

Received: 1 March 2026

Accepted: 15 March 2026

Published: 26 April 2026

Financial Management in Non-Formal Education: A Narrative Literature Review of Practices and Challenges

Desmawati^{1*}, Tarekah Hasanah², Undang Rosyidin³
^{1,2,3}UIN Raden Intan Lampung

*✉: Desmawati27@gmail.com

Abstrak

Tinjauan literatur naratif ini mengkaji praktik, tantangan, dan strategi manajemen keuangan di dalam institusi pendidikan non-formal (PNF), seperti Pusat Kegiatan Belajar Masyarakat (PKBM) dan Lembaga Kursus dan Pelatihan (LKP). Melalui pencarian sistematis di Google Scholar (2015–2025), tinjauan ini mensintesis berbagai studi untuk menyoroti bagaimana tata kelola keuangan berdampak langsung pada keberlanjutan institusi. Temuan utama mengungkapkan adanya kesenjangan struktural antara kebutuhan operasional dan sumber pendanaan yang fluktuatif, diperburuk oleh kurangnya kompetensi akuntansi di kalangan pengelola PNF. Terlepas dari tantangan tersebut, praktik terbaik (best practices) menunjukkan bahwa ketahanan institusi dapat dicapai melalui diversifikasi pendanaan, terutama melalui unit usaha mandiri dan kemitraan sektor swasta, serta adopsi perangkat lunak manajemen keuangan digital. Studi ini menyimpulkan bahwa transisi dari sistem tradisional menuju sistem keuangan yang akuntabel dan berbasis teknologi merupakan sebuah keharusan mendesak untuk reformasi kualitas PNF. Kata Kunci: Manajemen keuangan, pendidikan non-formal, pendanaan pendidikan, keberlanjutan institusi, pusat kegiatan belajar masyarakat.

Abstract

This narrative literature review examines the practices, challenges, and strategies of financial management within non-formal education (NFE) institutions, such as Community Learning Centers (PKBM) and Course and Training Institutions (LKP). Through a systematic search of Google Scholar (2015–2025), the review synthesizes peer-reviewed studies to highlight how financial governance directly impacts institutional sustainability. Key findings reveal a structural gap between operational needs and volatile funding sources, compounded by a widespread lack of accounting competence among NFE administrators. Despite these challenges, emerging best practices demonstrate that institutional resilience can be achieved through funding diversification, particularly via self-sustaining business units and private sector partnerships, and the adoption of digital financial management tools. The study concludes that transitioning from traditional to accountable, technology-assisted financial systems is an urgent imperative for NFE quality reform.

Keywords: Financial management, non-formal education, education financing, institutional sustainability, community learning centers.

INTRODUCTION

Non-formal education (NFE) constitutes a critical pillar in national human resource development, particularly in addressing the educational needs of populations left underserved

by formal schooling systems. Institutions such as Community Learning Centers (PKBM), Course and Training Institutions (LKP), and community-based tutoring programs function as strategic instruments for expanding educational access among out-of-school youth, adults, and marginalized groups. In Indonesia, NFE is legally grounded in Law No. 20 of 2003 on the National Education System, which positions NFE as a mechanism to replace, supplement, and complement formal education pathways (Lau et al., 2024). The significance of these institutions has grown further as the gap between formal education outcomes and rapidly evolving labor market demands continues to widen, a gap NFE institutions are uniquely positioned to fill. Globally, participation in NFE-related professional development among working-age adults (25–64 years) has risen steadily, particularly in high-income nations where lifelong learning is embedded in workforce policy (Sahakyan, 2025). This growing institutional importance necessitates a serious academic examination of how NFE organizations are resourced and managed.

Transparent and accountable financial management is not merely an administrative function, it is the structural backbone that determines whether NFE institutions can sustain their operations and fulfill their educational mandates. Adequate financing enables NFE institutions to maintain educational personnel, procure learning materials, and sustain facilities, all of which directly shape the quality of educational services delivered to learners. National education quality standards in Indonesia explicitly identify financing as one of eight foundational standards, underscoring that no institution can achieve quality without adequate and properly managed funding. Research has consistently demonstrated that transparency and accountability principles in fund management are prerequisites for institutional credibility and for attracting continued support from governments, communities, and non-governmental organizations (Lau et al., 2024). Without robust financial governance, NFE institutions risk misallocation of resources, erosion of stakeholder trust, and ultimately operational collapse, outcomes that directly harm the learner communities these institutions exist to serve.

