

Financial and Asset Management of Higher Education (A Comparative Study of Universities with Legal Entities-PTNBH)

Arif Wicaksono¹, Idris²

Faculty of Social Sciences, State University of Malang, Indonesia^{1,2}

Corresponding Author: Arif Wicaksono (arif.wicaksono@um.ac.id)

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ABSTRACT

This research aims to analyze the financial and asset management practices of universities transitioning to PTN-BH status. Employing a qualitative descriptive approach, data collection was conducted through in-depth interviews, documentation, and field observations, complemented by secondary data from relevant sources. The data analysis followed the Miles and Huberman model. The findings reveal that PTN-BH institutions successfully manage financial resources and investments through structured planning in their Annual Work and Budget Plans, aligning financial goals with faculty targets. Additionally, these institutions optimize asset utilization by engaging in economic activities such as facility leasing and renting out buildings, which significantly contribute to institutional income. This study underscores the importance of efficient financial and asset management practices, providing a reference model for universities undergoing the transition to PTN-BH status. The results also highlight the potential for future research to refine and expand these practices, ensuring continuous improvement in the management of PTN-BH institutions.

Keywords: Asset Management, Financial Management, PTN with Legal Entity.



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INTRODUCTION

Legal Entity Universities (PTNBH) have the autonomy to manage their institutions as the center for implementing Tridharma (Law No.12/2012, Article 62). The autonomy granted is in the form of academic and non-academic autonomy (Law No.12/2012, Article 64, paragraph 1). The development of non-academic independence is unique to each PTNBH. The State University of Malang, which has been designated as a PTNBH starting November 2021 through Government Regulation of the Republic of Indonesia Number 115 of 2021, is still very young, of course, it needs to learn a lot from other universities that have PTNBH status, such as at Gadjah Mada University, Indonesian University of Education, and Hasanuddin University. Financing of activities at PTNBH comes from state budget funds (APBN) and funds other than APBN (PP 26 of 2015, Article 2). PTNBH can fulfill its financial performance obligations from these two sources

of funds. Funding for Legal Entity PTNs sourced from other than the state budget consists of: a). community; b). tuition fees; c). endowment fund management; d). business of the Legal Entity PTN; e). cooperation of the tridharma of Higher Education; f). management of the assets of the Legal Entity PTN; g). regional revenue and expenditure budget; and / or h). loans (PP 26 of 2015, Art. 11).

Universities to assess the level of financial performance can be said to be successful if they can finance their current obligations (for example, employee debt, debt to third parties, and taxes) with current assets (in the form of cash, banks, receivables, etc.) owned. Financial management is of particular concern because it is the line in "sustaining" organizational performance (Pradhana, 2021). The financial management of PTNs that have long had PTNBH status in supporting organizational performance needs to explore the best practices that have been explicitly implemented by each PTNBH. Financial management at PTNBH, can support organizational performance such as budget planning, human resource competencies, and financial digitization which has a big role to support revenue (Abadi et al., 2024; Raranta et al., 2023).

Law of the Republic of Indonesia No.17 Year 2003 on State Finance in its explanation states: Following the mandate of Article 23C of the 1945 Constitution, the Law on State Finance needs to elaborate the main rules set out in the Constitution into general principles which include both tenets that have long been recognized in state financial management, such as the annual principle, the principle of universality, the principle of unity, and the principle of specialty as well as new principles as a reflection of best practices in state financial management, among others: result-oriented accountability, professionalism, proportionality, openness in the management of state finances, financial audits by free and independent examining bodies.

Previous researchers have conducted research related to asset management in PTN-BH. The study of Ariyati et al. (2025) shows that asset management in PTN-BH can be an important factor to support stable finances in the organization. Meanwhile, findings from Persada et al. (2024) mentioned that strategic fund planning in PTN-BH can effectively improve organizational performance. Finally, the findings of Endawansa & Juwono (2024) mentioned that the implementation of PTN-BH on campuses in Indonesia provides financial integration to support transparent asset and financial management. Findings from previous researchers provide insight that financial management in PTN-BH can improve effective performance and support transparency.

Asset management results are a source of income for Legal Entity PTNs. (PP 26 of 2015 Article. 19), in addition to collecting tuition fees from students (PP 26 of 2015 Article. 15), with adequate asset management, it reflects adequate financial management as well. Effective and efficient asset management will reduce the institution's dependence on external funding (Setyorini et al., 2022). The purpose of this research is to examine the financial and asset management at State University of Malang and Airlangga University as PTNBH. In addition, this research also aims to analyze effective financial management patterns at PTNBH and provide recommendations to improve sustainable financial management in higher education.

METHODS

The research method used in this study is qualitative, selected for its ability to provide a comprehensive understanding of the phenomenon or case under investigation (Anggito & Setiawan, 2018). This study was conducted at Airlangga University (UNAIR) and the State University of Malang (UM), two prominent institutions in East Java that have transitioned to Legal Entity State Universities (PTNBH) due to government policy changes. These universities were

chosen because their practices in financial and asset management are critical to forming improved patterns and frameworks for similar institutions.

