

# Management of Islamic Philanthropy-Based Education Financing in Increasing Access to Free Education for Orphans Children

Roshiful Aqli Qosyim<sup>\*1</sup>, and Ahmad Zarkasyi<sup>\*2</sup>

<sup>1-2</sup> STAI Miftahul Ulum Lumajang, Indoensia

e-mail: [rosbifulaqli24577@gmail.com](mailto:rosbifulaqli24577@gmail.com), [zarkazee@gmail.com](mailto:zarkazee@gmail.com)

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**ABSTRACT.** The article describes the management of Islamic philanthropy-based education financing in increasing access to free education for orphans and poor children at the Raudhatul Ulum Islamic boarding school, Sumberanyar Village, Lumajang Regency, East Java. This research uses qualitative research obtained by researchers based on data in the field. The research period starts from December 2023 to February 2024. The data source in this research is primary data obtained through interviews and direct observation with informants. The data analysis steps used in this research are the Interactive Analysis Model from Miles and Huberman: data reduction, data display, and conclusion drawing. Based on the research results after being dialogued with the results of the conceptual study, it can be described as Islamic philanthropy-based education financing management in Islamic boarding schools. Raudhatul Ulum Lumajang Regency includes three activities: planning sources of philanthropy-based education financing (*waqf and infaq*), allocating and distributing philanthropic fund financing, and monitoring and accountability (auditing) of philanthropic funds.

**Keywords:** *Financing management, Islamic philanthropy, Islamic boarding school, Free education access.*

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## INTRODUCTION

Management of education financing is a critical component in the implementation of education. The educational process cannot run without financial support (Archer, 2023; Badrudin, Satori, Komariah, & Kurniady, 2021; Lestari, Kusuma, & Sunaryati, 2024). In educational planning, understanding the anatomy and problems of educational financing is essential. Based on this understanding, education financing policies can be developed that are more precise and fair and lead to the achievement of educational goals, both quantitative and qualitative goals (Ruff, Matheu, Ruiz, Juica, & Gómez Marcos, 2023).

Hendry L. Siks stated in his theory that financial management cannot be separated from three activities: budgeting, accounting, and auditing (Teker & Teker, 2014). The demand for educational institutions to have sufficient numbers of qualified educational staff requires recruitment, placement, salaries, education and training costs, as well as transfers. In the business of procuring facilities and infrastructure to support the learning process, of course, quite a lot of funds are needed; even after they have been established, funds are needed for their care, maintenance, and utilization so that the implementation of education requires financial management to meet the

funding to provide minimum service standards (Goksu & Goksu, 2015; Li, Fang, & Baykal-Gürsoy, 2021; Sarfraz, Qun, Hui, & Abdullah, 2018).

Community participation and involvement in school development have become commonly discussed in developed and developing countries. Philanthropy in Islamic education management is also inseparable from Islamic philanthropy (Fuentenebro, 2020). Educational philanthropy in Indonesia can spread Islamic educational institutions in Indonesia, from Islamic boarding schools, madrasas, and schools to universities, which cannot be separated from philanthropic activities (Vveinhardt & Zygmanaitė, 2019).

Several scientific studies that discuss and focus on the themes of Islamic boarding school financing philanthropy are minimal. At the same time, existing research includes research conducted by Srivastava. However, the results present findings regarding the role of Islamic boarding school philanthropy, the contribution of Islamic education, and the implementation (Srivastava & Oh, 2019). Howard also discusses Islamic philanthropy-based human resource capacity development, philanthropy financing management, and building philanthropic partnerships (Gibson, 2018).

Dewi's research shows that the efficiency and effectiveness of financing management in educational institutions through a school-based management approach is determined by the involvement of parents and the community in financial, curriculum, and personnel development (Dewi & Zaenurrosyid, 2023). In line with Saner's research, community participation is significant in reforming a centralized education system into a decentralized and democratic education system (Saner & Yiu, 2019).

In the theory of school development in the decentralization era, three stakeholder triangles must be built: cooperation between schools, parents, and the community (Body & Lau, 2023). Community participation patterns in school development to carry out advisory, supporting, monitoring, and mediating functions. The largest funding source for non-formal institutions generally comes from non-governmental organizations such as foundations and parents (Arpanudin, Suryadi, Malihah, & Anggraeni, 2023).

