

A Smart Transparency-Based Islamic Education Financing Strategy: Reconstructing Fiscal Planning in the Digital Era

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Abstract:

The main challenge of Islamic Education Management (IEM) today lies in the stagnation of financing innovation, which still relies on conventional schemes and remains highly dependent on government support. This condition has an impact on limited space for innovation, low flexibility in budget management, and minimal transparency and accountability in the financial governance of Islamic educational institutions. This study aims to deconstruct the strategic planning framework for Islamic education financing by integrating the Smart Transparency approach as a basis for adaptive financial governance in the context of digital transformation. The study uses a qualitative, literature-based case study approach to critically analyse various education financing management models and digital governance practices in the public sector. The results show that the effectiveness of financing Islamic educational institutions is largely determined by two main factors: the digitalization of the financial governance system and the diversification of non-governmental funding sources, including Islamic philanthropy, strategic partnerships, and educational entrepreneurial innovation. The novelty of this study lies in the formulation of the Digital Fiscal Accountability (DFA) model that integrates digital transparency, technology-based financial reporting, and participatory control mechanisms as a preventive strategy to minimize budget inefficiency and strengthen public accountability in the management of Islamic education financing.

Keywords: educational finance; Islamic Education Management; smart transparency; strategic planning.

INTRODUCTION

Nanang Fattah, in his work entitled "Economics and Educational Financing," emphasizes that amidst the increasingly rapid flow of technological disruption and digital transformation, educational financing management is no longer understood merely as an administrative process that records budget inflows and outflows. Educational financing is essentially a representation of public accountability, as funds managed by educational institutions are always related to the interests of the wider community and the trust of stakeholders. In this context, transparency and accountability in financial management are essential prerequisites for the sustainability of educational institutions, particularly Islamic educational institutions, which have strong social and moral dimensions in their management practices (Fattah, 2012).

According to Abuddin Nata, Islamic educational institutions such as madrasas and Islamic boarding schools (*pesantren*) hold a strategic position in Indonesia's national education system. In addition to serving as formal and non-formal educational institutions, these institutions also serve as centers for the transmission of Islamic values, character building, and community empowerment (Nata, 2016). However, in practice, as Mujamil Qomar notes, many Islamic educational institutions still face funding limitations. Dependence on government funding, limited community contributions, and weak diversification of funding sources often hinder the institution's sustainable development (Qomar, 2007).

On the other hand, as Mark Brundrett and Christopher Rhodes point out, global dynamics have demanded that educational institutions develop more professional and adaptive governance to technological developments. The concept of good governance in education emphasizes the importance of transparency, accountability, participation, and effectiveness in the management of educational resources (Cone, 2011). In the context of Islamic educational institutions, these principles align with Islamic ethical values, which emphasize trustworthiness, honesty, and responsibility in the management of public assets. Therefore, strengthening a transparent financial governance system is not only an administrative requirement but also part of the implementation of moral values in educational management.

However, the strategic financing planning implemented in many Islamic educational institutions still tends to be administrative and short-term. Budgeting is often done simply to fulfill annual reporting obligations without being accompanied by visionary and transformative long-term planning. This condition, as Mulyasa explained, has resulted in budget planning not being fully capable of serving as a strategic instrument in driving institutional innovation and improving the quality of education (E. Mulyasa, 2013). As a result, financial management is more focused on meeting operational needs than on building sustainable institutional capacity.

As Jan A.G.M. van Dijk notes in *The Network Society*, recent advances in information technology have opened significant opportunities for transforming educational financial governance. The digitization of financial management systems allows for greater transparency through reporting that is open, accurate, and easily accessible to stakeholders. Research on digital governance in the public sector indicates that the use of information technology in financial management can improve accountability, reduce the potential for budget misuse, and strengthen public trust in institutions (Br Tarigan et al., 2023).

Based on this context, the author agrees with Beth Simone Noveck that the concept of Smart Transparency is relevant for study within the framework of developing Islamic education financing management. Smart Transparency can be understood as a transparency approach that utilizes digital technology to increase information transparency, administrative efficiency, and stakeholder participation in the financial decision-making process. This approach emphasizes not only data transparency but also the integration of information systems, enabling more effective public oversight (Noveck, 2015).

From an educational management perspective, as emphasized by Robert W. Hefner, the implementation of Smart Transparency has the potential to be a strategic instrument in strengthening public trust in Islamic educational institutions. Public trust is a crucial social capital for the sustainability of educational institutions, particularly in the context of financing involving community contributions, Islamic philanthropy, and partnerships with various parties (Hefner, 2011). With high transparency, educational institutions can build institutional legitimacy while encouraging public participation in educational development.

Based on this background, this paper examines how the Smart Transparency concept can be integrated into the strategic planning of financing for Islamic educational institutions. It is hoped that this study will position digital transparency as a foundation for building a more accountable, efficient, and sustainable financial management system. Therefore, it is hoped that this concept will serve as an innovative approach to strengthening financial independence and improving governance quality in Islamic educational institutions in the era of digital transformation.

METHOD

The research conducted by this author uses a qualitative approach. Lexy J. Moleong, with the type of research Descriptive-analytical. A qualitative approach was used because this research aims to deeply understand the phenomenon of educational financing management and the dynamics of the financial system's transformation toward a digital-based transparency model in the context of Islamic educational institutions. This approach allows researchers to explore the meanings, perceptions, and experiences of stakeholders regarding financing management practices within an educational institution (Moleong, 2018).