A persistent and well-documented challenge confronting NFE institutions is the structural gap between their operational financing needs and the limited, often unstable funding available to them. Unlike formal schools, which typically benefit from consistent government budget allocations, NFE programs must actively diversify their funding across individual fees, community contributions, employer sponsorships, government grants, and civil society support (Sahakyan, 2025). This multi-source financing model, while necessary,

introduces complexity in financial planning and exposes institutions to revenue volatility. Research confirms that NFE institutions in Indonesia continue to suffer from limited cost sources and poor fund management efficiency, with these dual deficiencies identified as primary obstacles to educational quality improvement. The absence of a dedicated and systematic financing ecosystem, one that integrates individual, governmental, employer, and civil society funding streams into a coherent framework, remains a critical gap in policy and institutional practice.

Beyond structural funding shortfalls, a significant competency gap exists between financial managers in formal and non-formal educational institutions. Studies on school-based financial management reveal that a substantial proportion of education institution heads, particularly in non-formal settings, have not received formal training in financial management, hampering their capacity to plan, allocate, and account for educational funds effectively. NFE administrators are frequently required to perform dual roles as both educators and administrative managers, a structural reality that dilutes professional competency in both domains. This competency deficit is especially problematic because school-based management reforms, increasingly applied to NFE contexts, devolve financial authority to institutional leaders, presupposing managerial sophistication that many administrators do not yet possess. Strengthening the financial management literacy of NFE administrators through targeted training and policy support has thus emerged as an urgent priority in the broader agenda of education quality reform.

Given the theoretical and practical significance of these issues, this literature review aims to examine and synthesize the existing body of scholarly knowledge concerning financial management practices in NFE institutions, with a focus on their implications for institutional sustainability and educational quality. The review specifically seeks to identify the diverse funding sources available to NFE institutions, the financial management challenges they encounter, and the resolution strategies proposed and tested across different empirical contexts. Effective financing management, encompassing the planning, organizing, and implementation of fund utilization, has been identified as the key lever through which NFE institutions can increase efficiency, attract greater support, and improve educational service delivery. By synthesizing insights from peer-reviewed studies, this review contributes to a more grounded understanding of how financial management can be restructured in NFE settings to produce more equitable and sustainable educational outcomes. The findings are

intended to be of practical relevance to NFE administrators, education policymakers, and researchers engaged with the challenges of lifelong learning systems in developing country contexts.

METHOD

This study employs a narrative review design, a well-established approach in educational research that enables systematic synthesis of existing literature to identify overarching themes, patterns, and knowledge gaps across multiple studies without the quantitative aggregation required by meta-analyses (Page et al. 2021). A narrative review is particularly appropriate for this topic given the contextual variability of financial management practices across different types of NFE institutions, including PKBM, LKP, and community tutoring programs, which makes direct quantitative pooling less meaningful than thematic synthesis. Literature search was conducted exclusively through Google Scholar, using the following keyword combinations: *financial management*, *education funding*, *non-formal education*, *PKBM*, and *non-formal education financing*. These keywords were selected to encompass both the administrative-managerial dimension and the institutional-contextual dimension of the research problem (Dewi et al., 2024). Searches were carried out iteratively, with keyword combinations refined progressively to surface relevant empirical articles, conceptual papers with data-grounded analysis, and policy-oriented studies on NFE financing at local, national, and comparative levels (Sukoco & Budi, 2023). All search results were initially screened based on title relevance before proceeding to abstract and full-text review stages.