This effectiveness is supported by preparing a discussion forum to convey their aspirations through the school committee that has been formed and, as far as possible, accommodating the community's wishes, especially in policy-making for the education financing system. Therefore, the management of funding sources determines the existence of an institution because the management of funding sources is the key to the existence of an institution or organization (Haddad, 2022). Concerning Islamic boarding school funding sources, it is stated that for a long time, certain Islamic boarding schools, especially modern Islamic boarding schools, have implemented a funding source management system, although in a simple form. Zamakhsari Dhofir noted that Islamic boarding schools were historically an effort for funds and energy by rich Kyai or Nyai from various social classes (As'ad, 2021).

The Islamic boarding school that is known as a free or at least cheap educational institution is the Raudhatul Ulum Islamic boarding school, Sumberanyar Hamlet, Lumajang Regency. A picture of ascetic and austere life can be seen in the daily life of Islamic boarding schools which still maintain their traditional learning. At the Raudhatul Ulum Lumajang Islamic boarding school, Kyai and students are both contributors and beneficiaries of charitable activities. Kyai and the community are the primary givers, managers, and recipients of charity benefits. Kyai donates his life to managing the Islamic boarding school, teaching students, raising funds, and volunteering to lead other teachers at his Islamic boarding school (Observation, January 2023).

Based on the description of the research locus and previous research studies regarding existing philanthropic financing management, there has yet to be research on Islamic boarding school philanthropy that focuses on financing management practices at the source of traditional Islamic boarding school philanthropy funds. So, the novelty proposed is how to personalize philanthropic institutions and financing managerial patterns that are managed traditionally and have a unique symbol of philanthropic culture for the Raudhatul Ulum Islamic Boarding School, Lumajang Regency.

## **METHOD**

This research uses qualitative research obtained by researchers based on data in the field (field research) (John W. Creswell, 2017), namely in detail on a particular subject and a collection of documents, namely how to personalize philanthropic institutions and financing managerial patterns which are managed in a traditionalist manner and have unique symbols of philanthropic culture. for the Raudhatul Ulum Islamic Boarding School, Lumajang Regency.

The research period starts from December 2023 to February 2024. The data source in this research is primary data obtained through interviews and direct observation with informants, in this case the boarding school leaders and several employees or staff involved in managing financial funding sources and their use for orphans (Wichai Wongyai & Marut Patphol, 2014). Who was raised at the Raudhatul Ulum Islamic Boarding School? Meanwhile, secondary data to explain whether the research is valid is obtained from books, documents, annual reports, and other official sources at the Raudhatul Ulum Islamic Boarding School.

To present the data so that it is easy to understand, the data analysis steps used in this research are the Interactive Analysis Model from Miles and Huberman. This data analysis method is qualitative research, allowing data analysis when the researcher is in the field or after returning from a new field of analysis (Miles & Huberman, 2014). The stages or activities of analyzing qualitative data in this model are as follows:

First, reduce data using a deductive approach and by determining the theory of collecting and distributing philanthropic funds based on the Core Principle financing management standards, then reducing the data that has been presented into Microsoft Word, sorting the data, and matching the theory (collection and distribution with the Core Principle financing standards) with the processed data and second, presenting data in the form of narrative text, tables, photos, and charts (RICHEY & KLEIN, 2015). Finally, conclusions are drawn by discussing the data found in the field with the theories included in theoretical studies and previous research.

The data collection technique uses three main techniques: Observation, collection of data obtained from in-depth interviews, and collection of data obtained from documentation and literature studies related to this theme (YOSHIKAWA, 2012). Furthermore, checking the validity of the data through triangulation of data sources, triangulation of methods, and triangulation of theory.

## **RESULT AND DISCUSSION**

### **Management of Islamic Philanthropy-Based Education Financing at the Raudhatul Ulum Islamic Boarding School, Lumajang Regency**

Based on the research results after dialogue with the results of the conceptual study, it can be described that Islamic philanthropy-based education financing management at the Raudhatul Ulum Islamic Boarding School, Lumajang Regency, includes three stages of activities, which include

aspects of funding source planning (budgeting), allocation and use (accounting), evaluation and accountability (audit) by the planned objectives, as detailed in the following findings:

***Planning sources of philanthropic-based education financing (waqf and infaq)***

The principal capital in planning financing at the Raudhatul Ulum Lumajang Islamic Boarding School is the optimization of immovable waqf, namely in the form of agricultural land, catfish farming land, and school buildings as well as movable waqf in the form of money given mainly by the leadership of the Islamic boarding school and all educational stakeholders. As the results of an interview with the Head of the Raudhatul Ulum Lumajang Islamic Boarding School explained:

"Since its founding, this Islamic boarding school has aimed to make education completely free for students from underprivileged families and orphans. Where at the beginning of the establishment of this institution, my family and I donated land later to build the Mts, MA, and Madrasah Diniyah institutions. Of course, the financing planning for orphans and poor people comes from the wakif and nadzir who manage it by first providing free uniforms to all students who will study at Madrasah Diniyah. We also formed RAPBS (School Revenue and Expenditure Budget Plan), a reference for spending costs when holding activities." (Interview, Kyai Imam Mahalli, S.Pd. 09 December 2023)

An interview with the Head of the Raudhatul Ulum Lumajang Islamic Boarding School Management confirmed this information:

"We determine the source of funding at the time of approval, which consists of Student Operational Assistance (BOS), Community Participation (PSM) funds, as well as management of funds from the founders for educational and social activities." "The sources of funding collected, based on the information of the Islamic boarding school treasurer, come from several sectors, including what is known as PSM (Community Participation) funds, Student Operational Assistance funds, as well as financial assistance from Islamic boarding school owners in the form of waqf and infaq." (Interview, Ustadz Irfan, S.Pd. 13 December 2023)

This is confirmed by the results of an interview with the Head of Madrasah Aliyah Raudhatul Ulum that school funds come from the Government in the form of Student Operational Assistance (BOS), PSM (Community Participation), as well as unexpected assistance from Islamic boarding school owners. So that from the role of all parties, students can complete educational services and processes well. (Interview, Ustadzah Hesti, S.Pd. 17 December 2023)

Ustadzah Humairoh also conveyed a similar thing as the Head of Madrasah Tsanawiah Raudhatul Ulum, who stated:

"Starting from the beginning of its establishment, planning for financing has been prepared in the Draft School Revenue and Expenditure Budget, where financing for orphans and underprivileged children has been financed by the founder of the Islamic boarding school, who is also assisted by government funds such as Student Operational Assistance." "On the other hand, all orphans and MA students are not charged building fees because it has been paid for directly by the Islamic boarding school caretaker." (Interview, Ustadzah Humairoh, S.Pd. 19 December 2023)

Treasurer of the Islamic Boarding School, Raudhatul Ulum, said, "There are 73 underprivileged children and orphans who receive subsidies from the Islamic boarding school, whether 25%, 50% or 75%. Our funding sources, which consist of PSM, APBD, and Student Operational Assistance, are income to meet school development and operational costs, such as teacher salaries. We put forward a sense of humanism for our students; to date, none of our students have stopped attending school because they do not have the money." "As long as the

student's parent comes forward with proof of indigency, we will provide a subsidy, and the student concerned can still go to school until they graduate." (Interview, Ustadz Rohim, S.E., 21 December 2023).

This is strengthened by the results of observations that the planning of Islamic philanthropy-based education financing at the Raudhatul Ulum Islamic Boarding School is the optimization of immovable waqf, which has an impact on completely free education costs for orphans. Not only orphans but even children who cannot afford it, as long as they apply, can get a reduction in education costs ranging from 25%, 50%, 75% to some even 100% or free. When entering a new teaching, Madrasah Aliyah, which also collaborates with the Raudhatul Ulum Islamic Boarding School Foundation, provides educational assistance for orphans by providing educational tools in the form of bags, stationery, and coaching money. (Observation, 23 December 2023)

Based on the description of the research results, it can be analyzed that the initial stage carried out by the Raudhatul Ulum Islamic boarding school administrators was the planning and budgeting stage, which was implemented through allocating funding sources. The orientation of education financing planning begins with the vision and mission of establishing the Islamic boarding school, determining funding sources, and establishing a free education program for underprivileged children and orphans (Gibson, 2018). Efforts to facilitate education financing by determining what programs are carried out by the needs analysis that has been carried out at the Raudhatul Ulum Lumajang Islamic Boarding School. All of these components work together well and can follow the flow orderly by the applicable provisions or procedures related to the financing management of the Raudhatul Ulum Islamic Boarding School.

