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MODEL FOR HARMONIZATION OF ISLAMIC HIGHER EDUCATION FINANCING POLICIES AND GOVERNANCE

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Abstract

This study aims to: 1) identify the financing and governance policies of Islamic Higher Education, 2) identify key factors that influence the harmonization of financing and governance policies, and 3) formulate a comprehensive harmonization model for Islamic higher education. This study was conducted at the Islamic University of Bandung (UNISBA) using a qualitative approach with a grounded theory method through in-depth interviews, observations, and documentation studies. Primary data were obtained from Foundation managers, university leaders, and related units, while secondary data came from institutional documents, financial reports, internal policies, statistical data, and academic literature. Data analysis was carried out using the Miles and Huberman technique and assisted by Atlas. ti. The results of the study indicate that: 1) UNISBA's financing governance is built through the division of autonomy between the Foundation as an asset manager and the university as an academic manager, with a centralized budgeting mechanism that ensures accountability. 2) There are six key factors that shape harmonization, namely diversification of funding sources, Islamic governance values, government support, a culture of philanthropy through BMU, entrepreneurial innovation and industrial partnerships, and institutional leadership and coordination. 3) A financing harmonization model that integrates institutional autonomy, proportion of fund allocation, optimization of various funding sources, and the principles of Good University Governance as a basis for sustainable and adaptive financing management.

Keywords Financing, Governance Model, Islamic Higher Education, Policy Harmonization.

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INTRODUCTION

This research was conducted at one of the private Islamic Religious Colleges (PTKI), specifically the Islamic University of Bandung (UNISBA). It was chosen as the research site because it has two models of financial autonomy, decentralization and centralization, that illustrate the dynamics of authority harmonization between foundations and universities. (Nurdiyanti, 2024). A clear budget management structure, a hierarchical planning mechanism, and an established evaluation and accountability system make UNISBA a representative example for examining how financing policies and governance can be harmonized within the context of PTKI. This provides a strong empirical basis for formulating a more comprehensive financing policy harmonization model.

Governance of financing for Islamic Higher Education at the Islamic University of Bandung (UNISBA), with guidance on national policies and harmonization of complementary autonomy between the university and the foundation (Nurdiyanti, 2024). Based on the national policy of higher education which provides higher education institutions autonomy in academic and non-academic management, including financing, with the principles of accountability, transparency, and quality improvement as mandated in Law Number 12 of 2012 concerning Higher Education and Law Number 20 of 2003 concerning the National Education System (UU No. 20 Tahun 2003; UU No. 12 Tahun 2012). This national policy is then internalized into the university's strategic policy, which focuses on scientific development, the implementation of the Tri Dharma of Higher Education, and the strengthening of the spirit of jihad and Islamic teachings as institutional identity. In its implementation, the university has primary authority in the planning and management of academic funding, while the UNISBA Foundation carries out the functions of building, maintaining, and developing campus infrastructure based on the needs submitted by the university. The entire financing governance process is carried out based on Islamic values such as trustworthiness, justice, welfare, and social responsibility, thus establishing an ethical, sustainable, and quality-oriented financing system, and supporting the realization of UNISBA as a leading Islamic higher education institution at the regional and international levels (Nurdiyanti, 2024).

Based on the results of interviews with the UNISBA Foundation, information was found that factors influencing the harmonization of Islamic Higher Education financing governance at the Islamic University of Bandung (UNISBA) include the national regulatory framework, internal institutional policies, managerial capacity, and the internalization of Islamic values in financial

management. National regulations, particularly Law Number 12 of 2012 concerning Higher Education and Law Number 20 of 2003 concerning the National Education System, serve as a normative basis that grants higher education autonomy while demanding accountability, transparency, and quality assurance. Internal university policies play a role in translating these regulations into budget planning based on academic needs and the development of the Tri Dharma of Higher Education, while the managerial capacity of university and foundation leaders determines the effectiveness of coordination, decision-making, and proportional distribution of authority (UNISBA, 2007). In addition, Islamic values such as trust, justice, welfare, and social responsibility are cultural and ethical factors that strengthen trust between stakeholders and prevent conflicts of interest in financing management (UNISBA, 2018). Harmonization is also influenced by the availability of financial resources, a data-based budgeting system, and constructive communication and partnership between the university and the foundation as asset managers, so that all these factors form a financing governance that is in harmony between regulatory demands, academic interests, and UNISBA's Islamic mission.