The descriptive research method, as proposed by Sugiyono, was used by the author to systematically describe the factual conditions regarding the financial management practices at educational institutions under the auspices of the Nurul Huda Cisurupan Garut Foundation. Through this approach, the researcher sought to identify various empirical phenomena related to the institution's financial management system, the obstacles faced, and the potential for transformation towards a technology-based transparent financing system (Sugiyono, 2019). Thus, this study not only describes existing conditions but also critically analyzes various factors that influence the effectiveness of educational institution financial governance and the opportunities for developing a more transparent, accountable, and information technology-based financial management system.

The data sources for this research consist of primary and secondary data. Primary data were obtained through digital observation of the financial management information systems at several State Islamic Religious Colleges (PTKIN) and the Nurul Huda Cisurupan Garut Foundation. Secondary data were obtained through a literature review of academic literature, journals, scientific books, policy documents, and government regulations related to Islamic education financing.

The data collection techniques in this study were carried out through four complementary methods, namely literature study, limited interviews, documentation, and digital observation, in order to obtain comprehensive data regarding educational financing management practices and the dynamics of digital-based financial transparency in Islamic educational institutions. The literature study was conducted by reviewing various academic literature related to educational financing management, financial governance, digital transparency, and public accountability as a conceptual basis for the research (Creswell, 2015). In addition, semi-structured interviews were conducted with six stakeholders within the Nurul Huda Cisurupan Garut Foundation for three days, namely March 30 to April 1, 2026, involving elements of foundation leaders and educational institution leaders, with the aim of obtaining in-depth information regarding financing practices, financial management constraints, and the potential for implementing a digital transparency system (Sugiyono, 2018).

Documentation techniques were used to analyze various policy documents, financial reports, government regulations, and institutional documents to understand budget planning patterns and financial reporting mechanisms in Islamic educational institutions (Moleong & Surjaman, 2014). Digital observations were also conducted by reviewing the financial management information systems of several Islamic educational institutions to understand the implementation of digitalization in financial governance (Yin, 2018). The data obtained were then analyzed using an interactive analysis model that includes data reduction, data presentation, and continuous conclusion drawing and verification to ensure the validity and credibility of the research findings (Miles et al., 2020; Moleong, 2018; Sugiyono, 2013).

RESULTS AND DISCUSSION

Strategic Planning Theory

In his book, *Strategic Planning for Public and Nonprofit Organizations*, John M. Bryson describes strategic planning as an important concept in the study of modern organizational management, which serves as a systematic framework for determining the direction, goals, and allocation of organizational resources effectively and sustainably. From a public management perspective, strategic planning is understood as a long-term decision-making process designed to ensure that organizations are able to adapt to environmental changes while optimally achieving institutional goals (Bryson, 2018).

John M. Bryson emphasizes that strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide the direction of an organization, including determining policy priorities and resource utilization. In the context of public organizations and educational institutions, strategic planning serves not only as an administrative instrument but also as a mechanism to ensure alignment between the organization's vision, work programs, and the allocation of available resources (Bryson, 2018). Thus, strategic planning is a crucial instrument in integrating institutional goals with operational policies implemented within the organization.

In the field of education, Nanang Fattah emphasized that the concept of strategic planning plays a crucial role in ensuring the effectiveness of educational resource management, including in terms of funding. Strategic planning enables educational institutions to formulate program priorities, establish performance indicators, and allocate budgets more rationally and oriented toward achieving long-term educational goals (Fattah, 2012). Therefore, the author believes that the success of educational institution management is determined not only by the availability of financial resources, but also by the ability of institutional management to strategically plan the use of those resources.

In the context of educational management, strategic planning is also closely related to efforts to improve educational quality. Tony Bush emphasized that effective educational management strategies require systematic planning based on the organization's vision so that each program implemented has a clear direction and can have a significant impact on improving the quality of educational institutions (Bush, 2011). Strategic planning in education thus serves not only as a planning document but also as a managerial instrument that connects the institution's vision with the operational implementation of educational programs.

From the perspective of Islamic Educational Management, the concept of strategic planning is highly relevant. Abuddin Nata, in his book "Management of Islamic Education," explains that managing Islamic educational institutions requires systematic planning to ensure sustainable development and responsiveness to the challenges of social and technological change. Strategic planning in Islamic educational institutions encompasses not only academic aspects but also human resource management, institutional strengthening, and educational funding management (Nata, 2016).

In practice, strategic planning in education financing serves as an instrument to ensure that budget allocations align with the academic vision of educational institutions. Nanang Fattah emphasized that the management of education financing must be planned systematically through a budget planning mechanism integrated with educational institution development programs. With good planning, educational institutions can optimize the use of financial resources while increasing the efficiency and accountability of educational financial management (Fattah, 2012). The digitalization of management systems enables educational institutions to develop data-driven planning that is more accurate and responsive to changes in the organizational environment. This is in line with the view of Jan A. G. M. van Dijk, who stated that in a network society, modern organizations increasingly rely on digital information systems in strategic decision-making processes and organizational resource management (Dijk, 2000).

Based on this perspective, strategic planning in education financing can no longer be understood solely as the administrative process of preparing an annual budget. Instead, strategic planning must be viewed as an integrative managerial process that connects the institution's vision, resource management policies, and a transparent and accountable organizational governance system. In the context of Islamic educational institutions, this approach is increasingly important to ensure that education financing management is not only administratively efficient but also supports the institution's sustainability and enhances public trust in the institution.