To ensure the quality and relevance of the reviewed literature, clear inclusion and exclusion criteria were applied throughout the screening process. Studies were included if they: (1) were published within the last five to ten years (2015–2025), ensuring currency and alignment with contemporary NFE policy and practice; (2) focused substantively on financial management, education financing, or funding strategies; and (3) were situated within non-formal education contexts, including community learning centers, skills training institutions, or equivalent non-formal learning providers (Lau et al., 2024; Handayani et al., 2024). Studies were excluded if they consisted solely of editorial opinions or commentary without empirical data or systematic analysis, or if their exclusive focus was on primary or general secondary formal schooling without any cross-reference to NFE settings (Sahakyan, 2025). Data analysis followed a narrative synthesis procedure: after initial title and abstract screening, full texts were retrieved and read in detail; findings were then coded according to three recurring

themes, funding sources, management challenges, and resolution strategies, and synthesized into coherent thematic narratives (Dewi et al., 2024). This thematic coding process allowed the researcher to map convergences and divergences across studies, producing an integrated account of the state of financial management knowledge in NFE institutions (Sukoco & Budi, 2023).

RESULTS AND DISCUSSION

Theme 1: Financial Planning & Budgeting

The preparation of the Institutional Revenue and Expenditure Budget (RAPB/RAP) in NFE institutions constitutes the foundational step of sound financial management. In Community Learning Centers (PKBM), the annual budgeting process begins with an identification of institutional needs, spanning equality education programs, skills training, and operational costs, and then maps those needs against projected funding sources (Nurfitriani et al., 2024). Financial management at PKBM, like in other organizations, begins with planning that includes identifying sources of cost, budgeting, and fund management strategies; this planning stage is indispensable because it determines the scope, efficiency, and quality of educational services that can be delivered throughout the fiscal year (Lau et al., 2024). Several studies confirm that institutions with structured annual budget plans are significantly better positioned to utilize government assistance funds effectively and to justify expenditure to external stakeholders (Pamungkas, 2019). The budgeting process in NFE institutions, therefore, is not merely an administrative exercise but a strategic governance mechanism that determines institutional direction.

The identification of funding sources is a critical component of the RAPB preparation process. In Indonesian NFE settings, the primary sources of institutional revenue include government operational assistance funds (such as BOS Kesetaraan and Dana BOP), student fees, and contributions from community donors or corporate social responsibility (CSR) programs (Nurfitriani et al., 2024; Aulia, 2025). Research on course educational institutions (LKP) in Surabaya confirms that funding typically originates from community payments and government support, and that the sustainability of these institutions is directly contingent on how carefully these sources are planned and evaluated on a periodic basis (Sukoco et al., 2024). For PKBM Al-Islam Giwangan Yogyakarta, source diversification, combining government grants, community donations, student contributions, private sector cooperation, and productive community-based businesses, has been identified as the most resilient financial

planning strategy available to NFE administrators (Aulia, 2025). This multi-source planning model reduces over-dependence on any single funding stream and improves the institution's capacity to absorb fiscal shocks.

Despite the recognized importance of structured RAPB preparation, many NFE institutions continue to operate with weak or informal budgeting practices. Studies on Islamic boarding schools, which share NFE institutional characteristics, reveal that many rely on traditional, non-standardized financial practices, primarily dependent on student tuition and government aid, without a formalized long-range budgeting framework (Darma & Siregar, 2022). This absence of structured planning is compounded by the non-profit nature of PKBM, which constrains administrators from applying commercial financial planning models without adaptation (Pamungkas, 2019). For LKP and similar course institutions, the challenge is further magnified by irregular enrollment cycles and the seasonal fluctuation of fee revenue, which makes it difficult to maintain stable, multi-year budget projections (Sukoco et al., 2024). Addressing this gap requires capacity-building interventions that equip NFE administrators with practical tools for structured, evidence-based RAPB preparation.