A model for harmonizing financing policies and governance to improve fair access and financial sustainability of Islamic Higher Education at the Islamic University of Bandung (UNISBA) can be developed through the integration of national policies, internal university policies, the strategic role of foundations, and Islamic values within a single, adaptive, and equitable financing governance framework. Conceptually, this model positions national regulations as a normative framework that guarantees the autonomy, accountability, and quality of higher education, which is then translated into internal university policies in the form of budget planning based on academic needs, performance data, and principles of social support to expand access for students from various economic backgrounds. In its implementation, the university plays a role in managing academic financing, cross-subsidy schemes, and educational funding innovations, while the foundation supports financial sustainability through asset management, infrastructure development, and diversification of institutional revenue sources. All of these mechanisms are strengthened by the internalization of Islamic values such as justice, trustworthiness, and welfare, which encourage the distribution of financing that is proportional, transparent, and oriented towards the interests of the community. Thus, the model of harmonization of financing policies and governance at UNISBA not only guarantees the financial sustainability of the institution, but also functions as an instrument for equalizing access to quality and socially just Islamic higher education.

The results of the analysis of previous studies that present a comparison of findings and emphasize the novelty of this study are: *First*, a study shows that academic reform in several State Islamic Universities and Islamic Religious Colleges requires harmonization of internal policies (curriculum and other resources) with national policies to achieve academic and financial sustainability (Suyadi, Zalik Nuryana, Sutrisno, 2022). *Second*, the research found that PTKI funding sources often rely on tuition fees and local donations; financial management is poorly documented, hampering accountability and long-term planning. These findings underscore the need to expand support networks to diversify funding sources and make their utilization more effective (Siahaan, Amiruddin, Dedi Sahputra Napitupulu, 2022). *Third*, reforms in higher education financing governance in the areas of accountability, transparency, and autonomy have been implemented by some state and private universities. However, policy implementation is often hampered by human resource capacity and inter-institutional coordination (Siregar, Kardina Engelina, 2024). *Fourth*, a study stated that close collaboration is needed between the government, policy makers, universities, private investors, philanthropists, zakat and waqf institutions, and Islamic finance experts as a long-term strategy to overcome the weakness of higher education funding in managing various alternative financing instruments to strengthen higher education funding (Adebayo Saheed Adewale & AbdurRaheem Abdul Ganiyi, 2019). *Fifth,* harmonization of higher education aims to align standards and policies across countries to improve quality and academic mobility. While inspired by the European model, the process in Africa has sub-regional characteristics. Its success depends on the strong coordination and active involvement of higher education institutions across the region (Woldegiyorgis, 2018).

Based on previous research analysis, academic reform, PTKI funding sources, financial accountability, multi-stakeholder collaboration, and harmonization of higher education have been discussed. However, no study has yet integrated all these aspects into a single, integrated policy model. Consequently, a research gap has been identified: the lack of a framework explaining how harmonization of regulations, governance, and the use of sharia-compliant financing instruments can be combined to strengthen PTKI funding. Furthermore, issues of inter-institutional coordination, human resource capacity, and financial documentation remain unanswered in previous research. This study fills this gap by offering a comprehensive and systemic model for harmonization of PTKI financing policies and governance.

This research offers a novelty in the form of an integrated model that harmonizes Islamic higher education financing policies and governance by incorporating Islamic financial instruments and modern accountability principles. This approach goes beyond previous research, which has been fragmented, addressing only funding, governance, or collaboration separately. The proposed model provides a comprehensive and applicable framework for strengthening the sustainability of Islamic higher education funding.

The discourse on Islamic Higher Education financing governance policy is rooted in the theories of higher education autonomy, good governance, and educational quality management, which position higher education as a public institutions that have the authority to manage resources independently while remaining accountable. Law Number 12 of 2012 concerning Higher Education emphasizes that higher education autonomy is granted to improve the quality, relevance, and competitiveness of higher education, with the principles of transparency, accountability, and fairness (UU No. 12 Tahun 2012). From a governance perspective, the concept of good university governance emphasizes the importance of clear division of authority, a performance-based budgeting system, and stakeholder participation in financial decision-making (OECD, 2005). Furthermore, the theory of Total Quality Management (TQM) in education views financing as a strategic instrument to ensure continuous quality improvement, where resource allocation must be aligned with academic goals and the needs of users of educational services (Deming, 1982). In the context of Islamic Higher Education, the discourse is enriched by the normative perspective of Islam, which places the principles of trust, justice, and welfare as the ethical basis for managing public finances, so that educational financing is not only oriented towards economic efficiency, but also towards equal access and social responsibility (Muhaimin, 2011). This integration between the state regulatory framework, modern governance theory, and Islamic values forms a conceptual basis for the development of sustainable and equitable Islamic Higher Education financing policies.

The purpose of this study is to formulate a harmonization model of financing policies and governance at Islamic Religious Higher Education (PTKI) at the Islamic University of Bandung (UNISBA) by analyzing and identifying: 1) The existing conditions of financing policies and governance of Islamic Higher Education, 2) Identifying key factors that influence the harmonization of financing policies and governance, including regulatory, managerial, institutional aspects, and the dynamics of PTKI funding needs. 3) Formulating a comprehensive and applicable model of

harmonization of financing policies and governance for Islamic Higher Education, as a basis for strengthening financial sustainability and improving the quality of institutions.

