Discussion

Findings

1. **Financial Planning in Improving the Quality of Students**
   a) **Collaborative Process for Drafting the RAPBS**

   The financial planning process at MTs Darussalam in Nganjuk Regency is not conducted unilaterally, but rather through collaborative stages involving various stakeholders. From my field observations, I've examined these steps to ensure the budget is free from bias and truly reflects the needs for improving student quality. This is as conveyed by Mr. Muhtar, the school principal:

   > " *We always begin the preparation of the RABS with a working meeting (Raker) at the beginning of the school year. I don't formulate it alone in the principal's office, but rather involve all the vice principals, teachers, and committee representatives so that all students' academic and non-academic priorities can be mapped out together* ." (Muhtar Dwisaktiardi, April 3, 2026)



Figure 1. Documentation of Stakeholder Meeting

The synergy between policy holders (principals), technical implementers (treasurers), and external supervisors (school committees) creates valid and accountable financial planning.

b) Identification of Programs and Quality Improvement Needs

A crucial stage in financial planning at MTs Darussalam, Nganjuk Regency, is identifying priority programs that directly impact student quality. Based on the mapping of student program needs, the school and its staff then mapped out the program in more detail, including funding for human resources (HR) such as educators, administrative staff, and others, as well as student needs, including stable internet access (Wi-Fi), and other basic needs.

c) Mapping of Funding Sources and Allocation Priorities

Once program needs are identified, the next step in planning management is to identify the funding sources. Research at MTs Darussalam, Nganjuk Regency, found that the institution relies entirely on School Operational Assistance (BOS) funds from the central government for all educational expenses, supported by a bridging fund system from the foundation as a precautionary measure. The madrasah treasurer explained:

> *"In terms of bookkeeping, we manage the BOS funds very carefully because they are the main source of funding. Teachers' honoraria come entirely from BOS, and for student activities like muhadharah (religious study groups), we have allocated the funds according to the institution's needs. Regarding the foundation's advance funds, they have been very helpful. When BOS funds are late in being disbursed, the foundation will cover the initial payments. When BOS funds are disbursed, we immediately return the funds to the foundation with a clear record of the debts and receivables."* (Khoirina Wahyu Annisak, April 3, 2026)

d) Budget Transparency and Socialization

The final, yet crucial, aspect of the planning stage is that financial planning at MTs Darussalam, Nganjuk Regency, maintains budget transparency for the public. The socialization of the jointly approved school budget plan (RAPBS) was proactively conducted through a combination of digital communication and traditional meetings. The validity of the implementation of transparency was confirmed by Mrs. Sri Rahmawati as the madrasa committee as follows:

> " *As parents, we feel truly valued and involved. Having a dedicated WhatsApp group makes it incredibly easy for us to monitor our children's quality improvement programs. If we feel unclear about the details of the funds distributed in the group, we can clarify them during a special meeting* ." (Sri Rahmawati, April 3, 2026)

2. **Implementation of Madrasah Finance in Improving Student Quality**

a) Fund Receipt and Recording Mechanism

In the financial implementation phase, the first crucial step is how the madrasah receives and records incoming government funding (BOS). Based on observations conducted by researchers, they found that the recording mechanism has modernized, transforming from a manual system to a more accountable digital one. As stated by the madrasah treasurer:

> *"Technically, every time there's a disbursement of BOS funds from the central government or monthly committee funds, I input the data directly into the e-RKAM system. This application from the Ministry of Religious Affairs makes things incredibly easy for me because it's a one-stop shop, accurate, and online-integrated system. So, there's no such thing as missing incoming funds that aren't recorded in this digital cash book."* (Khoirina Wahyu Annisak, April 3, 2026)

b) Realization of Quality Improvement Program Expenditure

The realization of financial expenditures at MTS Darussalam, Nganjuk Regency, is not done haphazardly. The multi-level proposal submission mechanism, which ends with recording in e-RKAM and is directly connected to the central government, and the use of the "number of students" indicator as a benchmark for fund disbursement, proves that budget implementation is carried out objectively, efficiently, and fully oriented towards student quality.