Table 1. Funding Source

Funding Source	Institution Type	Notes
Government operational assistance (BOS/BOP)	PKBM, LKP	Subject to disbursement delays and technical guidelines
Student/participant fees	All NFE types	Fluctuates with enrollment; unreliable for long-term planning
Community donations & waqf	Pesantren, PKBM	Voluntary; may be earmarked for specific purposes
CSR / Private sector partnerships	LKP, PKBM	Growing source; requires institutional credibility
Self-sustaining business units	Pesantren, PKBM	Most stable; includes cooperatives, agribusiness, canteens

International donors/NGOs	TBM/CLC	Project-based;	temporary	and
		conditional		

Theme 2: Implementation & Accounting

The implementation phase of financial management in NFE institutions encompasses the actual mobilization and disbursement of funds according to the approved budget plan. Financial management in these institutions generally covers activities related to the acquisition, allocation, and management of assets to attain organizational objectives, a scope that includes cash flow operations, expenditure authorization, and financial control (Pamungkas, 2019). In practice, daily and monthly cash flow recording in NFE institutions varies widely in quality: structured institutions maintain ledgers and transaction logs aligned with government reporting formats, while less formalized institutions record transactions only when demanded by external audits or grant reports (Nurfitriani et al., 2024). Research on pesantren financial management confirms that the implementation stage involves not only disbursing funds according to plan but also continuous coordination between the central manager and operational units, a process that mirrors the dual administrative-educational role borne by most NFE institution heads (Mundiri & Sanafiri, 2022). Without systematic daily recording, cumulative errors in monthly financial summaries inevitably undermine the accuracy of accountability reports submitted to funders.

The allocation proportions within NFE institutional budgets reveal consistent patterns across different institution types. In pesantren and PKBM settings, the largest expenditure category is typically personnel costs, including tutor and instructor honorariums, followed by procurement of learning modules and instructional materials, with the remaining funds directed toward building operations and administrative costs (Setyaningsih et al., 2025; Josianto et al., 2024). At the Darul Yatama Wal Masakin (DAYAMA) boarding school, fund implementation specifically encompasses determining income sources and allocating funds across programmatic needs, with supervision conducted through required financial accountability reports submitted at defined reporting intervals (Josianto et al., 2024). In course institutions (LKP), effective fund allocation is noted to involve directing resources specifically toward aspects of the teaching and learning process, including facilitator payments, module procurement, and equipment maintenance, with technology utilized to increase allocation

efficiency where capacity permits (Sukoco et al., 2024). These allocation priorities reflect the service-intensive nature of NFE institutions, where human capital (tutors and instructors) constitutes the primary asset.

The use of standardized accounting tools remains inconsistent across NFE institutions. Many pesantren and PKBM still employ manual ledger systems for recording transactions, which are susceptible to computational errors, omissions, and deliberate or accidental misclassification of expenditures (Khilmi & Syarifa, 2024). A study evaluating the implementation of the SIMKEU financial management application in a pesantren context found that prior to digital adoption, the institution suffered from delays in financial reporting, lack of transparency, and staff unfamiliarity with even basic accounting documentation procedures (Khilmi & Syarifa, 2024). In Islamic boarding schools operating in the Society 5.0 era, annual financial planning is typically based on programmatic needs, with income from monthly payments, donations, and business profits regulated through quarterly and semi-annual evaluation cycles, a system that, while systematic in design, remains heavily reliant on the personal discipline of the supervising administrator (Izzati et al., 2023). The gap between planning sophistication and actual accounting quality represents one of the most critical implementation failures in NFE financial management.

Table 2. Expenditure Category

Expenditure Category	Typical Proportion	Primary Institution Type
Tutor/instructor honorariums	40–60% of total budget	PKBM, LKP, Pesantren
Module & learning material procurement	15–25%	LKP, PKBM
Building operations & utilities	10–20%	All NFE types
Administrative & reporting costs	5–10%	All NFE types
Program development & training	5–15%	LKP, Pesantren