METHOD

This research approach uses a qualitative approach, and the type of research uses grounded theory. This type of research is relevant to use, considering the research objective is to find a concept model for harmonization of policies and governance of Islamic Higher Education financing that is dense (detailed), propositional statements related to certain phenomena (Schumacher, James McMillan Sally Edition, 2014), and using comparative analysis aims to achieve empirical generalization, create ideas, prove theories, and develop theories that allow data collection and analysis to be carried out simultaneously (Moleong, 2007). This study uses two data sources: primary and secondary. Primary data were obtained through interviews and observations with foundation managers, university leaders, supporting units, and academics involved in financial governance. Secondary data were collected from institutional documents and relevant literature, including governance guidelines, financial reports, internal policies, campus statistics, and supporting books, journals, and online sources.

The research on the Harmonization Model of Islamic Higher Education Financing Policies and Governance was conducted at the Islamic University of Bandung from January 31 to May 26, 2024. Data collection was conducted using three main techniques: interviews, observation, and documentation studies. In-depth interviews were conducted based on an interview guide to obtain direct information from sources, including foundation managers, university leaders (the rector and vice rector for finance), the Finance Bureau, several structural employees, and lecturers, in accordance with the concept of interviews as directed conversations aimed at obtaining research data (Moleong, 2018). Observations were conducted to observe the phenomenon of campus governance and activities directly without additional tools, in line with the view that observation is a basic method of collecting empirical facts (Moh. Nazir, 2014), which was carried out from January 31 to May 26, 2024. Documentation studies were used to examine various institutional documents, namely, STATUTES, AD-ART of the Foundation, financial reports, facilities and infrastructure, and other institutional documents that provide information regarding UNISBA's financing policies and governance, considering that documents are important sources that record past events and strengthen the validity of data (Sugiyono, 2016). These three techniques provide complementary

data, resulting in a comprehensive understanding of the harmonization of financing policies and governance at UNISBA.

Data analysis in the research on the Harmonization Model of Islamic Higher Education Financing Policies and Governance at the Islamic University of Bandung (UNISBA) was carried out through a systematic process following the Bogdan framework as well as Miles and Huberman, which emphasizes the analysis of financing policy and governance data as an activity of organizing, grouping, synthesizing, and interpreting data continuously until saturation is reached (Miles, M.B, Huberman, A.M, dan Saldana, 2014). The analysis process includes reducing data on financing policies and governance to select important information, presenting data in descriptive and visual forms to facilitate understanding of financing governance and policy patterns, and drawing and verifying conclusions based on field findings derived from interviews, observations, and documentation. To strengthen the accuracy of the analysis, this study uses ATLAS.ti software that helps code, organize, and triangulate various types of data, in line with technical excellence (Adi & Afriansyah, 2016). This makes it easier for researchers to analyze by triangulating various types of data collection, thus producing constructive research results on the harmonization model of financing policies and governance at UNISBA.

FINDINGS AND DISCUSSION

Findings

The research results obtained information that the Islamic University of Bandung (UNISBA) is a private university founded in 1957 by the Islamic Education Foundation, which later transformed into the Bandung Islamic University Foundation (UNISBA Foundation) as the university's organizing body. The establishment of UNISBA was initiated by West Javanese Muslim leaders who had a strategic vision to provide superior Islamic higher education and be able to produce religious leaders who are faqih fiddin, have scientific insight, and have Islamic morals. This mandate is not only the ideological basis for the establishment of the institution, but also a moral commitment for the university's organizing and management bodies in directing all management policies, including financial governance, scientific development, and the implementation of the Tri Dharma of Higher Education. With this historical background and basic values, UNISBA places harmonization between Islamic missions, national regulatory demands, and the need to develop the

quality of higher education as the main foundation in building a competitive and sustainable Islamic university.

Table 1. Modeling of Policy and Governance Harmonization in Islamic Higher Education Financing at Bandung Islamic University

No	Policy and Governance	Model	Influencing Factors
1	Autonomy of Higher Education Management	Model of harmonization of functional autonomy between Universities and Foundations	National higher education regulations; clarity of division of authority; institutional leadership
2	Division of Roles between University and Foundation	Coordinated dual governance model (University focuses on academics, Foundation focuses on infrastructure and assets)	Articles of Association of the Foundation; UNISBA Statutes; coordination and communication mechanisms
3	Source of Financing	Four-pillar integrated financing model (students, BMU/ziswaf, government, business units-industry)	Funding diversification; Islamic philanthropy; access to government grants; institutional entrepreneurship
4	Student Fund Management	Centralized funding model in the Foundation with function-based allocation	Centralized cash system; institutional trust; accountability principle
5	Educational Alms Instrument	Model of differentiation of infak functions (IPU–infrastructure, IKT and ISKS–operational, IPF–faculty and welfare)	Institutional needs; distributive justice; service sustainability
6	Budgeting System	RKB-based annual budgeting model through SIARAN	Needs-based planning; financial information systems; control and evaluation
7	Budget Allocation Pattern	Proportional allocation model 70% operational – 30% development	Balance of services and investment; financial stability; long-term vision
8	Infrastructure Development	IPU-based planned investment model under the Foundation	Quality of learning; student growth; and infrastructure needs
9	Social Support and Access to Education	BMU's ziswaf-based equitable financing model	Philanthropic culture; Islamic values (trustworthiness, justice, welfare)
10	Governance Principles	Model *Islamic good governance*	Transparency; accountability; Islamic values; stakeholder trust
11	Financial Sustainability	Integrative-adaptive model of financing Islamic higher education	Income diversification; business innovation; university–foundation synergy.