Figure 2. Reporting and Audit Documentation by the Ministry of Religion

c) Efficiency Strategy and Budget Adjustment

Based on observations, it was discovered that external obstacles, such as delays in the disbursement of school operational assistance (BOS) funds from the central government, often pose a major challenge to the institution. However, MTS Darussalam has a robust risk mitigation strategy in place to ensure that the process of improving student quality is not disrupted by these obstacles. Mr. Muhtar Dwisaktiardi explained the madrasa's strategic policy when facing funding delays:

> *"Our primary policy is that children's learning should not be hampered simply by administrative issues related to the disbursement of funds from the central government. When BOS funds are late, we do not cut programs or impose sudden withdrawals on parents. We coordinate directly with the foundation, and the foundation is committed to covering all operational costs in full."* (Muhtar Dwisaktiardi, April 3, 2026)

d) The Role of the Madrasah Committee in Transaction Verification

verification at MTS Darussalam, Nganjuk Regency, is carried out comprehensively. The combination of administrative accountability by the treasurer and physical verification by the school committee ensures that every budget expenditure is guaranteed to be accurate, both in written documents and in practice.

3. Madrasah Financial Evaluation in Improving Student Quality

a) Financial Reporting and Audit Process

Based on observations made by the researchers, it was discovered that the evaluation process for MTS Darussalam began with rigorous financial reporting and audits to ensure that all disbursed funds were accounted for. Furthermore, at MTS Darussalam in Nganjuk Regency, this reporting process was not only reviewed internally but also involved external parties with functional oversight authority.



Figure 3. Reporting and Audit Documentation by the Ministry of Religion

The financial reporting and audit process at MTS Darussalam, Nganjuk Regency, has met public accountability standards, including accountable worksheets. The involvement of Ministry of Religious Affairs supervisors to assess the report's accuracy serves as a strong oversight instrument to ensure budget management does not deviate from its primary objectives.

b) Indicators of Successful Budget Use

The benchmark used by MTS Darussalam, Nganjuk Regency to assess whether budget expenditures have a real impact on improving student quality is through academic indicators, namely the increasing trend in average student report card scores.

Table 1 Academic Indicators of the Institution

No.	Name	Indicator
1.	Very good	A
2.	Good	B
3	Bad	C
4.	Very bad	D

Source: Processed by Researchers

Besides that, Mr. Muhtar as the head of the madrasah also said:

" *For us, a large budget means nothing if it doesn't directly impact the quality of the students. Therefore, our primary indicator for evaluating budget effectiveness, whether for books, Wi-Fi, or teacher honoraria, is to see whether there is an increase in the average student report card grades at the end of the semester.* " (Muhtar Dwisaktiardi, April 3, 2026)

c) Utilization of Feedback to Improve the RAPBS

A comprehensive evaluation phase must be able to generate constructive feedback for budget planning in the following period. At MTS Darussalam, Nganjuk Regency, the evaluation results are not a dead report, but rather used as a basis for decision-making to redirect funding to more effective programs. The school applies the principle of *evidence-based decision* -making, where program ineffectiveness is immediately responded to with a budget redirection strategy to improve the RAPBS in the future.

d) Transparency and Publication of Financial Reports

Based on observations, transparency in financial reports at the end of the school year is realized through a combination of digital publications and open presentations. Regarding the physical form of the publication, Khoirina Wahyu Annisak, S.Pd., the school treasurer, explained the dual mechanism she has prepared to facilitate information access for parents:

> *"For publication purposes, I processed the data into a more concise and easily understood summary. I then shared the summary file with the parents' WhatsApp group. We also clearly displayed the main points of the report via projector during the end-of-year plenary meeting so everyone could see it transparently."* (Khoirina Wahyu Annisak, April 3, 2026)

This shows that the madrasa highly prioritizes transparency and accountability to all its stakeholders.