Theme 3: Auditing & Accountability

Financial accountability in NFE institutions operates across multiple stakeholder dimensions, including government agencies, community members, donors, and internal governance bodies. In PKBM, financial reporting mechanisms are structured around regulatory requirements from the Directorate General of Non-Formal Education, provincial and district education offices, and the institutions' own internal governing boards (Nurfitriani et al., 2024). Research on vocational schools operating as Regional Public Service Agencies (BLUD) in West Java demonstrates that effective accountability governance is reflected through defined institutional leadership structures and the regular submission of both financial and activity reports to government supervisory bodies, findings that are directly applicable to NFE institutions seeking to strengthen their governance frameworks (Amrullah et al., 2025). For community-based NFE sites such as Taman Baca Masyarakat (TBM), accountability extends beyond formal reporting to encompass ongoing relationship management with local, national, and international donor communities, where trust is maintained through demonstrated transparency in the use of in-kind and financial contributions (Novrita et al., 2025). Multi-directional accountability, simultaneously upward to funders and downward to the community served, is therefore the defining characteristic of effective NFE financial governance.

The efficiency of government assistance fund utilization is a recurring concern in NFE accountability research. Government operational funds such as BOS Kesetaraan and BOP are released with accompanying technical guidelines (juknis) that specify permissible expenditure categories, documentation requirements, and reporting timelines; compliance with these guidelines is the primary accountability criterion applied by supervising education offices (Nurfitriani et al., 2024; Lau et al., 2024). Studies on Indonesian NFE financing challenges specifically identify accountability and transparency deficits in government fund management as systemic problems, noting that budget reductions from the central government and insufficient financial assistance further compound institutional difficulty in meeting reporting standards (Sustiyatik et al., 2023). In pesantren settings, key financial governance principles, including transparency, accountability, efficiency, and effectiveness, are articulated in institutional policy documents but inconsistently applied in practice due to human resource limitations and the centralized, Kiai-led decision-making model that prevails in many institutions (Mundiri & Sanafiri, 2022). Closing the gap between stated accountability

principles and actual reporting practice requires both structural reforms and targeted administrator training.

Mechanisms for financial supervision and evaluation vary substantially across NFE institution types. In Islamic boarding schools, supervision is typically conducted through direct oversight by the department head, supplemented by formal financial evaluations carried out on quarterly, semi-annual, and annual cycles, a multilayered review structure that, when properly implemented, creates multiple checkpoints for early error detection (Izzati et al., 2023). For institutions implementing digital tools such as the SIMKEU application, accountability is enhanced through real-time transaction recording, automated reporting templates, and audit trails that reduce the scope for undocumented expenditures (Khilmi & Syarif, 2024). Research on financial management in Tahfizul Qur'an Islamic boarding schools confirms that systems implemented in a transparent, accountable manner, adhering to both regulatory and Sharia principles, produce measurable improvements in operational continuity and educational quality outcomes (Setyaningsih et al., 2025). These findings suggest that the combination of structured evaluation cycles and technology-assisted recording constitutes the most effective accountability architecture available to NFE institutions under current resource constraints.

Theme 4: Challenges in NFE Financial Management

The most pervasive structural challenge in NFE financial management is the limited availability of human resources with competence in standard accounting and bookkeeping. NFE administrators, who are typically appointed based on their educational program expertise rather than financial qualifications, frequently lack training in basic accounting documentation, fund classification, and budget variance analysis (Darma & Siregar, 2022). Research on pesantren, which function as NFE institutions, confirms that challenges to optimal financial management include limited human resource capacity, low payment discipline among student guardians, and a critical absence of financial experts within the institutional management team (Khasanudin & Muntoha, 2025). Similar findings emerge from research on course institutions in Surabaya, where the lack of structured financial management systems is identified as a direct impediment to institutional sustainability, with administrators frequently defaulting to informal recording practices that make external audits and grant compliance reporting difficult to fulfill (Sukoco et al., 2024). Building financial management literacy among NFE

administrators is therefore not merely a capacity enhancement measure but a survival requirement for institutional continuity.

Fluctuations in student enrollment constitute a second major source of financial instability for NFE institutions, particularly those relying substantially on participant fees as a funding stream. Unlike formal schools with legislatively mandated enrollment zones, NFE institutions, including LKP and community tutoring programs, recruit participants on a voluntary, demand-driven basis, meaning that enrollment, and therefore fee revenue, can shift dramatically across academic cycles, seasons, or in response to local economic conditions (Sukoco et al., 2024; Sustiyatik et al., 2023). This revenue volatility makes multi-year financial planning inherently difficult, as administrators cannot reliably project income from fees without accurate enrollment forecasting tools. Research on the dynamics of economic management in NFE programs identifies insufficient financial assistance, enrollment unpredictability, and budget reductions from the central government as the three intersecting pressures that most severely destabilize NFE institutional finances (Sustiyatik et al., 2023). For institutions without diversified funding portfolios, a single semester of low enrollment can precipitate cascading financial difficulties that threaten program continuity.