The Concept of Islamic Education Financing

Educational financing is a crucial component in the organization of educational institutions because it is directly related to the continuity of the learning process, institutional development, and improving the quality of education. From the perspective of Islamic Education Management (MPI), educational financing, as expressed by Nanang Fatah, is not merely understood as an administrative activity related to budget management, but also as part of an institutional mandate that must be managed transparently, accountably, and oriented towards the welfare of the community (Fattah, 2012). Therefore, the governance of Islamic educational financing not only emphasizes the efficient use of resources, but also emphasizes the ethical dimension and social responsibility in the management of educational funds.

Within the Islamic tradition of thought, Abuddin Nata emphasized that the concept of financial resource management is closely related to the values of *amanah* (trust) and *maslahah* (benefit). Amanah emphasizes the importance of accountability in managing public resources, while the principle of maslahah emphasizes that every resource management policy must provide broad benefits to society. Abuddin Nata explained that Islamic educational institutions must manage resources professionally while remaining grounded in Islamic ethical values, so that institutional financial management is not only managerially efficient but also morally legitimate from an Islamic perspective.

Furthermore, Mujamil Qomar, through his book "Islamic Education Management: New Strategies for Managing Islamic Educational Institutions," emphasizes that the Islamic education financing system must be

designed systematically and sustainably so that educational institutions can maintain the quality of educational services while strengthening institutional independence. In this context, education financing does not only depend on government funding sources, but can also be developed through various alternative sources such as productive waqf, educational zakat, infaq, and community support (Qomar, 2007). The author believes that this approach shows that the Islamic education financing system has broader characteristics compared to conventional education financing systems because it integrates economic, social, and religious dimensions.

In modern education management studies, education financing management also emphasizes the importance of a performance-based approach and efficient budget utilization. Nanang Fattah stated that education financing management must be carried out through an integrated planning, organizing, implementing, and evaluating mechanism so that the use of education funds can have a maximum impact on improving the quality of education. Therefore, the effectiveness of education financing is determined not only by the amount of available funds, but also by the ability of educational institutions to manage those funds efficiently and accountably.

One of the approaches widely used in modern financial management is the Activity-Based Costing method (ABC). This approach emphasizes that cost allocation should be based on actual activities carried out within the organization, so that each cost can be clearly traced to activities that generate value for the organization. Robert S. Kaplan and Robin Cooper explain that the Activity-Based Costing method allows organizations to more accurately identify the relationship between resource use and operational activities carried out (Cooper, 2007). In the context of education, this approach allows educational institutions to more accurately calculate the costs required for each learning activity, curriculum development, and other educational services.

The application of the Activity-Based Costing (ABC) approach to managing educational funding has become increasingly relevant in the digital era. Digitizing financial management systems allows educational institutions to develop more transparent, integrated, and data-driven reporting systems. Beth Simone Noveck, in her work "Smart Citizens, Smarter State," emphasizes that the use of digital technology in organizational governance can increase transparency, strengthen public accountability, and encourage stakeholder participation in organizational decision-making processes (Noveck, 2015). By utilizing digital technology, educational institutions can develop more transparent financial management systems, allowing for more effective monitoring of budget use by various stakeholders.

The integration of the Activity-Based Costing (ABC) approach and the principle of digital transparency is crucial in ensuring that every financial resource used by educational institutions truly contributes to improving the quality of learning. With this approach, education financing management serves not only as an administrative mechanism but also as a strategic instrument for increasing the effectiveness of the educational process. In the context of Islamic Education Management, the integration of modern management approaches and Islamic ethical values is a crucial foundation for building a transparent, accountable, and ummah-oriented education financing system.

Deconstructing Conventional Financing Models

John M. Bryson emphasized that the educational financing model in many higher education institutions, including religious universities, has historically been dominated by the incremental budgeting approach. This approach prepares the annual budget by adding or subtracting a small portion from the previous year's budget. Although this method is relatively simple and easy to implement in educational bureaucracies, various studies have shown that this approach has fundamental weaknesses, especially in the face of increasingly complex dynamics and changes in the strategic educational environment (Noveck, 2015). The incremental budgeting model tends to maintain old allocation patterns without in-depth evaluation of the effectiveness of fund use, potentially hindering innovation and efficiency in educational resource management (Odden & Picus, 2014).

In the context of Islamic higher education, this issue becomes even more crucial because educational institutions are not only required to produce high academic quality but also to implement governance principles aligned with the values of trust, efficiency, and social benefit. When the financing system is still based on a routine administrative approach, the space for learning innovation, research enhancement, and educational technology development is often limited (Achmadin et al., 2024). Furthermore, the incremental budgeting approach is also less responsive to changes in macroeconomic variables, such as education inflation, changes in state fiscal policy, and the demands of rapidly evolving academic system digitalization in the era of digital transformation.

Several studies in educational management have shown that the primary weakness of the incremental budgeting approach is its inability to comprehensively evaluate each program. Long-standing budgets are often considered an unquestionable "baseline," thus preventing organizations from rationalizing programs that are no longer relevant to the institution's strategic needs (H. E. Mulyasa, 2022). From a modern educational governance

perspective, this situation can lead to budgetary inertia, the tendency for organizations to maintain old spending structures despite their declining effectiveness (Anthony & Govindarajan, 2007).

In response to these limitations, public management and education experts such as Peter A. Pyhrr began developing the Zero-Based Budgeting (ZBB) approach as an alternative approach to financial planning for educational organizations. Unlike incremental budgeting, ZBB requires each work unit to prepare a budget from scratch for each planning period. Thus, each program must be rationally justified based on its contribution to the organization's strategic objectives (Pyhrr, 1973). This approach allows educational institutions to conduct a comprehensive evaluation of all academic and administrative activities, allowing for more efficient and performance-based resource allocation.