Data Source: Research Results on the Harmonization Model of Islamic Higher Education Financing Policies and Governance at UNISBA

Management autonomy at UNISBA is realized through a functional autonomy harmonization model that positions the university and foundation in complementary strategic roles. The university holds primary authority over academic management, scientific development, and the implementation of the Tri Dharma of Higher Education, while the foundation carries out a

supporting function through asset and infrastructure management. This model allows for flexible decision-making without compromising accountability and compliance with national regulations.

The division of roles between Bandung Islamic University and the UNISBA Foundation establishes a coordinated dual governance model. The university focuses on developing academic quality and educational services, while the foundation is responsible for the construction, maintenance, and development of campus infrastructure. This division creates clarity of authority and prevents overlapping funding management. UNISBA has developed a four-pillar integrated funding model, sourced from students, community philanthropy through Baitul Maal UNISBA (BMU), the government, and the business and industrial sectors. This diversification of funding sources strengthens the institution's financial stability while enhancing the university's independence in facing external dynamics. Student funding management at UNISBA applies a centralized model through the UNISBA Foundation's treasury with a function-based allocation mechanism. Student funds are not directly managed separately by academic units, but are allocated in a structured manner to support the operational needs and development of the institution in accordance with the agreed budget plan.

Research has found a differentiation in the functions of educational donations, reflecting the principles of fairness and efficiency. The University Development Donation (IPU) is directed towards infrastructure development, while the Permanent Tuition Donation (IKT) and Semester Credit Unit Donation (ISKS) are for academic and non-academic operations, and the Faculty Development Donation (IPF) is used for faculty needs and employee welfare. This scheme clarifies the purpose of fund use and enhances accountability.

UNISBA's budgeting system is implemented through an annual Work Plan and Budgeting (RKB) mechanism integrated into the Budget Information System (SIARAN). This model ensures that each work program receives funding based on actual needs, strategic priorities, and performance evaluations, thus enhancing transparency and control over the budgeting process. The budget allocation pattern of 70% for university operations and 30% for infrastructure development is at the heart of UNISBA's harmonized financing policy. This pattern reflects a balance between the sustainability of short-term educational services.

Infrastructure development at UNISBA is implemented through a planned investment model based on the IPU (University of Islamic University) under the authority of the foundation. Each infrastructure development is based on the university's proposed needs and aligned with the

campus development vision, ensuring that infrastructure truly supports the learning process and Tri Dharma activities.

Through BMU, UNISBA has developed a fair financing model based on ziswaf (Islamic charity) aimed at scholarships, educational advances, and social programs. This model expands access to Islamic higher education for students from diverse economic backgrounds and reflects the social role of higher education in empowering the community. UNISBA's entire financing system is implemented based on the principles of Islamic good governance, which emphasize trust, justice, transparency, and accountability. These principles serve as an ethical foundation for policy formulation, budget distribution, and financial oversight, while strengthening stakeholder trust. The combination of funding diversification, business unit innovation, Islamic philanthropy, and university-foundation coordination forms an integrative and adaptive financing model. This model ensures the financial sustainability of UNISBA while supporting the achievement of its vision as a leading Islamic university that is regionally competitive and oriented towards the welfare of the community.

The research findings show that the budgeting system in the UNISBA environment includes: budget availability is carried out by dropping the budget by the Foundation to the University in accordance with the Annual RKB. The Foundation and the University have autonomy in developing and maintaining educational infrastructure, while the University focuses on scientific development. The distribution of educational funding is carried out in accordance with the proposed budget for the implementation of the work program with the Annual RKB through the budget management system (SIARAN).