Delays in the disbursement of government assistance funds represent a third systemic challenge that disrupts the operational rhythm of NFE institutions. Government funds released through programs such as BOS Kesetaraan must be preceded by the submission of student data, activity reports from prior periods, and administrative documentation that many resource-constrained institutions struggle to compile on schedule, creating a paradox in which the neediest institutions are most likely to experience disbursement delays (Nurfitriani et al., 2024). Studies on Indonesian NFE financing consistently note that these delays force institutions to temporarily divert or borrow from other funding streams to maintain operations, sometimes leading to technical violations of fund usage guidelines that then complicate the next reporting cycle (Sustiyatik et al., 2023). The broader governance implications of this structural delay pattern are examined in research on vocational school accountability mechanisms, which identify the timeliness and completeness of financial reporting as the most reliable predictor of smooth fund disbursement in subsequent cycles (Amrullah et al., 2025). Resolving disbursement delays therefore requires both improved reporting capacity at the institutional level and streamlined approval processes at the government level.

Table 3. Challenge Category

Challenge Category	Root Cause	Institutional Impact
Limited accounting competence	Absence of formal financial training for NFE administrators	Inaccurate records; failed audits
Enrollment fluctuation	Voluntary, demand-driven participation model	Unstable fee revenue; poor cash flow planning
Delayed government fund disbursement	Administrative backlog and documentation requirements	Operational disruptions; guideline violations
Weak accountability mechanisms	Non-standardized financial practices; centralized decision-making	Loss of funder trust; reduced future grants
Insufficient government financial assistance	Central budget reductions; limited NFE budget allocations	Program curtailment; staff retention difficulties

Theme 5: Strategies and Solutions (Best Practices)

The development of independent business units and strategic partnerships with the Business and Industry World (Dunia Usaha dan Dunia Industri/DUDI) has emerged as the most resilient funding innovation documented across NFE institutional studies. At the Darul Yatama Wal Masakin (DAYAMA) boarding school, economic independence is pursued through a portfolio of foundation-managed businesses including agriculture, fisheries, animal husbandry, a gas station, and cooperatives, with the net income from these enterprises channeled back into educational operations and facility development (Josianto et al., 2024). In Pondok Pesantren contexts more broadly, the strategic development of self-sustaining business units, including banner printing services, retail cooperatives, canteens, and garment production, serves both as a financial independence mechanism and as a practical vocational education environment for students (Aripin & Nugraha, 2025). For PKBM and LKP, the strategy of partnering with local private enterprises and government agencies to obtain funding, in-kind resource donations, and enrollment referrals provides a structured pathway toward reducing dependence on government grants, which are subject to political and bureaucratic volatility

(Sukoco et al., 2024). The integration of entrepreneurial business units into the governance structure of NFE institutions represents a paradigm shift from charity-dependent to enterprise-driven sustainability.

Alongside structural funding innovation, the adoption of simple financial management applications and software has been identified as a transformative strategy for improving transparency, accuracy, and administrative efficiency in NFE institutions. The implementation of the SIMKEU application at the API Syubbanul Wathon Tegalrejo pesantren produced measurable improvements in financial recording accuracy, eliminated calculation errors prevalent in manual ledger systems, and reduced the time required to generate accountability reports for government submission (Khilmi & Syarifa, 2024). Research on strategies for financial management sustainability in Indonesian Islamic educational institutions similarly highlights the role of digital technology, including structured budgeting software and philanthropic fund management platforms, as key enablers of institutional financial resilience (Sutikno et al., 2024). For institutions that cannot yet invest in dedicated financial management software, studies recommend the adoption of simple spreadsheet-based accounting templates designed specifically for the NFE context, as even basic digital recording is significantly more reliable than informal paper-based systems for supporting audit readiness (Khasanudin & Muntoha, 2025). Technology adoption in NFE financial management is therefore not a luxury enhancement but an accessibility and governance imperative.