In the context of higher education, the implementation of ZBB, as emphasized by Michael Shattock, also has strong relevance to the strategic financial management paradigm, which emphasizes the relationship between budget planning and institutional performance. This system enables university leaders to prioritize programs that have a direct impact on improving the quality of learning, strengthening research, and developing innovative educational technology (Shattock, 2010). In other words, the budget is no longer viewed merely as an administrative instrument, but rather as a strategic tool for achieving institutional excellence.

The transformation from incremental budgeting to zero-based budgeting is also increasingly relevant when linked to the development of digital-based financial management information systems. The use of digital technology allows educational institutions to access real-time financial data, enabling more accurate and transparent budget decision-making (Bush, 2011). Digital systems not only facilitate the monitoring and evaluation of fund use but also increase public accountability for educational financial management, particularly in educational institutions that receive funding from the state or the community.

From the perspective of Islamic education governance, Abuddin Nata emphasized that the integration of ZBB and digital systems will strengthen the principles of transparency and accountability (*hisbah*) in the financial management of educational institutions. This principle positions the management of educational funds as a trust that must be accounted for professionally and openly to all stakeholders. Thus, the transformation of the financing model will not only impact economic efficiency but also strengthen the moral and social legitimacy of Islamic educational institutions amidst increasing public demands for transparency in the management of public institutions.

Based on this analysis, the deconstruction of conventional financing models is a crucial step in driving reform of educational financial governance. A shift toward a budget planning model based on program evaluation, real-time data, and digital transparency can lay the foundation for developing a more adaptive, efficient, and academically focused Islamic education financing system. Thus, the transformation of the financing paradigm is not merely technocratic but also part of a strategic effort to strengthen the competitiveness and sustainability of Islamic higher education institutions in facing the challenges of educational globalization.

Smart Transparency Model in Islamic Education Financing

John M. Bryson, in his work entitled *Strategic Planning for Public and Nonprofit Organizations*, argues that the transformation of Islamic education financing governance will require a paradigm shift from an administrative management system to a management model based on digital transparency and public participation. In this context, the concept of smart transparency is not only understood as the openness of financial information, but as a governance system that integrates information technology, public accountability, and stakeholder participation in the planning, implementation, and evaluation of education budgets (Bryson, 2018). This model will be a logical continuation of the criticism of conventional financing models that tend to be closed, reactive, and less adaptive to the dynamics of economic change and developments in digital technology.

On the other hand, within the framework of modern educational management, transparency is a crucial element in creating effective and integrated organizational governance. Transparency enables an open flow of information between institutional management and stakeholders, allowing for more rational and data-driven decision-making (Bush, 2011).

In Islamic educational institutions, transparency has a broader dimension because it is not only related to organizational efficiency, but also related to moral and spiritual values that emphasize the importance of trust in managing public resources. Therefore, the application of smart transparency can be understood as an integration between modern governance principles and ethical values in Islamic educational management.

The smart transparency model for Islamic education financing, as proposed by Nanang Fattah in his book, *Economics and Educational Financing*, can be formulated through three main components: digitalization of the financial system, accessibility of public information, and participatory control mechanisms. Digitalization of the

financial system enables the entire budget management process, from planning and allocation to reporting, to be integrated within a single digital technology-based financial management information system. Through this system, educational institution leaders can monitor budget utilization in real time and evaluate the effectiveness of educational programs more systematically.

The second component is public information accessibility. In the smart transparency model, financial reports are not only stored in internal organizational documents but also published openly through digital platforms accessible to the public. This approach aligns with the principles of open governance, which emphasize the importance of data transparency as a means of increasing public trust in public institutions and social organizations (Noveck, 2015). By providing transparent and easily understood financial information, Islamic educational institutions can strengthen social legitimacy and increase public trust in the integrity of the institution's financial management.

The third component is a participatory control mechanism. In this model, stakeholders such as parents, alumni, donors, and the community are given the opportunity to participate in the budget oversight process. This participation can be realized through public consultation forums, joint evaluation reports, and digital feedback mechanisms that allow the public to provide input on the financial management of educational institutions (Bovens, 2007). With participatory control, the education financing system is not only an internal responsibility of the institution but also becomes part of a social oversight mechanism that strengthens public accountability.

Robert W. Hefner, in his work entitled *Civil Islam: Muslims and Democratization in Indonesia*, emphasized that, from the perspective of Islamic education management, the smart transparency model can also be integrated with Islamic philanthropic practices such as zakat, infaq, sedekah, and educational waqf. Islamic philanthropy has great potential in supporting the sustainability of educational institution funding, but its optimization is often hampered by low levels of public trust in institutional governance (Howell, 2001). By implementing a digital transparency system, educational institutions can clearly demonstrate how philanthropic funds are used to support educational programs, thereby increasing the institution's credibility in the eyes of the public.

According to Paul R. Niven, in addition to strengthening public trust, implementing smart transparency also has the potential to improve the efficiency of educational institutions' financial management. Digital systems enable a more structured integration of budget planning, program implementation, and financial performance evaluation. This enables institutional leaders to conduct data-driven analysis to determine program priorities and avoid unproductive budget waste (Niven, 2014). Thus, the smart transparency model not only strengthens external accountability but also improves the quality of strategic decision-making within educational organizations.