Primary data collection is done by observation and in-depth interviews. Observation is used to record and understand the situation in the field (Anggito & Setiawan, 2018). The main focus of observation activities is how UNAIR and UM manage finances and assets. Then, interviews were conducted to deepen the data obtained from observations (Anggito & Setiawan, 2018). This in-depth interview was conducted between informants and researchers, namely with the financial and asset managers at Airlangga University and State University of Malang. Meanwhile, secondary data collection is carried out through documentation, both from documents of evidence of implementation, as well as other essential documents that can be used to support the results of primary data, such as journals, books, and the internet (Jamil et al., 2020). The results of data collection are then analyzed and deepened.

Data analysis in this study utilized the Miles & Huberman interactive model, which is an iterative process encompassing four main stages. First, data collection involved systematically gathering information from observations, interviews, and documentation. Next, the data reduction process focused on filtering out irrelevant or redundant information, concentrating on essential aspects of financial and asset management practices through thematic coding to identify patterns and trends. The reduced data were then organized and displayed using matrices, narratives, and visual charts to facilitate clear interpretation. Finally, verification and conclusion drawing were conducted by examining the consistency and validity of the data, ensuring the findings aligned with the study's objectives and providing a robust basis for conclusions. This iterative approach ensured a comprehensive and transparent analysis process. This iterative approach ensured that the data analysis was transparent and rigorous, providing a robust foundation for interpreting the financial and asset management practices of PTNBH institutions (Syawaludin & Rintayati, 2019). The data analysis technique in this model is carried out continuously which includes collection, reduction, data presentation, verification, and conclusions (Chevallard & Bosch, 2020).

RESULTS AND DISCUSSION

PTNBH Financial Management

Legal Entity State Universities (PTNBH) manage funds sourced from the APBN and Non APBN (Tamara, 2022). Non-APBN funds include PTNBH income sourced from the community, APBD, endowment fund management, PTNBH business, cooperation in Tridharma Perguruan Tinggi education costs, PTNBH wealth management, and loans (Article 11. PP 26/2015). The PTNBH wealth source from funds other than the state budget does not go through the mechanism regulated in the State Finance Law. This is because separated state assets are not part of the scope of state finances (Raranta et al., 2023). In managing its finances, Legal Entity State Universities (PTNBH) have rules that differ from PTN-Satker and PTN-BLU (Tamara, 2022). Article 13 of Government Regulation Number 26 of 2015 explains that the Government and local governments grant the right to manage state assets to PTNBH to be utilized to benefit the development of Higher Education following legislation (Sujoko, 2020). Each College must have basic financial management regulations, which serve as the basis for preparing operational rules and procedures.

The management of PTNBH funding sources is not the same in every university. This is returned to the regulations they determine. Sources of funds from the community, such as SPP and UKT, will be returned to their respective faculties. The distribution of funds given to the faculty also varies. Generally, university faculties get a maximum amount of non-APBN funds, reaching 70% to 75%. Funds are returned to the faculty for operations, management, learners, lectures, research, and publications. Meanwhile, the University utilizes non APBN funds for operations and management only. Then, for APBN funds, the university utilizes these funds for operational

salaries for non-civil servants and all operations, whether maintenance or construction, remuneration for official travel, research and so on, which are taken from public funds.

Research from Kusumadewi & Yudianto (2024), emphasizes that the fulfillment of campus operational needs can be sourced from non-APBN such as from asset management, inter-campus cooperation, and campus-owned business entities. Meanwhile, regulations regarding PTN-BH are contained in PP No. 26 of 2015 which is the legal basis for efficient financial management (Endawansa & Juwono, 2024). Findings from Persada et al. (2024) highlighting the success of PTN-BH in utilizing non-APBN funds can help innovative institutional development. Thus, the existence of PTN-BH in the campus environment can help to develop institutions and fulfill campus needs. This is in accordance with the applicable laws in Indonesia. However, some researchers dispute these findings. Firmansyah et al. (2023) highlighted the uncertainty of UKT and different student tuition fees which led to uncertain budget allocations. Then, Ariyati et al. (2025) also highlighted inconsistent internal regulations, becoming an obstacle in the financial management of Non-APBN sources. Then, in the management of Non-APBN finances, it is often not fully integrated with the university's financial system (Kholis et al., 2023). Therefore, there is a need for effective and transparent management of Non-State Budget finances.

The planning for the utilization of financial resources at higher education institutions is outlined in the *Rencana Kerja dan Anggaran Tahunan* (RKAT). RKAT is prepared for the upcoming year, consisting of budgeting and operational planning (Akhir, 2023). The annual work plan in the budgeting field addresses issues related to an institution's budget and cash flow, as well as other resources that will be managed effectively and efficiently using principles of accountability and transparency. Good activity and budget planning significantly contribute to the effectiveness of an institution's actions (Stighfarrinata & Prabowo, 2021).