Analysis

1. Financial Planning to Improve Student Quality

a) Collaborative Process for Drafting the RAPBS

Conceptually, ideal financial planning is based on *the grand theory* of financial planning (*budgeting*) proposed by E. Mulyasa in the previous chapter, namely the activity of coordinating all resources to achieve goals systematically (Mulyasa, 2005) . At the practical level at MTs Darussalam, Nganjuk Regency, this theoretical principle is implemented through the preparation of an inclusive and participatory School Revenue and Expenditure Budget Plan (RAPBS). This process is not carried out centrally by the madrasah principal alone, but involves functional synergy through an early-year work meeting attended by the principal, treasurer, vice principal, teachers' council, and school committee. Therefore, the researcher can conclude that MTs Darussalam, Nganjuk Regency has implemented collaboration in accordance with the theoretical basis explained by the researcher in the previous chapter.

b) Identification of Programs and Quality Improvement Needs

The gap between process standards and learning implementation indicates the need for quality improvement strategies through data-based academic supervision, the development of teacher learning communities, and training based on real needs (Purnamasari, 2026) . The planning prepared by MTs Darussalam shows a comprehensive approach because it touches on both academic and non-academic aspects of students. Identification of priority needs includes fulfilling teacher rights (teacher honorarium), smooth basic operations (internet/wifi and electricity), procurement of supporting books, and spiritual character development through muhadharah extracurricular activities. This proves that MTs Darussalam, Nganjuk Regency, has a complete managerial vision, where quality improvement is not only focused on physical facilities, but also on the welfare of educators and the mental courage of students.

c) Mapping of Funding Sources and Allocation Priorities

Funding mapping at MTs Darussalam applies E. Mulyasa's "no adverse side effects" concept. The separation of funding sources was carried out precisely from the outset: teacher honoraria were allocated exclusively from the BOS funds. As a form of grounded theory , (Syaifullah, 2021) this madrasah also has a very robust risk mitigation strategy involving the foundation. The foundation is committed to providing full bailout funds in the event of delays in the disbursement of government funds, thus ensuring the stability of educational operations.

d) Budget Transparency and Socialization

The planning process concluded with a socialization that aligned with the principle of educational transparency in Law No. 20 of 2003 (*Law of the Republic of Indonesia No. 20 of 2003 concerning the National Education System* , 2011) . The approved RAPBS document was proactively socialized, combining conventional and digital communication. The madrasah presented its budget plan in a special face-to-face forum, while simultaneously distributing a summary through the WhatsApp group of parents. This dual information disclosure psychologically succeeded in minimizing prejudice and strengthening the position of parents as strategic partners of the madrasah.

2. Implementation of Madrasah Finance in Improving Student Quality

a) Fund Receipt and Recording Mechanism

The implementation of financial management must be based on the principle of accountability. In line with what was stated by Sulistiyorini, "financial management means the management and accountability in using finances both to the community, local government, and to the central government, starting from planning, organizing, implementing, monitoring to accountability" (Anggito & Setiawan, 2018) . The MTs Darussalam institution represents the real application of this theory by making a progressive managerial leap, namely leaving manual bookkeeping and transforming towards integrated digitalization using the e-RKAM application from the Ministry of Religious Affairs. This one-stop integrated recording system has succeeded in closing the gaps in administrative irregularities and building a solid foundation of trust from the community in the management of madrasah funds.

b) Realization of Quality Improvement Program Expenditure

The principle of efficiency demands the best possible balance between expenditure and learning outcomes (2010) . At MTs Darussalam, expenditure realization is executed through a rigorous, tiered proposal submission mechanism. Most prominently, the madrasah's policy uses "the number of beneficiary students" as the primary benchmark for fund disbursement. With this benchmark, spending is highly objective and efficient, ensuring no budget is wasted on activities with minimal participation.