In the context of Islamic higher education in Indonesia, the implementation of a smart transparency model has significant potential to strengthen institutional competitiveness in the era of educational globalization. Universities that are able to integrate digital financial systems with transparency principles will find it easier to build strategic partnerships with various parties, including government, philanthropic organizations, and the industrial sector. Financial transparency is also a crucial indicator in assessing the credibility and professionalism of educational institution governance at the national and international levels (Anheier, 2014).

Smart Transparency as an Accountability Instrument

The transformation of financial governance in educational institutions in the digital era, according to David Osborne and Ted Gaebler, has demanded accountability mechanisms that are not only administrative but also participatory and open to stakeholders. In this context, the concept of smart transparency has emerged as a new approach that integrates the principles of financial transparency with the use of digital technology to enhance public accountability. Technology-mediated transparency allows financial information to be not only formally available in annual reports but also accessible in real time by various stakeholders, such as parents, donors, the public, and supervisory institutions (Osborne & Gaebler, 1992).

From the perspective of modern organizational governance, transparency, as emphasized by Mark Bovens, is one of the main pillars of good governance. Transparency enables the building of public trust in educational institutions, particularly in the management of financial resources originating from the community and the state. Without adequate transparency, the management of educational funds has the potential to create information asymmetry between institutional managers and stakeholders, which can ultimately reduce the level of public participation in supporting educational programs (Bovens, 2007). Therefore, strengthening transparency through the use of digital technology is a crucial strategy in building an accountable and sustainable educational governance ecosystem.

The concept of smart transparency essentially refers to the use of digital information systems to present financial data in an open, structured, and easily understood manner to the public. Unlike conventional transparency, which typically consists of static reports, smart transparency utilizes technologies such as financial dashboards, open data platforms, and financial management information systems to present data visually and interactively. Through this approach, stakeholders can more clearly monitor budget allocation and use, including understanding how collected funds are used to support the learning process, the development of educational facilities, and other academic programs.

In the context of Islamic education, the implementation of smart transparency is strongly relevant to the ethical values of financial management, which are based on the principles of *amanah* (trustworthiness) and *hisbah* (accountability). The *amanah* principle emphasizes that every resource managed by an educational institution is a trust that must be morally and professionally accounted for. Meanwhile, the concept of *hisbah* in Islamic tradition underscores the importance of social oversight mechanisms in ensuring fairness and integrity in the management of public resources. Therefore, the implementation of digital transparency in educational financial management is not merely an administrative requirement but also has an ethical dimension that aligns with the values of Islamic educational management.

Several studies have shown that financial disclosure positively correlates with increased public participation in education funding. Studies on nonprofit governance indicate that institutions that actively publish financial reports openly tend to command higher levels of public trust than those that maintain closed systems. High transparency not only enhances institutional credibility but also fosters a sense of shared ownership of educational institutions among the public.

More specifically, several studies on digital-based financial management of educational institutions have shown that institutions that provide public financial dashboards experience a significant increase in public funding participation. Empirical data, as demonstrated by John M. Bryson et al., shows that institutions that implement a digital-based financial information disclosure system can increase public funding contributions by approximately 30 percent compared to institutions that do not provide transparent access to financial data. This demonstrates that transparency serves not only as a monitoring mechanism but also as a strategy to expand the base of public financial support.

In the context of Islamic higher education in Indonesia, the implementation of smart transparency has the potential to be a strategic instrument in strengthening public trust in educational institutions. Islamic universities that are able to integrate digital financial systems with the principle of information transparency will have greater opportunities to build collaborations with various parties, including philanthropic institutions, donors, and industry partners. In other words, digital transparency serves not only as an accountability tool but also as a mechanism for strengthening social and economic networks that can support the sustainability of education funding.

Based on this description, it can be concluded that smart transparency is an innovative approach to educational financial management that integrates the principles of transparency, digital technology, and public participation. Implementing this approach not only increases the accountability of educational institutions but also encourages increased public trust and participation in supporting the sustainability of Islamic education financing in the era of digital transformation.

Digital Fiscal Accountability Integration Model in Islamic Education Financing

The transformation of Islamic education financing governance in the digital era demands the integration of an accountable financial management system with the use of information technology to enhance efficiency, transparency, and public participation. In this context, the concept of Digital Fiscal Accountability (DFA) can be positioned as an integrative framework connecting fiscal accountability systems with digital transparency mechanisms in the management of Islamic educational institution financing. This integration model is crucial given that conventional education financing systems often face various obstacles, such as limited access to information, weak public oversight, and low efficiency in allocating financial resources.

Conceptually, Digital Fiscal Accountability, as proposed by Beth Simone Noveck, refers to a financial governance system that utilizes digital technology to ensure that every process of budget planning, implementation, and reporting can be monitored transparently and is publicly accountable. This approach aligns with the digital governance paradigm, which emphasizes the importance of utilizing information technology to improve the quality of public services and the effectiveness of organizational management (Noveck, 2015).

The integration of DFA in Islamic education financing can be understood through three main stages: digitalization of budget planning, integration of financial reporting systems, and strengthening of public accountability

mechanisms. The first stage is digitalization of budget planning, which aims to ensure that the budget preparation process is carried out systematically and based on data. Through a digital-based financial information system, educational institutions can map budget needs based on educational program priorities and institutional performance indicators. This approach enables integration between strategic planning and budget planning, so that all resource allocations can be directed to support the achievement of educational goals more effectively.

The second stage is the integration of financial reporting systems. In the DFA model, financial reports are not only prepared as internal administrative documents but are also developed into a digital reporting system that allows stakeholders to access financial information more transparently. This reporting system can be implemented through a financial dashboard or public information platform that presents financial data visually and interactively. In this way, educational institutions can strengthen institutional accountability and increase public trust in the integrity of their financial management (Bush, 2011).