The practice of Islamic philanthropy by the Raudhatul Ulum Islamic Boarding School is implemented through the *Baitul Infaq Institute*, a program organized through a structure consisting of a presiding officer and treasurer. The chairperson of the *Baitul Infaq Institution* is Ustadz Soimuddin, S.H., while the treasurer is Ustad. Zainuddin, SH., the task of the Chairman of *Baitul Infaq* is to be responsible for every social activity carried out, while the task of the treasurer is to manage incoming and outgoing finances, as explained by the Chairman of the *Baitul Infaq Institute* who stated that:

"One of the collection strategies at Rumah Infaq Raudhatul Ulum is using a waste bank. The waste bank program involves collecting document files and plastic waste which is collected and then sold. "The proceeds from the sale of the waste will go into the Rumah Infaq Raudhatul Ulum fund and will be allocated to social activities carried out both in the internal and external environment of Madrasah Raudhatul Ulum." (Interview, Ustadz Soimuddin, S.H., 23 December 2023)

This is in line with the explanation of the treasurer from the *Baitul Infaq Institute* that the funds coming in are not only from donations from teachers and students but also from the waste bank program that is managed. Apart from minimizing plastic waste, it can also be helpful for social activities in the future.

Based on this description, the supporting factor for the practice of Islamic philanthropy at the Raudhatul Ulum Islamic Boarding School is the participation of donors, both permanent and non-permanent. A small amount of funds can make it easier and faster for the Raudhatul Ulum Islamic Boarding School to carry out further management and finance the needs of the students (Fawzi & Dodi, 2022; Vveinhardt & Zygmantaite, 2019). Furthermore, participation from the parties concerned also indirectly impacts the smooth running of Islamic boarding school activities and meeting the needs of students. In this case, those who know the process of incoming funds

are the financial department and the caretakers of the Raudhatul Ulum Islamic Boarding School. Incoming funds are stored in a bank account, which will later be distributed for the needs of the students.

The research findings are in line with the budgeting theory explained by Liao, namely 1) Comparative Approach budgeting which is carried out by comparing the amount of revenue and expenditure for each part of the budget for each year 2) The Planning Programming Budgeting Evaluation budgeting which is oriented towards specific program plans and targets and general. This budget is analyzed between implementation funds and plans based on zero-based budget analysis. 3) Functional approach to budgeting in the form of a combination of elements of the comparative budget approach and The Planning Programming Budgeting Evaluation (Hadiyan, Anwar, Maknuun, Enggal, & Fahmi, 2024; Liao, 2020; Zamroni, Purwati, & Kausar, 2023).

### ***Allocation and Distribution of Education Financing***

The implementation of Islamic philanthropy-based education financing at the Raudhatul Ulum Lumajang Islamic boarding school is divided into two stages: budget allocation and distribution of education funds. This implementation applies the principles of accountability and transparency in its management. An interview with the head of the Raudhatul Ulum Lumajang Islamic boarding school confirmed this:

“The allocation of education funds always refers to the Madrasah Revenue and Expenditure Budget Plan (RAPBM), the preparation of which can be carried out routinely once a year and can be carried out every semester by the madrasah principal, teachers, students, treasurer, and school committee by the stages of budget preparation. We implement financing with the principle of accountability in both revenues and expenditures. So that distribution activities can be carried out according to the predetermined budget.” (In “review, Kyai Imam Mahalli, S.Pd. 09 December 2023).

In allocating the education budget, the Raudhatul Ulum Lumajang Islamic boarding school applies the principle of transparency to determine the amount of education costs, which helps empower orphans and underprivileged students. The strategy applied in allocating waqf funds is managing a productive investment model by implementing development targets yearly. Meanwhile, the potential for waqf land is determined by its priority use, meaning that professional managers manage it professionally.

Budget allocations in preparing the required educational needs are made at the beginning of the period to anticipate funding shortfalls. This is in line with what was conveyed by the Islamic boarding school treasurer:

“At the end of June, the budget was kicked off (ratification), and it could start running in July. Starting from registering new students, this is the beginning of free education fees for orphans and poor people who apply for relief and the establishment of other social programs approved at the beginning of the drafting of the RAPBS, such as the Eid al-Adha celebration. If faced with the need for limited funding, madrasahs need to consider the priority scale, which is assumed to have a dominant influence on improving the quality of education. The leadership functions to direct the internal operations of the organization in the form of allocation of human resources, physical and financial facilities.” (In “review, Ustadz Zainuddin, S.H., 27 December 2023)

The Madrasah Aliyah treasurer also said that the funding determination (allocation) is divided into two, namely school development costs and operational costs, all of which are determined when ratifying the budget. Allocation of education costs into two categories, namely 50% operational

costs and 50% school development costs. Previously, we categorized students as orphans by freeing all education fees and reducing fees or subsidies for needy students.