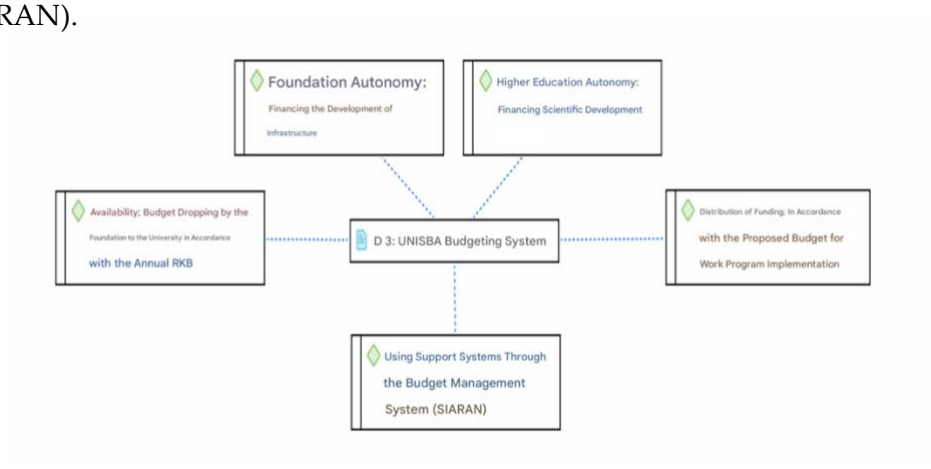


Figure 1. UNISBA Budgeting System

This study found that the harmonization of funding policies and governance at the Islamic University of Bandung (UNISBA) is built through a coordinating model between the UNISBA

Foundation and the university, with a clear and complementary division of authority. This harmonization is supported by the integration of four main funding sources: student funds, community philanthropy through the UNISBA Baitul Maal (BMU), government support, and revenue from business units and industrial partnerships, which collectively create the institution's financial stability and flexibility. Student funds are managed centrally through the UNISBA Foundation's treasury and allocated based on a predetermined budget structure, thus ensuring accountability and integration of financial management. This financing model is strengthened through the differentiation of educational donation functions, where the University Development Donation (IPU) focuses on infrastructure development, the Permanent Tuition Donation (IKT) and Semester Credit Unit Donation (ISKS) support academic and institutional operational needs, and the Faculty Development Donation (IPF) supports faculty facilities and employee welfare.

Discussion

Financing Policy and Governance

Research results indicate that the financing policy and governance at the Islamic University of Bandung (UNISBA) are built through a harmonization model between the UNISBA Foundation as the organizing body and the university as the academic manager. This model aligns with the mandate of Law No. 12 of 2012 concerning Higher Education, which grants universities autonomy to regulate academic development while placing the organizing body in charge of institutional and infrastructure development (UU No. 12, 2012). In the context of UNISBA, this division of autonomy is part of the historical mandate of the establishment of the university by West Javanese Islamic figures in 1957, which emphasizes the development of Islamic value-based science and the formation of religious leaders who are faqih fiddin (Azra, 2017).

UNISBA's governance structure is built through the harmonization of autonomy between two major entities: the foundation and the university. The UNISBA Foundation holds authority over the construction, maintenance, and development of campus infrastructure, while the university retains authority over academic management, the Tri Dharma (three pillars of the university), and scientific development. This division of functions aligns with the concept of good university governance, which emphasizes clarity of roles, accountability, and coordination between units (Mulyono, 2019).

The implementation of harmonization is evident in the flow of student revenue collected through the UNISBA Foundation treasury and allocated based on budget items. The University Development Fund (IPU) is directed towards campus physical development; the Permanent Tuition Fund (IKT) and Semester Credit Unit Fund (ISKS) are used to support academic operational needs, while the Faculty Development Fund (IPF) is allocated for faculty support facilities and employee welfare reserves. The study found a stable budget distribution pattern, namely 70% for university operations and 30% for infrastructure development, a model consistent with the principle of balance between sustainable educational services and long-term development (Salmi, 2009).

UNISBA's funding policy structure comprises four pillars: student funds, the Baitul Maal UNISBA (BMU) zakat (alms and waqf), government funding, and university-based business results. Student funds, as the largest component, provide the foundation for the institution's financial stability. However, the existence of alternative sources such as the BMU zakat and waqf broadens the funding function beyond operational to social support and empowerment, in line with the concept of Islamic educational philanthropy (Hafidhuddin, 2006). BMU plays a role in providing scholarships, educational advances, da'wah programs, and disaster relief for the academic community.

Government funding, particularly research grants and community service grants, as well as KIP Kuliah and JFLS scholarships, contributes to strengthening academic capacity and educational access. Meanwhile, sources from the business and industrial sectors, through PT Uzma Prima Sinergi, daycare, the UNISBA Clinic, and the Halal Business Incubator, are a strategic step for UNISBA in building financial independence, as recommended in the literature on the sustainability of private higher education (Altbach, P., & Salmi, 2011).

The budgeting system at UNISBA is implemented through a budget transfer mechanism from the Foundation to the university based on the annual Work and Cost Plan (RKB). The Foundation provides funds according to the needs of the university's work programs, while disbursement and reporting are carried out through an integrated budget management system, SIARAN (Budget Information System). This model reflects the principles of transparency and strict oversight, where the university proposes operational needs and academic program development, while the foundation manages the sustainability of assets and infrastructure. This relationship pattern is in accordance with the planning-budgeting linkage principle, which emphasizes alignment between planning, budget allocation, and institutional goals (Kim, S., & Park, 2020).