The third stage is strengthening public accountability mechanisms through stakeholder participation in the financial oversight process. In the DFA integration model, oversight is not only carried out by the organization's internal authorities but also involves the public as part of a social control mechanism for the use of education funds. This public participation can be realized through financial consultation forums, digital feedback systems, and the publication of publicly accessible financial reports. Through this mechanism, the management of education funding is not only the institution's internal responsibility but also becomes part of a collective oversight system that strengthens public accountability.

From an Islamic educational management perspective, DFA integration also aligns with the ethical principles of financial management, which are based on the values of amanah (trustworthiness) and maslahah (benefit). The amanah principle affirms that every resource managed by an educational institution is a trust that must be accounted for professionally and transparently. Meanwhile, the maslahah principle requires that all budget allocations be directed toward optimal benefits for educational development and community welfare. Thus, DFA integration serves not only as an administrative mechanism for financial management but also as an instrument for realizing ethical values in Islamic educational management.

The implementation of the DFA integration model also has the potential to strengthen the sustainability of Islamic educational institution financing by increasing public trust in the institution. Educational institutions that demonstrate high levels of transparency and accountability tend to receive greater financial support from the public, whether through educational contributions, donations, or philanthropic programs. Research on nonprofit organizational governance shows that high levels of financial transparency are positively correlated with increased public participation in supporting organizational activities. Therefore, strengthening digital accountability systems in Islamic educational institutions can be an important strategy for expanding the educational funding base through community social participation.

Thus, the Digital Fiscal Accountability integration model for Islamic education financing can be understood as an innovative approach that combines digital transparency, a data-driven financial management system, and public participation in the financial oversight mechanisms of educational institutions. This model provides a conceptual contribution to the development of Islamic education financing management theory by introducing a digital accountability approach as a new framework for the financial governance of educational institutions. Furthermore, this model also has practical implications for developing a more transparent, efficient, and sustainable financial management system for Islamic educational institutions amidst the dynamics of global digital transformation.

Implementation of Financial System Digitalization at Six PTKIN in Indonesia

The implementation of a transparency and digitalization system in financial management at State Islamic Religious Higher Education Institutions (PTKIN) in Indonesia demonstrates a transformation in financial governance toward a more modern, accountable, and information technology-based management model. This transformation is particularly evident in PTKIN that have Public Service Agency (BLU) status, as BLU regulations require a transparent, flexible, and performance-based financial management system supported by an integrated information system. Within this framework, the digitalization of the financial system serves not only as an administrative instrument but also as a mechanism for strengthening public accountability in the management of education funds.

Didin Kurniadin and Imam Machali stated that several PTKIN (Public Universities) have developed various innovative digital-based financial information systems to support transparency and efficiency in budget management. One example is UIN Syarif Hidayatullah Jakarta, which has implemented the e-Finance application, a web-based financial information system used to centrally manage planning, budgeting, and financial reporting.

This system enhances budget management transparency, as all transactions and financial reports can be digitally monitored by relevant units within the university. The digitization of this system also simplifies internal oversight and increases efficiency in the institution's financial administration (Machali, 2021).

A similar transformation was also undertaken by UIN Maulana Malik Ibrahim Malang through the development of an e-budgeting application as part of its information technology-based financial governance system. This system enables a more systematic and data-driven budget planning and allocation process. With the e-budgeting system, each work unit within the university can submit a digital budget plan, which is then verified through internal control mechanisms. This model not only improves the efficiency of the budgeting process but also strengthens the principles of transparency and accountability in higher education financial management.

Meanwhile, UIN Raden Fatah Palembang has developed a Performance Management and Monitoring System integrated with the institution's budget management system. This system serves as a tool for monitoring financial performance and overseeing budget utilization at the work unit level. The implementation of this system has even been cited as a best practice model for PTKIN financial governance because it integrates the functions of budget planning, implementation, and evaluation within a single, structured digital platform.

Innovation in digital financial management is also evident at UIN Siber Syekh Nurjati Cirebon, which developed the cyber campus concept as part of the institution's digital transformation strategy. Within this framework, the financial administration and governance systems are being digitally developed to improve the efficiency of the academic bureaucracy and accelerate data-driven decision-making. This approach demonstrates that digitalization serves not only as a technical tool for financial management but also as an institutional strategy for building a higher education governance ecosystem that is adaptive to technological developments.

Based on research, UIN Prof. K.H. Saifuddin Zuhri (UIN Saizu) Purwokerto generally uses the Ministry of Religious Affairs' integrated information system for budget management and financial reporting. The main applications used are Sakti (Agency-Level Financial Application System) for work unit financial operations, as well as e-SAKTI and SIPERJA for planning and reporting. According to Jejen Musfah, the system emphasizes the importance of compliance with state budget management regulations through the implementation of an accountable and technology-based financial reporting system. In this context, digitalization of the financial management system is an important instrument to ensure that the planning and budget use processes run in accordance with the principles of transparency, efficiency, and accountability as stipulated in state financial regulations and BLU governance. Meanwhile, UIN Sunan Gunung Djati Bandung uses Sistem Administrasi Pelayanan dan Aduan (SAPA), managed by PTIPD, to support various activities, including administrative and digital services. This system is integrated to increase efficiency and transparency in financial governance and campus services.

From a higher education governance perspective, the implementation of this digital system is part of the transformation toward digital governance in the education sector. An integrated financial information system enables more transparent oversight processes by allowing management and internal oversight units to access budget data in real time. This aligns with the view that the use of digital technology in public organization governance can strengthen transparency mechanisms and increase the effectiveness of oversight of the use of public resources.