The synthesis of best practices across the reviewed literature reveals that the most effective financial sustainability strategies combine four mutually reinforcing pillars: visionary and financially literate institutional leadership, diversified funding sources, transparent and digitally supported accounting systems, and active stakeholder engagement. Research on PKBM Al-Islam Giwangan Yogyakarta demonstrates that visionary leadership, transparent financial management, stakeholder participation, and technology use are the four success factors that distinguish financially sustainable NFE institutions from those perpetually in crisis (Aulia, 2025). Studies on the dynamics of economic management in NFE programs further propose creative financing approaches, including private sector partnerships, philanthropic funding mechanisms, and earned income strategies, as components of a holistic financial sustainability framework applicable across diverse NFE institutional types (Sustiyatik et al., 2023). In the pesantren context, strengthening entrepreneurship and building capacity in financial management have been specifically highlighted as the key solutions to long-term

financial sustainability, solutions that carry direct relevance for PKBM and LKP administrators facing similar structural pressures (Aripin & Nugraha, 2025). These converging findings underscore that financial sustainability in NFE institutions is ultimately a function of governance quality, not merely resource quantity.

CONCLUSION

Financial management within non-formal education institutions is currently navigating a critical transition from informal, traditional practices toward structured, accountable governance. The synthesized literature demonstrates that institutions such as PKBM, LKP, and pesantren face persistent structural challenges, most notably the volatility of student enrollment fees, chronic delays in government fund disbursements, and a severe deficit in accounting competence among institutional administrators. These intersecting pressures often force NFE providers to operate in a state of financial precarity, which directly compromises their ability to deliver consistent, high-quality educational services to marginalized communities. Consequently, the reliance on single-stream funding and manual, paper-based ledgers is no longer viable for institutions seeking long-term operational stability and stakeholder trust.

Overcoming these vulnerabilities requires a paradigm shift toward entrepreneurial resilience and digital accountability. The most successful NFE institutions mitigate financial risks by diversifying their revenue through self-sustaining business units and strategic private sector partnerships, while simultaneously adopting accessible digital financial applications to ensure transparency. To facilitate this transition, policymakers must streamline the bureaucratic requirements for government grant disbursements, and capacity-building programs must prioritize the financial literacy of NFE managers. Future research should build upon these narrative findings by employing quantitative methodologies to measure the direct impact of these financial management interventions on specific educational outcomes and graduate competencies across diverse NFE settings.

REFERENCES

- Amrullah, A., Martono, T., Mafruhah, I., & Sabandi, M. (2025). Effectiveness of Financial and Non-Financial Accountability Governance in Vocational High Schools of Regional Public
- Aripin, J., & Nugraha, M. S. (2025). Manajemen Keuangan Berkelanjutan di Pondok Pesantren: Pendekatan Kewirausahaan dan Tantangannya. *Epistemic: Jurnal Ilmiah Pendidikan*, 4(1), 143–163.