In this way, we allocate funds so that they come from the government, community, parents, and Islamic boarding school owners. In line with the explanation of the Head of the Islamic Boarding School Management, who also said that:

“All upcoming budgets will be managed by the financial department within the institution, which is also the Islamic boarding school developer, in collaboration with the head of the madrasah and the financial treasurer at the madrasah. The incoming budgets are allocated to all posts, both in the form of direct costs and indirect costs; direct costs include all costs incurred for the implementation of the teaching and learning process at the Raudhatul Ulum Lumajang Islamic Boarding School, in the form of learning tools, learning facilities, transportation costs, teacher salaries, and other operational costs, while indirect costs include costs incurred outside of initial planning to achieve the quality or quantity of learning outcomes to be achieved.” (Interview, Ustadz Rohim, S.E., 21 December 2023)

This statement is by Minister of Religion Regulation No. 90 of 2003 concerning financing used for investment costs and operational and personal costs that go towards quality educational institutions. The madrasa investment costs are the costs of providing infrastructure, developing human resources, and fixed working capital costs. Meanwhile, the operational costs of the madrasah in question are the honorarium for educators and education staff, and all types of allowances attached to salaries. Indirect operational costs include payments for water power, telecommunications services such as WiFi and telephone, consumption, taxes, teaching and educational staff insurance, and other indirect operational costs.

Based on this description, it can be understood that the implementation of education financing at the Raudhatul Ulum Lumajang Islamic Boarding School, all incoming budgets are explicitly managed by financial management experts from the institution/foundation who work together with the head of the madrasah and financial staff, as for the most significant percentage of financial income sources at the Pondok The Raudhatul Ulum Lumajang Islamic Boarding School is involved in the management of productive endowments and infaq in the form of catfish farming entrepreneurship and waste bank management. The allocation of the financial budget at the Raudhatul Ulum Lumajang Islamic Boarding School is carried out by applicable regulations, especially aid funds originating from outside. The school allocates these funds based on technical guidelines that the fund provider has determined.

After making a fund allocation, the Raudhatul Ulum Islamic boarding school's treasurer divided distribution activities into two activities: educational scholarships for orphans and subsidies for sand assistance to economically disadvantaged children and orphans. As the Head of the Islamic Boarding School stated, "We carry out distribution activities so that the funds collected can be allocated properly, including educational scholarships for orphans and the needy as well as forms of social care."

Based on the interview with the Islamic Boarding School Leader, distribution activities in empowering the education of orphans include free education fees and educational compensation in the form of school needs for orphans. Verification regarding the status of orphans is received when submitting new student registration administration in the form of a death certificate from the local village government. This is what the Head of Madrasah Aliyah said:

"Administration regarding orphans is known when a death certificate is attached, signed by the local village government. From there, we will immediately process it and eliminate

educational costs from the time he enters until he graduates from Madrasah Aliyah." Distribution of educational compensation assistance for orphans is carried out by surveying the nearest institution from Madrasah Aliyah Raudhatul Ulum and validation. ." (Interview, Ustadzah Hesti, S.E., 02 January 2024)

This is what the Head of the *Baitul Infaq Institute* said: "The first time we surveyed institutions where it seemed that many of them had disadvantaged backgrounds. Not only educational institutions but this field survey was also carried out by teachers who had orphans in their neighborhood who needed educational assistance. By reporting first to me to validate the data and then to the treasurer to collect funds with my approval as chairman. So we properly select who needs it." (Interview, Ustadz Soimuddin, S.H., 04 January 2024)

From several of these statements, it can be synthesized that the implementation of the allocation and distribution of education funding at the Raudhatul Ulum Islamic Boarding School applies the principle of transparency towards a sense of concern for orphans and people experiencing poverty regarding the number of education costs and educational fund distribution activities in which the number of distributions shows an increasingly higher figure. This is because the need for education increases every year, so the role of institutions operating in Islamic philanthropy is increasingly needed. Apart from that, orphans and low-income people also receive attention, especially in the educational and social fields. This illustrates that orphans and low-income people can feel the philanthropic strategy used (Haddad, 2022).