Thus, the digitalization of financial management practices at a number of PTKIN (Islamic higher education institutions) demonstrates a trend toward a more open and accountable model of educational financial governance. However, most implementations of these digital systems still focus on the administrative aspects of financial management and have not been fully integrated into a comprehensive strategic planning framework for Islamic education financing. Therefore, the development of a Digital Fiscal Accountability (DFA) model is crucial as a conceptual framework that can integrate digital transparency, strategic financing planning, and strengthening public accountability within the Islamic education management system in the era of digital transformation.

Field Findings on Financing Management Practices and Digitalization Readiness within the Nurul Huda Foundation

Based on interviews with stakeholders within the Foundation and the educational institutions under its auspices, it is understood that the current financial management system remains conventional, with a tendency toward a digital transition. This condition is reflected in various financial management practices that still rely on manual or semi-digital record-keeping, as well as the lack of integration of financial systems into a single technology-based platform capable of providing real-time and transparent reporting.

The Chairman of the Nurul Huda Foundation, Aceng Amrullah, S.Ag., M.Pd.I., explained that in general, the foundation's financial management is still carried out conventionally. The foundation does not yet have a centralized financial management system and still delegates financial management authority to each educational unit. Furthermore, the foundation has not yet developed charitable business units that could serve as alternative sources of income for the institution's sustainability. This condition affects the foundation's limited financial capacity to meet the operational needs of educational units. Simply put, the financial conditions faced indicate that the institution's needs often exceed available revenue sources.

In line with this, educational institutions under the foundation also acknowledged that their financial management systems remain conventional. Indri Eliyani, S.Pd., Head of PAUD RA Nurul Huda Cibojong Cisurupan, explained that the current financial management system still relies on manual recording through cash books or simple administrative reports. Despite efforts to utilize digital tools such as spreadsheet applications, these systems have not been fully integrated into a single financial management mechanism that is systematic, transparent, and accessible in real time by stakeholders.

A similar situation was also conveyed by the head of the Nurul Huda Cibojong Cisurupan Islamic Boarding School, KH. Cecep Jaya Karama, S.Pd. According to him, the current financial management system still uses a hybrid or semi-conventional model, where financial recording is done manually or using simple applications such as Microsoft Excel, while the payment process is still dominated by cash transactions, although some already use a transfer system. The resulting financial reports are also not fully real-time, so the monitoring and evaluation process cannot be carried out optimally.

From these various statements, it can be concluded that the institutional financing system still faces a number of structural and technical challenges. Some of the main obstacles that frequently arise include limited transparency in the delivery of financial information to stakeholders, an ineffective and frequently delayed reporting process, and the potential for recording errors arising from manual systems prone to human error. Furthermore, limited human resources in mastering digital technology and limited information technology infrastructure also pose challenges in the transformation process to a digital system.

Another equally important obstacle is the cultural aspect or organizational culture. As stated by KH. Cecep Jaya Karama, in some cases there is still resistance to change because some institutional managers are accustomed to conventional administrative systems. This situation indicates that transforming the financial management system is not only related to technical changes but also requires a shift in mindset and organizational culture toward more modern and professional governance.

Nevertheless, all speakers generally responded very positively to the idea of implementing a Smart Financing Transparency system. This system is seen as capable of improving the quality of financial governance in educational institutions through the application of the principles of transparency, accountability, effectiveness, and efficiency. According to the Chairman of the Nurul Huda Foundation, a transparency-based digital system will simplify the control process, accelerate access to financial information, and enable more systematic and targeted financial management.

A similar view was expressed by educational institutions. Indri Eliyani believes that implementing a Smart Transparency system will increase parental, community, and stakeholder trust in educational institutions. A transparent digital system makes information on fund usage more accessible, minimizing the potential for financial irregularities. Furthermore, this system is considered to align with the principles of trust and accountability in Islamic education management.

The Head of RA Nurul Huda, Salbiah, S.Pd., echoed this sentiment, stating that implementing a digital-based transparency system would support more professional financial management. However, she emphasized that the system's implementation needs to be carried out in stages, taking into account human resource readiness and the availability of adequate technological infrastructure.

From the perspective of a secondary education institution, the Principal of MTs Nurul Huda Cibojong Cisurupan, Himas Gatidah, S.Pd., stated that the existing financial management system is still fundamentally conventional, but the institution is very open to the implementation of a transparent digital system. She emphasized that the initial step is to first understand the mechanisms and applications to be used, then conduct outreach to all members of the madrasah community to ensure the transformation process runs effectively.

Regarding the policy steps to be taken to realize a Smart Financing Transparency system, stakeholders have proposed several strategies. First, digitizing the financial system through the use of easy-to-use financial management applications or software for educational institutions. Second, developing clear, systematic, and

accountable financial management Standard Operating Procedures (SOPs). Third, improving human resource capacity through training and mentoring in the use of digital technology.

Furthermore, another strategic step is to strengthen the oversight system by involving foundations, school committees, and other stakeholders in the monitoring and evaluation of financial management. Regularly publishing financial reports to parents and the community is also crucial for building a culture of transparency and accountability in the management of educational institutions.

Overall, the transformation toward a Smart Financing Transparency system is not only interpreted as a change in the technical aspects of financial administration, but also as an effort to build a culture of institutional governance based on the values of trustworthiness, professionalism, and public trust. With a shared commitment and gradual and planned implementation, the financing management system within the Nurul Huda Foundation is expected to evolve toward a more modern, transparent, and accountable financial governance model.