In practice, it takes a considerable amount of time to submit and receive the acceptance or rejection of the RKAT from the funding providers (Stighfarrinata & Prabowo, 2021). The preparation of the RKAT has also not been immediately approved. Each faculty member at the higher education institution can revise the RKAT and adjust it to meet the targets that need to be achieved. Additionally, a review is required to ensure the plan is relevant and meets the conditions aligned with the existing targets. The Planning and Development Board (BPP) will communicate the targets the faculties need to achieve by inviting faculty and unit leaders to a limited leadership meeting. The authority to validate lies directly with the university's rector, who then collaborates with the Planning and Development Board (BPP) and the Internal Supervisory Board (BPI).

The budgeting process in higher education institutions refers to preparing the RKAT with operational targets and BPP or PUMK, which are based on the rectorate's guidelines. The percentage of budget allocation between the university and the faculties is 70% and 30%, covering incentives, lectures, and faculty salaries. Salary treasurers are only available at the faculty level, while research and community service are for the faculties. Several financial elements are involved in budgeting at a higher education institution. One example of an economic element used is the chart of accounts (COA), where each mark is assigned an account code, ensuring that financial reports are well-organized and practical. Each activity has a mark and COA that is systematized in the financial application.

The budget allocation of funds from the university can be disbursed through available funds, direct payments, and additional available funds. Faculties have special accounts for fund disbursement. An application facilitates this process; if the fund request is made in the morning, it is usually disbursed by the afternoon, with a maximum processing time of one to two days. The university must transfer Mandatory honorariums directly, as faculties cannot process these transfers themselves. Therefore, available funds are handled in cash. Financial accountability reporting at higher education institutions serves as a source of information for strategic decision-making and as

a form of accountability to stakeholders (Kallio et al., 2022; Macheridis & Paulsson, 2021). The reporting process starts with the infrastructure department and goes to the Vice Dean 2. The routine process involves the infrastructure department submitting to Vice Dean 2, followed by registered vendors at the university. The budget is typically used for consumption and meetings at the faculty level, usually under 1 million, whereas amounts above 5 million are managed directly by the university. The faculty's funds can be used for consumption and meetings. In summary, the findings of this research are distributed in the following thematic table.

Table 1. Thematic for PTNBH fund allocation and budgeting

Source of Funds	Allocation	Utilization
State Budget (APBN)	Used for operational salaries, maintenance, construction, and research	Salaries for non-civil servants, operational costs, and other public fund-related activities
Community contributions, APBD, endowments, PTNBH business, loans	70% - 75% returned to faculties	Operations, management, learner support, lectures, research, and publications
Based on university regulations	30% retained by the university	Faculty salaries, incentives, research, and community service activities
RKAT (Rencana Kerja dan Anggaran Tahunan)	Prepared annually	Budgeting and operational planning, addressing cash flow and resource management
Available funds, direct payments	Processed within 1-2 days	Fund requests processed through an application; faculties have special accounts for disbursement
BPP (Planning and Development Board)	Oversight and reporting responsibilities	Financial accountability reporting for strategic decision-making and stakeholder accountability
Capital and maintenance funds	Integrated with RKAT	Asset utilization through rentals, facilities management, and other income-generating activities
Infrastructure department to Vice Dean 2	Regular reporting process	Used for consumption and meetings; budget amounts under 1 million managed at the faculty level

Asset Management of PTN BH

Assets are a key component in supporting a higher education institution's operational activities and management. Proper asset management is crucial to ensure that the institution's activities run smoothly (Mukhlis & Supriyadi, 2018). According to Challoumis (2024) and Kurniawan & Idris (2023), an effectively and efficiently managed asset management system can significantly support financial management. A robust internal control system is required to ensure that asset management objectives are effectively met. This system ensures that the institution or organization uses its resources effectively to manage its assets (Koerniawan, 2021).

Asset planning in higher education institutions, such as capital and maintenance, is integrated with the RKAT. Each faculty has asset managers whose activities are systematized and recorded by financial applications. Capital expenditure must be listed in the catalog and sourced domestically. The university has asset supervisors, specifically in logistics, who hand over their duties to accounting. BPI also reviews and verifies the assets first. To capitalize on assets, the institution engages in activities such as renting out buildings, managing consumption through facilities management, overseeing apartments, and catering to students. The rates are based on service standards issued by the rector. The assets that generate the highest revenue for the institution include laboratories, hospitals, travel services, buildings, consumption, apartments, and cafeterias. All university income derived from these assets is incorporated into the RKA.

CONCLUSION

The transition of higher education institutions to legal entity status, known as Perguruan Tinggi Berbadan Hukum (PTN-BH), is expected to encourage them to optimize their potential, including financial and asset management, to become independent and proactive entities. PTN-BH must be able to manage human resources, finances, and assets effectively. This study demonstrates that financial and investment management at PTN-BH has successfully operated and adapted to the autonomy they use as a reference. Funding sources at these institutions are planned in the Annual Work and Budget Plan, aligned with the faculty targets to be achieved. Additionally, higher education institutions leverage their assets through various activities, such as renting out buildings and other facilities. In summary, this study has implications for asset utilization through various economic activities, such as facility leasing, can be used as a best practice model to increase institutional income. This study can also serve as a guide for other institutions that plan to transform into PTN-BH.

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