There is a distinction between costs and expenses in financial administration terminology, especially financial administration in the education sector. Cost is a large number of funds estimated to need to be provided to finance certain activities, for example, academic activities, student activities, and so on. Meanwhile, learning (expenditure) is the accurate amount of funds spent to finance specific activity units, for example, student practicum activities (Srivastava & Oh, 2019). Therefore, differences often arise between budgeted costs and actual learning. Then, in general, education financing is further divided into two types, namely: routine costs, essentially covering all operational costs of providing education such as administration costs, facility maintenance, supervision, salaries, welfare costs, capital costs, are development costs including costs for physical development, land purchase and procurement of other items funded through the development budget (Arpanudin et al., 2023; Riinawati & Noor, 2023; Shaturaev, 2021).

### **Supervision and Audit of Philanthropic Fund Financing**

In the supervision of education financing, according to Nanang Fattah, the supervision procedure consists of three main activities, namely monitoring, assessing, and reporting the findings of monitoring activities on actual performance, both in the process and in the results. The Head of the Raudhatul Ulum Lumajang Islamic boarding school stated that the evaluation was held to account for the activities that had been carried out. "Evaluations are carried out at the beginning of each period to prepare the next cost plan. After each distribution activity, accountability is also held for each division to assess performance and results.

The Raudhatul Ulum Islamic boarding school is a philanthropic institution that uses waqf to finance education, especially for orphans and economically disadvantaged children. To find out the number of philanthropic practices that have been carried out, it is necessary to have an audit in the

form of numbers or nominal by the Foundation's External Institutions and Internal Institutions, as explained by the Head of the Raudhatul Ulum Islamic Boarding School that:

"The process of monitoring Islamic philanthropy-based education financing at the Raudhatul Ulum Islamic Boarding School, Lumajang Regency, is carried out by the Indonesian Waqf Board, the Supervisor of Madrasah Diniyah Budget Allocations and teacher incentives which are carried out by sub-district coordinating officers, officers from the Ministry of Religion, and officers from the district education office. Supervision is carried out by monitoring, financing, and resolving problems related to reporting the use of the budget that has been received. "The report submitted is in the form of a written report complete with details of expenditure and proof of expenditure in the form of receipts and purchase receipts. The report is prepared and submitted every three months." (Interview, Kyai Imam Mahalli, S.Pd., 07 January 2024)

Meanwhile, the foundation's financial officer, together with the Head of the madrasah, will supervise budgets outside the government budget by requesting a draft budget accountability report in writing, either in the form of a file or a soft file. Then, the report is followed up with inspection and evaluation and used as a budgeting reference for the coming semester.

Based on researchers' observations, over the years the expansion of waqf property rights at the Raudhatul Ulum Islamic boarding school, in this case used for educational buildings for schools and Islamic boarding schools, has increased. This is what the Head of the Raudhatul Ulum Islamic boarding school and Nadzir said:

"In the future, we will continue to improve and add the facilities and infrastructure needed. This land has been invested to advance the foundation, which returns to the benefit of the people. "From its inception until now, we have continued to encourage development by optimizing existing land and income from government funds, parents of students and students, and the community in general." (Interview, Kyai Imam Mahalli, S.Pd., 07 January 2024)

The next target for productive waqf development is the large hall, the target of which is not only to fulfill the infrastructure aspect at the Raudhatul Ulum Islamic boarding school. However, it also accepts rentals from people who want to use the hall for significant events. This is what the Chairman of the Foundation said: The building of the Hall we are planning aims to strengthen our relationship with the community. Apart from being used for large gatherings between the extended family of the Raudhatul Ulum Islamic boarding school or with the community. We also rent the

public hall for significant events like weddings, grand reunions, or meetings. We also manage the rental funds for the progress of the Raudhatul Ulum Islamic boarding school.