Overall, the analysis of the research results shows that the harmonization of financing policies and governance at UNISBA is not only administrative, but also ideological and strategic. This harmonization is achieved through a clear division of authority, a consistent budget allocation mechanism, diversification of funding sources, the use of digital systems for budget management, and the integration of Islamic values into governance. This combination of structural, cultural, and managerial aspects makes UNISBA's financing governance model effective, accountable, and supports the vision of becoming a leading Islamic university in Southeast Asia.

Key Factors Influencing the Harmonization of Financing Policies and Governance

Research findings indicate that the harmonization of financing policies and governance at UNISBA did not occur spontaneously, but rather resulted from the simultaneous interaction of various mutually supportive strategic factors. Six key factors—funding source diversification, Islamic governance values, access to government funding, campus philanthropic culture, entrepreneurial innovation, and institutional leadership and coordination—collectively build the foundation for stable, adaptive, and accountable governance. The integration of these factors enables UNISBA to maintain a balance between operational sustainability and the institution's long-term development.

First, the diversity and integration of funding sources contribute to financial stability and policy flexibility. The finding that UNISBA combines student funding, BMU (Ziswaf), government grants, and business-industry units reflects a revenue diversification strategy to reduce dependence on a single funding source and increase financial resilience. Systematic review studies show that revenue diversification enables educational institutions to expand service and investment capacity, but the results depend on the institution's size and managerial ability to manage the revenue portfolio (Rahman, 2025). However, to optimize diversification, UNISBA needs to strengthen campus business management capacity and clarify allocation policies so that non-tuition income can be prioritized for strategic programs.

Second, the role of BMU and forms of Islamic philanthropy, such as zakat, infaq, and waqf, as sources of social and welfare programs. Field findings that position BMU as a mechanism for collecting ziswaf align with literature on the role of cash waqf and zakat in financing Islamic higher education. Case studies of universities in Indonesia show that instruments such as waqf and zakat can be sustainable funding sources when organized with transparent governance, auto-debit mechanisms, and strong accountability. The experience of IPB and other cases emphasizes the

importance of specific waqf and zakat governance to ensure sustainability and social impact (Furqon et al., 2022).

Third, the capacity to access government grants and effective project management, thus strengthening research capacity and budget flexibility. The ability of institutions and faculty to access grants influences budget independence, consistent with research showing a link between access to competitive grants and increased academic capacity. Institutions that successfully win grants tend to increase their research resources, reputation, and ability to attract external funding. However, this requires a robust research management system and administrative compliance (Nisak et al., 2025).

Fourth, entrepreneurial innovation and industry partnerships provide alternative sources of income and leverage intellectual assets. The development of business units (incubators, clinics, campus-based PT Usaha Kampus) aligns with the literature on entrepreneurial universities—universities that generate revenue through the commercialization of research, services, and entrepreneurial activities. Global evidence and reviews show that university-industry collaboration and entrepreneurial activities can increase revenue streams, but success depends on internal policies, leadership, and the innovation ecosystem (Budyldina, 2018).

Fifth, governance principles based on Islamic values (trustworthiness, justice, transparency) provide legitimacy and acceptability for financing policies. Integrating Islamic values into management (e.g., alms distribution, BMU functions) enhances policy legitimacy within the community. Recent studies on Islamic philanthropy and zakat indicate that these values can strengthen donor compliance and community support, but require Sharia-compliant transparency and accountability mechanisms to maintain trust (Arwani & Muhammad, 2024).

Sixth, leadership, coordination between the Foundation and the University, and the budgeting system (SIARAN, RKB) ensure policy and implementation coherence. The Foundation's budget allocation mechanism, based on the annual Work and Cost Plan (RKB) and the use of the SIARAN system, demonstrates that harmonization depends on effective leadership and an integrated budget planning mechanism. Higher education governance literature emphasizes the importance of planning-budgeting linkages and systemic information for transparency and accountability. Failure to coordinate can lead to allocations that are not aligned with academic priorities (Nisak et al., 2025).

Financing Policy and Governance Harmonization Model

Financial policy and governance harmonization is understood as an effort to align policies, regulations, implementation mechanisms, and decision-making structures that govern the allocation, sources, management, and accountability of funds to achieve fiscal/sectoral objectives consistently and efficiently. Recent studies position this harmonization as part of public financial management reforms oriented toward fiscal effectiveness, regulatory compliance, and accountable governance (Idrus, 2024). Harmonization is seen as the process of balancing rules and practices at various levels (national, regional, institutional) to achieve cross-scale policy fit, particularly relevant in the context of fiscal decentralization or multiple regulators. Studies of harmonization in higher education highlight how the integration of policies across levels, such as national policies with university autonomy, influences funding mechanisms (Woldegiorgis, 2013).