The Digital Fiscal Accountability (DFA) Model as a Conceptual Research Innovation

The transformation of education financing governance in the digital era, as expressed by John M. Bryson, has demanded a new approach that not only emphasizes transparency but also ensures measurable, technology-based fiscal accountability. In this context, this study proposes the concept of Digital Fiscal Accountability (DFA) as a conceptual model that integrates digital transparency, a technology-based financial control system, and public participation mechanisms in the management of Islamic education financing. This model was developed in response to various limitations in the financial management system of educational institutions, which is still dominated by conventional administrative approaches and has not fully utilized the potential of digital technology to improve the efficiency and accountability of budget management.

Digital Fiscal Accountability stems from the theory of public accountability, which emphasizes that every organization managing public resources must be accountable for their use in a transparent, efficient, and publicly auditable manner. In the context of educational institutions, fiscal accountability is a crucial element in maintaining public trust, especially when funding comes in part from public funds or community contributions. Without a clear accountability mechanism, the financial management of educational institutions can lead to budget inefficiency and erode public trust in the institution's integrity.

The DFA model in this study is built through the integration of three main dimensions: digital transparency, data-driven financial governance, and participatory fiscal control. The first dimension, digital transparency, refers to the use of digital information systems to present financial data in an open, structured, and easily accessible manner to stakeholders. By utilizing digital platforms such as financial dashboards or financial management information systems, educational institutions can provide real-time budget usage reports, enabling the public to monitor the institution's financial performance more transparently (Noveck, 2015). This digital transparency not only increases information disclosure, but also serves as a preventive instrument against potential budget misuse.

The second dimension is data-driven financial governance, a financial management approach based on data analysis and digital information systems. In this model, decisions regarding budget allocation are no longer based solely on administrative practices or previous years' budget patterns, but rather on an analysis of educational program needs, institutional performance achievements, and projections of future resource needs. This approach aligns with the modern strategic management paradigm, which emphasizes the importance of using data as a basis for organizational decision-making (Niven, 2014). By integrating financial data with institutional performance indicators, educational leaders can evaluate the effectiveness of budget use and identify areas requiring improvement in the financial management system.

The third dimension is participatory fiscal control, a financial oversight mechanism that involves the active participation of various stakeholders, including the community, parents, alumni, and supervisory institutions. In the DFA model, public participation is positioned not only as recipients of information but also as part of a social oversight system for educational institutions' financial management. Through this mechanism, educational institutions can build a more inclusive and transparent oversight system, thereby increasing social legitimacy and strengthening public trust in the institution.

The author agrees with Abuddin Nata that in the context of Islamic educational management, the DFA model has strong relevance to ethical values in resource management based on the principles of trust, justice, and welfare. The principle of trust emphasizes that every fund managed by an educational institution is a trust that must be accounted for professionally and transparently, while the principle of welfare demands that every use of financial resources be directed to provide the greatest benefit to the community. Thus, the implementation

of DFA not only strengthens administrative financial governance but also integrates Islamic ethical values into modern educational management practices.

The implementation of the DFA model also has strategic implications for the sustainability of financing for Islamic educational institutions. A transparent digital accountability system can increase public trust in educational institutions, which ultimately has the potential to expand funding sources through various forms of social support such as educational philanthropy, strategic partnerships, and social investment in education. In the context of nonprofit organizations, high levels of transparency and accountability have been shown to positively correlate with increased financial support from the public. This suggests that strengthening the accountability system serves not only as a monitoring mechanism but also as a strategy to strengthen the sustainability of educational institution financing.

Thus, the Digital Fiscal Accountability model proposed in this study can be understood as a new conceptual framework for managing Islamic education financing that integrates digital technology, information transparency, and public participation into the financial governance system of educational institutions. This model provides a theoretical contribution by expanding the study of education financing management through a digital accountability approach, while also offering a practical contribution in the form of an operational framework that can be adapted by Islamic educational institutions in building more transparent, efficient, and sustainable financial management systems in the era of digital transformation.

CONCLUSION

The strategic financing planning system in Islamic educational institutions is still dominated by an annual, incremental administrative approach, thereby positioning budget planning more as a bureaucratic, technical routine than as a strategic instrument aligned with the vision and direction of institutional development. This condition makes Islamic educational institutions less adaptive to the dynamics of economic change, technological developments, and the increasingly complex demands for improving the quality of educational services. Furthermore, this research also shows that the challenges in managing Islamic educational financing lie not only in limited funding sources, but also in weak financial transparency and accountability systems, as reflected in the continued use of conventional reporting systems that limit access to information for stakeholders, resulting in suboptimal public oversight mechanisms and impacting low levels of public trust and participation in supporting the sustainability of educational institution financing. This research confirms that integrating the Smart Transparency concept into the strategic financing planning system can be an alternative solution to strengthen the financial governance of Islamic educational institutions by leveraging digital technology to enable a more systematic and transparent integration of budget planning, financial reporting, and participatory oversight. In this context, the Digital Fiscal Accountability (DFA) conceptual model proposed in this study represents a significant innovation in managing Islamic education financing in the era of digital transformation, emphasizing the integration of digital transparency, data-driven financial management, and participatory control mechanisms as the foundation for building robust fiscal accountability. Thus, this study provides a significant conceptual contribution to the development of more transparent, participatory, adaptive, and sustainable Islamic education financing management by leveraging digital technology as a strategic instrument to strengthen public legitimacy and the financial sustainability of Islamic educational institutions.

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