Philanthropy-based financing, in this case, waqf, is used in providing education for the construction of the Raudhatul Ulum Lumajang Islamic Boarding School, which is also one building, as stated in the table:

**Table 1 Measurement of Waqf Land**

Certificate number	Land area	Wakif	Nadzir's
0019	3156 M2	H. Junaidi	Ust. Imam Mahalli
0020	2100 M2	H. Rudi	Ust. Imam Mahalli
0021	3137 M2	Hj. Asiah	Ust. Imam Mahalli

Data source: Raudhatul Ulum Islamic Boarding School Waqf Document, 2024

Meanwhile, in the philanthropy aspect, it takes the form of infaq to orphans and economically disadvantaged children, as stated in the table:

**Table 2. Recapitulation for December 2022- December 2023**

Recapitulation of Receipt and Distribution of Social Funds December 2022- December 2023	
<b>Year January - December 2022</b>	
Revenue	Rp. 17,237,900. -
Distribution of	Rp 11,390,000, -
<b>Year January - December 2023</b>	
Revenue	Rp. 4,013,000, -
Distribution of	Rp. 2,747,000, -

Data source: Brief document of Raudhatul Ulum Islamic Boarding School infaq, 2024

The official waqf deed obtained quantitative data related to waqf land measurements and recapitulation of social infaq funds at the Raudhatul Ulum Islamic Boarding School. Often, the financial reports requested vary, for example, according to the reporting period, hierarchically, based on the project type, or the source of funds spent. Integrated financial reports consolidate all income and expenditure of money for school or madrasah needs, both strategic or investment and operational. This report includes income from regional government (provincial and district/city), central government, whether routine or project, from parents/community, or other income, including donations of labor or other materials. Employee salary amounts should be included as an element of madrasah financial revenues or expenditures (Dewi & Zaenurrosyid, 2023).

Based on the description of the research results, it can be understood that monitoring the use of philanthropic funds in waqf and infaq at the Raudhatul Ulum Islamic Boarding School consists of monitoring, checking, assessing, and reporting systemic and systematic activities. Systemic because monitoring activities on the use of the education budget cannot be carried out by selecting or selecting just one or several activities from these activities, but must include all of these monitoring activities. Systematic means that monitoring activities on the use of the education budget must be carried out sequentially, from monitoring, checking, and assessing activities to

providing reports on budget use to related parties to prepare further policy-making (Saner & Yiu, 2019).

Based on the description of the research results above, the financing management process at the Raudhatul Ulum Islamic Boarding School, Lumajang Regency can be described through the following process:



**Figure 1. Financing Management Process**

The research findings have fulfilled the supervision stages in education financing as stated in the theory explained by Ruff, that the supervision process consists of three main activities, namely: (1) monitoring, (2) assessment, and (3) reporting the results of findings, activities or monitoring carried out on actual performance, both in the process and the results (Ruff et al., 2023).

## CONCLUSION

The management of Islamic philanthropy-based education financing at the Raudhatul Ulum Islamic Boarding School, Lumajang Regency, can be described based on the research results after discussion with the results of the conceptual study. These three activities include planning sources of philanthropic-based educational financing (*waqf and infaq*), allocating and distributing philanthropic funding, and supervising and holding philanthropic funds accountable (audit).

Planning philanthropy-based educational financing sources (*waqf and infaq*) entails optimizing both mobile and immovable waqf, which primarily takes the form of financial contributions from Islamic boarding school leaders and other education stakeholders. Mobile waqf takes the form of agricultural land, catfish farming land, and school buildings. The vision and mission serve as the foundation for the orientation of education financing planning.

Second is the allocation and distribution of education financing. The allocation of the financial budget at the Raudhatul Ulum Lumajang Islamic Boarding School is carried out by applicable regulations, especially aid funds originating from outside. The school allocates these funds based on technical guidelines that the fund provider has determined. The incoming budgets are allocated to all posts, both in the form of direct costs and indirect costs; direct costs include all

costs incurred for the implementation of the teaching and learning process at the Raudhatul Ulum Lumajang Islamic Boarding School, in the form of learning tools, learning facilities, transportation costs, teacher salaries, and other operational costs. In contrast, indirect costs include costs incurred outside of initial planning.

They are third, monitoring and auditing the financing of philanthropic funds. Evaluations are carried out at the beginning of each period to prepare the next cost plan. After each distribution activity is completed, accountability is also held for each division to assess performance and results. The process of monitoring the financing of Islamic philanthropy-based education at the Raudhatul Ulum Islamic Boarding School, Lumajang Regency, is carried out by the Indonesian Waqf Board, the Supervisor of Madrasah Diniyah Budget Allocations and teacher incentives, which are carried out by sub-district coordinating officers, officers from the Ministry of Religion, and officers from the district education office.

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