- Aulia, N. A. (2025). Funding Source Diversification Strategies in Non-Formal Education: A Field Study at PKBM Al-Islam Giwangan Yogyakarta. *Wahana Islamika Jurnal Studi Keislaman*, 11(1), 69–77.
- Darma, J., & Siregar, T. R. S. (2022). Education Financing Governance in Pesantren. *2nd International Conference of Strategic Issues on Economics, Business and Education (ICoSIEBE 2021)*, 201–206. Atlantis Press.
- Hamdana, A. P., & Donna, S. R. (2024). Financial Management in Islamic Boarding Schools (Pesantren). *Indonesian Journal of Research in Islamic Studies*, 1(2), 58–64.
- Ibadi, H., Masruroh, N., & Is'adi, M. (2024). Financial Management Model in Realizing the Economic Independence of Islamic Boarding School. *The Eastasouth Journal of Social Science and Humanities*, 2(1), 26–36.
- Izzati, L. R., Ekhsan, M., Jihadi, L. A., & Styawan, A. Y. B. (2023). Implementation of Islamic Boarding School Financial Management in the Era of Society 5.0. *Mudir: Jurnal Manajemen Pendidikan*, 5(1), 43–48.
- Josianto, J., Sudirman, S., Asrin, A., Hakim, M., & Mustari, M. (2024). Educational Financing Management at the Darul Yatama Wal Masakin (DAYAMA) Jerowaru Islamic Boarding School, Indonesia. *Path of Science*, 10(3), 2059–2068. <https://doi.org/10.22178/pos.104-12>
- Khasanudin, I., & Muntoha, T. (2025). Implementasi Manajemen Keuangan dalam Meningkatkan Efektivitas Layanan Administrasi di Pondok Pesantren Nurul Hidayah Al-Amin. *As-Sulthan Journal of Education*, 2(1), 209–220.
- Khilmi, N., & Syarif, L. (2024). Evaluation of Pesantren Financial Management Through the Implementation of the SIMKEU Application at API Syubbanul Wathon Tegalgrejo Secang Islamic Boarding School. *Improvement: Jurnal Ilmiah untuk Peningkatan Mutu Manajemen Pendidikan*, 11(1), 65–80.
- Lau, E. A., Jonathan, R., Militina, T., & Gupta, S. (2024). Non-Formal Education Financing Management: Analysis of the Concept and Its Implications for Improving the Quality of Education. *Journal of Nonformal Education*, 10(2), 284–296. <https://doi.org/10.15294/jone.v10i2.13582>
- Mundiri, A., & Sanafiri, A. N. (2022). Financial Management Based on Pesantren: Centralized vs Decentralized Supply Process. *Managere: Indonesian Journal of Educational Management*, 4(2), 165–179.

- Novrita, J., Oktavia, R., & Sari, T. Y. (2025). Making 'Taman Baca' Sustainable: Lessons Learned from Community-Based Non-Formal Education in Aceh, Indonesia. *International Journal of Educational Development*, 113, 103186. <https://doi.org/10.1016/j.ijedudev.2024.103186>
- Nurfitriani, N., Yudhyani, E., Dewi, C. K., Haryadi, R. M., & Sunarto, S. (2024). Management of Financing in Community Learning Activity Centers. *Journal of Nonformal Education*, 10(2), 251–258. <https://doi.org/10.15294/jone.v10i2.12782>
- Page, M. J., et al. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *BMJ*, 372, n71.
- Pamungkas, A. (2019). Management of Human Resources in Community Learning Center to Achieve the Objectives of Social Development Goals. *Padang International Conference on Educational Management and Administration (PICEMA 2018)*, 233–235. Atlantis Press.
- Setyaningsih, R., Mandela, R. Y., & Iskandar, E. (2025). Financial Management of the Tahfizul Qur'an Islamic Boarding School in Sungai Pinang, Riau. *Studia Manageria*, 7(2), 93–104.
- Sukoco, A., Budi, G. A. S., Latif, I. N., & Bon, A. T. B. (2024). Analysis of Education Financing of Non-Formal Educational Institutions: A Case Study on Course Educational Institutions. *Journal of Nonformal Education*, 10(2), 309–319. <https://doi.org/10.15294/jone.v10i2.13771>
- Sustiyatik, E., Jauhari, T., & Gupta, S. (2023). Dynamics of Economic Management in the Context of Non-Formal Education: An Analysis of Resource Management for the Sustainability of Education Programs. *Journal of Nonformal Education*, 9(2), 207–216. <https://doi.org/10.15294/jone.v9i2.43754>
- Sutikno, A., Mahmudah, M., Ayana, R. S., Siminto, S., & Najah, T. S. (2024). Strategi Manajemen Pembiayaan dalam Menjamin Keberlanjutan Lembaga Pendidikan Islam. *Indonesian Journal of Islamic Jurisprudence, Economic and Legal Theory*, 2(4), 2120–2130.