Institutional theory emphasizes how norms, regulations, and legitimacy pressures encourage or hinder the alignment of financing rules; for example, market pressures, public accountability, or demands for international standardization drive harmonization. Fiscal federalism, on the other hand, provides a normative basis for the division of fiscal authority, financing responsibilities, and debt/transfer management instruments, which must be harmonized to prevent overlap or compliance gaps. The principles of financial governance, accountability, transparency, and effectiveness, constantly emerge as the foundation for designing policy harmonization (Fatmawatie & Endri, 2022).

Regulatory harmonization provides an impetus for efficient use of resources, cross-sectoral regulatory compliance, integration of financial information systems, and the need to attract external financing (Kurdi et al., 2024). Overlapping authority between institutions, differences in technical capacity between levels of government, institutional resistance (political/organizational interests), and legal inconsistencies (regulatory conflicts) often delay or reverse harmonization efforts. Empirical evidence also shows that sectoral legal harmonization requires a dedicated oversight mechanism to prevent oversight gaps (Maulana et al., 2024). Harmonization of higher education financing policies involves: 1) synchronizing national policies on funding allocation and campus financial autonomy, 2) performance accountability mechanisms (output/outcome funding), and 3) interoperability of financial-academic data for needs- and performance-based allocations. Misalignments between regulations (such as funding sources, subsidy allocation, and the authority

of foundations and campuses) are a source of inefficiency and accountability risks (Woldegiorgis, 2013).

Foundation-University Harmonization Mechanism and Division of Authority

Findings indicate that UNISBA implements a clear coordination mechanism: the Foundation manages central funds and infrastructure development (IPU), while the university focuses on academic and operational management (IKT/ISKS). This clear division model reflects the principles of good university governance, such as role clarity, accountability, and the separation of operational functions from asset ownership, which studies have shown contribute to financial stability and effective governance (Mukhibad, 2025).

The 70:30 allocation policy, where 70% is for university-managed operations and 30% is managed by the Foundation for infrastructure needs, serves as a short-term and long-term balance instrument. The distribution of 70% for operations and 30% for infrastructure development represents a policy choice that balances operational liquidity needs (service delivery) and capital investment. The literature on higher education planning and budgeting emphasizes that consistent planning-budgeting linkage (annual RKB and SIARAN) strengthens allocation accountability and reduces the mismatch between academic planning and funding (Rahman, 2025).

The Role of BMU (Ziswaf) as a Source of Institutional Philanthropy and Social Fund Manager

BMU functions not only as a source of additional funds but also as an instrument of social redistribution (scholarships, advances, and disaster relief). Recent research on cash waqf and zakat/infaq management on campus confirms that these instruments can become sustainable funding sources when accompanied by digital collection, professional governance, and sharia-compliant accountability mechanisms. Auto-debit payroll practices and online donation platforms have been shown to increase revenue stability (Furqon et al., 2022).

Revenue diversification: competitive grants and campus business units (entrepreneurial university). UNISBA's ability to win government grants and operate business units (universities, clinics, daycares, incubators) strengthens budget independence. This finding is consistent with the literature on revenue diversification and entrepreneurial universities, which shows that diversification increases financial flexibility and innovation capacity. However, success depends on managerial capacity, commercialization policies, and the readiness of the research-industry ecosystem (Rahman, 2025).

Leadership, coordination, and an integrated budgeting system (SIARAN, RKB).

Harmonization of budgeting policy implementation at UNISBA is heavily influenced by the leadership of the foundation and rectorate, as well as the SIARAN mechanism that links the work plan (RKB) with fund disbursement. Studies on higher education governance emphasize that integrated planning and budgeting, and regular coordination forums between the owner (foundation) and management (university), reduce conflicting priorities and improve program implementation (Rahman, 2025).

Islamic values serve as the foundation for legitimizing financing policies, integrating the principles of trust, justice, and transparency in the management of zakat (Ziswaf) and alms (Infaq) allocation, strengthening the legitimacy of policies in the eyes of academics and donors. Recent studies on Islamic philanthropy show that donor trust and the sustainability of contributions depend on Sharia compliance, transparent reporting, and measurable social impact (Aini, 2024).

The model for harmonizing funding policies and governance at UNISBA was developed through a reconstruction of autonomy that combines the Foundation's role as an implementing body with the university's authority as the manager of academic and non-academic operations. This relationship pattern results in a governance configuration that is complementary, stable, and oriented toward quality improvement.

First, the autonomy of the organizing body is realized through the Foundation's authority to maintain, construct, and develop campus infrastructure. The autonomy of the organizing body is the authority of the legal entity that oversees the university to independently regulate the institutional direction, manage resources, establish management structures, and formulate financing policies (Perkins, 2019). The literature on higher education governance emphasizes that this autonomy is the basis for achieving accountability, funding effectiveness, and the institution's ability to respond to social dynamics and competitive demands (Varghese, 2020). The Foundation retains full control over the financing of physical development, including the management of the University Development Fund (IPU), with the aim of ensuring adequate facilities for the provision of Islamic higher education. Furthermore, the university retains autonomy in scientific development and academic management, thus establishing a harmonious pattern of autonomy that places the Foundation and the university in their respective roles while remaining within an integrated financial governance framework.