c) Efficiency Strategy and Budget Adjustment

To build a competitive advantage, a school's primary strategy must center on improving the quality and efficiency of educational services. Implementing this strategy requires a strong commitment between the school and its educators (Anwar, 2018) . As a safeguard in budget implementation, madrasas demonstrate a healthy institutional interdependence with the foundation. When faced with bureaucratic obstacles such as delays in the disbursement of BOS funds, madrasas do not resort to program cuts or sudden fee withdrawals. The foundation fully backs up all expenses (as a contingency fund), ensuring

that learning facilities and teacher welfare continue to run smoothly without stagnation.

d) The Role of the Madrasah Committee in Transaction Verification

A unique paradigm shift in oversight was discovered in the field. In accordance with the principle of oversight (Anwar, 2018), MTs Darussalam does not simply make the School Committee the party that approves reports on paper. Authority is divided functionally: the treasurer is fully responsible for the completeness of the notes, while the School Committee directly verifies the physical form of expenditures in the field (such as the operation of Wi-Fi or the availability of new books). This cross-over monitoring mechanism provides an empirical guarantee that the budget is converted into tangible facilities that support quality at MTs Darussalam.

3. School Financial Evaluation in Improving Student Quality

a) Financial Reporting and Audit Process

The financial evaluation at MTs Darussalam aligns with Nanang Fattah's theory regarding the stages of monitoring, assessing, and reporting (Megananda, 2018). The reporting process is carried out in layers. The treasurer prepares an Accountability Letter (SPJ) internally, which is then audited directly by an external party, namely a supervisor from the Ministry of Religious Affairs. The involvement of this external auditor provides objective assurance that the management of BOS funds has been executed correctly and in accordance with technical guidelines.

b) Indicators of Successful Budget Use

The success of financial management is not only measured by the exhaustion of the budget for physical facilities, as stated by Arcaro S Jerome as quoted by Enim Tanjung in his article, there are 5 characteristics of a quality school, namely: customer focus, total involvement, measurement, commitment and continuous improvement. At the MTs Darussalam institution, an outcome - *based evaluation is implemented* where the trend of increasing student report card grades at the end of the semester is used as an absolute indicator of the success of fund use. This academic parameter synchronizes financial accountability with academic accountability, proving that the power and costs incurred really have an impact on student intelligence.

c) Utilization of Feedback to Improve the RAPBS

This evaluation practice is highly relevant to Edward Sallis's *Total Quality Management* (TQM) theory, where a quality system constantly requires a feedback mechanism (Saputri, 2024) . Madrasas practice *evidence-based financial reallocation*. If a program proves effective in improving student achievement, its budget is not wasted but reallocated to fund new program innovations in the following year's RAPBS (School Budget). This managerial maturity is key to continuous quality improvement.

d) Transparency and Publication of Financial Reports

To conclude its financial reporting, the MTs Darussalam madrasah fully implemented the theory of public transparency (Syaifullah, 2021) . The final audited financial report was processed into an informative summary and published through a dual mechanism. The document was distributed digitally to a WhatsApp group of parents and presented publicly using a projector at the year-end plenary meeting. This step provided an open space for clarification, ultimately strengthening public trust in the madrasah institution.

Conclusion

The research results show that financial management at MTs Darussalam in Nganjuk Regency is implemented through planning, implementation, and evaluation. Planning is carried out collaboratively, involving the principal, treasurer, teachers, and the school committee, based on the needs of the school and the availability of BOS funds. Financial implementation is carried out according to plan and supported by the use of the e-RKAM application, while supervision is carried out by the school and the school committee. Evaluation is carried out through inspections and reviews of program implementation and results achieved. This financial management supports the fulfillment of educational needs and improves the quality of students. These findings indicate that needs-based planning, appropriate budget use, and regular monitoring and evaluation can be practices implemented by schools to optimize financial resource management to support educational quality.

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