Second, in terms of the support system, the Foundation provides financial support for strategic needs, while the university centrally manages campus operations through an internal planning and budgeting system. The greater the autonomy of the governing body, the greater the institution's capacity to develop innovation, academic competitiveness, and long-term funding stability (De Boer, H., & File, 2020). This division of authority creates a mutually reinforcing functional relationship, where the Foundation ensures the availability of resources and the university ensures the effectiveness of their use in academic activities and educational services.

Third, in terms of quality control, universities have academic and non-academic autonomy, but remain under the supervision of the Foundation as a supervisory body. The governing body plays a strategic role in determining investment direction, operational efficiency, revenue diversification patterns (tuition fees, research grants, philanthropy, and productive ventures), and the development of sustainability financing models (Johnstone, 2018). Contemporary research shows that financial autonomy has a direct impact on: budget allocation flexibility, the ability to build buffering funds to anticipate risks, optimization of non-academic income, and the ability to respond to changes in government regulations (OECD, 2022). This mechanism ensures that operational funding and infrastructure development are managed in accordance with institutional quality and accountability standards. The foundation acts as the institutional quality control mechanism, while the university autonomously carries out academic functions and educational services in accordance with the institution's vision.

Overall, this harmonization model demonstrates that UNISBA's financial governance is dualistic yet coherent, integrating university autonomy with structural support from the governing body. The combination of academic autonomy, systemic support, and quality control results in effective, transparent, and sustainable governance within the context of an Islamic university.

Therefore, operationally, universities need to establish a model for university funding autonomy, manifested in the form of Good University Government (GUG). GUG, as a manifestation of higher education institutions, embodied in the implementation of quality-oriented, autonomous university operations, is a solution to overcome funding constraints by developing university funding resources and implementing Good University Government through the harmonization of university management autonomy. Harmonization of university management autonomy is implemented through several indicators:

First, the existence of power sharing (clarity of governance and authority) between the university's governing body (foundation) and the university itself. Power sharing in institutional autonomy is the principle of distributing authority among strategic actors in higher education institutions, such as the governing body, university leadership, and academic senate, to ensure more balanced, accountable, and adaptive institutional decisions (Teixeira, P., Jongbloed, B., Dill, D., & Amaral, 2014). A clear division of power strengthens shared governance, improves policy quality, reduces unnecessary interventions, and promotes managerial and academic effectiveness (Williams, 2016). The power-sharing model has also proven important in dealing with external complexity, as it provides space for institutions to respond to environmental changes, improve decision-making structures, and strengthen public legitimacy (Marginson, 2011). Thus, power sharing serves as the foundation for healthy institutional autonomy, oriented toward a balance between institutional freedom and internal accountability mechanisms.

Second, the focus of the division of authority is balanced (power equalization) and implemented situationally and conditionally, with universities, as the direct implementers of higher education, focusing on campus academic management and development, while foundations support the organization of higher education in non-academic areas. Implementing a power equalization model in educational financial management can improve the efficiency of fund allocation and transparency. This study emphasizes the importance of stakeholder participation, the use of information technology, and innovative economic management strategies in implementation (Syahrul, 2024). *Effective higher education governance requires adaptive leadership, stakeholder involvement, and transparency in decision-making, which are important indicators in the equalizing governance model* (Gunawan et al., 2024).

This model can be implemented with the commitment of the Foundation and Higher Education Institutions with the assumptions: 1) Management is carried out by meeting quality standards, 2) Student quality increases through measuring the achievement of the average Academic Achievement Index (GPA) of students at least 3.0, 3) There is access and opportunity for higher education for various groups (Equality and Equity) with the existence of scholarships and the implementation of a Single Tuition Fee (UKT) system based on the family's economic background.

CONCLUSION

The research concludes that the harmonization of financing policies and governance at UNISBA is achieved through the integration of autonomy between the Foundation, as asset manager, and the university, as academic administrator. Six key factors strengthen this harmonization of financing governance: diversification of funding sources, Islamic governance values, access to government funding, a culture of philanthropy through BMU, entrepreneurial innovation and industry partnerships, and institutional leadership and coordination. The combination of these structural, cultural, and managerial factors creates an adaptive, transparent, and sustainable financing governance model, capable of maintaining operational stability while encouraging institutional development in accordance with the principles of Good University Governance and the character of Islamic higher education. Overall, this research confirms that UNISBA's success in managing financing policies and governance is determined not only by its administrative structure but also by mutually reinforcing ideological, cultural, and managerial factors. The harmonization of autonomy between the Foundation and the university serves as a key foundation enabling UNISBA to maintain stability, strengthen independence, and move toward its vision of becoming a leading Islamic higher education institution at the regional level.

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