

Implementation Model of Fundraising Strategies for Financial Sustainability in Private Higher Education

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Abstract: Limited funding sources and the increasing demand for accountable financial governance represent primary challenges for many private higher education institutions in Indonesia in maintaining program sustainability and educational service quality. These conditions necessitate a planned, systematic, and sustainable fundraising strategy as a mechanism to strengthen institutional financial independence. This research aims to analyze the implementation of fundraising strategies in supporting financial planning and management at STIPI Maghfirah, and to identify the factors contributing to their effectiveness and sustainability. STIPI Maghfirah was selected as the research site as it is a campus based boarding environment (Islamic Higher Education Institution) that provides full-scholarship education, making its operations highly dependent on the institution's ability to mobilize and manage funds from diverse sources independently. This research employs a qualitative approach with a case study method. Data were gathered through in-depth interviews with institutional leaders, fundraising managers, financial staff, and donors, and were further strengthened by field observations and documentation studies. Data analysis was conducted through data reduction, data display, and inductive conclusion drawing to obtain a comprehensive picture of the fundraising practices and financial management applied. The results indicate that STIPI Maghfirah has implemented an integrated fundraising strategy through various approaches, including event fundraising, crowdfunding, planned giving, product sales, strategic partnerships, and the optimization of digital media for promotion and fundraising. The implementation of these strategies is supported by social network strengthening, public trust building, reporting transparency, and fund management accountability through a *check and balance* mechanism. Collected funds are subsequently allocated based on systematic financial planning adhering to the principles of effectiveness, efficiency, and accountability. The findings demonstrate that the applied fundraising strategy not only contributes to meeting the operational needs of the campus-based boarding environment but also reinforces the sustainability of educational programs, enhances financial stability, and supports the institution's financial independence.

Keywords: Fundraising, Financial Planning, Financial Management, Financial Independence, Campus-Based Boarding Environment, Islamic Higher Education.

Introduction

Education plays a vital role in improving the quality of human resources, which is the foundation of the nation's progress. Although the Indonesian government has allocated 20% of the State Budget (APBN) for the education sector, the realization and effectiveness of its utilization still face various problems, including disparities in infrastructure and access to education (Aprilliantoni & Jimale, 2023).

Private schools frequently face complex financial challenges in maintaining operational sustainability. Reliance on tuition fees often places a burden on families, while government assistance (such as the BOS fund) is frequently insufficient to cover all existing operational needs (Suryadarma & Jones, 2013). These conditions necessitate more creative and strategic financial management, wherein educational institutions must be capable of optimizing funding sources beyond government aid through various planned and innovative fundraising initiatives (Fathoni et al., 2021). BOS funds, which are distributed based on the number of students, become an additional burden for small private schools. The strict online reporting requirements and the prohibition on using BOS funds for physical construction further narrow the room for maneuver in educational management (In'am & Ma'sum, 2023).

On the other hand, higher education financing still faces significant accessibility challenges. Despite the availability of government assistance programs such as BOPTN and KIP-Kuliah, persistent access gaps remain, particularly for students in private higher education institutions. Often, the primary barrier for students from low-income families is not the absence of such programs, but rather a lack of awareness regarding application procedures and uncertainty in meeting complex administrative requirements (World Bank, 2022). Several private educational institutions, such as STIPI Maghfirah, strive to provide free education through fundraising strategies. Fundraising is not merely about collecting funds; it is a participatory strategy that involves the consciousness of the community, donors, and stakeholders (Kalida & Mursyid, 2018, as cited in Hania et al., 2023).

However, not all institutions are capable of managing fundraising strategies effectively. The absence of planned fundraising strategies often leads to liquidity crises, which in extreme cases, force schools to cease operations due to their inability to cover operational costs (Hidayat et al., 2023). Therefore, good fund

management and a professional fundraising strategy are key to educational sustainability in private institutions.

For campuses or higher education institutions, there are several government assistance programs. One of them is the State University Operational Assistance (BOPTN), which is provided to state universities to support operations and improve the quality of education. BOPTN is also used to support research activities, community service, and provide Single Tuition Fee (UKT) subsidies for underprivileged students.

Furthermore, there is KIP Kuliah (Smart Indonesia College Card), which is a scholarship and living cost assistance program for students from underprivileged families, both in public and private universities. The government also provides assistance through the Higher Education Service Institutions (LLDIKTI), which provide various support and facilitation to private universities, including operational assistance and quality development.

In Indonesia, there are 172,609 private educational institutions recorded in the Ministry of Education, Culture, Research, and Technology's primary data as of September 24, 2024. Out of the many private educational institutions, some are bold and capable of providing 100% free education for underprivileged or outstanding students. However, among the schools that provide free education, some are unable to cope with funding problems due to the high operational costs incurred and the lack of income.

Quoted from the Kompas TV page with the news headline: "Concerned, Students in Tangerang Study in a School Building that is Almost Collapsing," Sinalungga P. (July 25, 2024) stated that: "Students at Madrasah Ibtidaiyah Al-Khairiyah, in Bojongloa Village, Tangerang, Banten, have been studying for years in a school building that is on the verge of collapsing. There is not a single proper classroom, and all of them are weathered by age."

Therefore, many efforts are made by private educational institutions, such as seeking donors for school income, looking for donations from the community around the educational institution, and other means to meet educational operational costs so that teaching and learning activities can continue. However, the lack of implemented strategies by these institutions for fundraising results in the discontinuation of financial income.

In the world of education, especially in private institutions, financial challenges often become a major obstacle that must be faced. Efforts to ensure operational sustainability and improve the quality of education are not easy, considering the limited funding sources available.

To overcome this, many private schools turn to various fundraising strategies. According to Kalida et al., (2014), fundraising is not merely an activity to collect funds, but also an essential part of an overall strategy that involves active participation and community awareness. With an effective fundraising strategy, schools can bridge the financial gap, support various educational programs, and create a better learning environment for students.

Fundraising strategy is not limited to the mere collection of funds; it is a strategic communication process aimed at building long-term relationships, fostering awareness, and securing support from the public and stakeholders (Kelly, 2022). STIPI Maghfirah is one of the private educational institutions committed to providing free education or full scholarships to all its students. However, this effort faces major challenges in terms of operational funding. The high expenses for facilities and infrastructure, as well as other operational costs, are often disproportionate to the income received by the campus. Therefore, STIPI Maghfirah opens donations as a supplementary funding source to maintain the sustainability and quality of the education provided.

One way to overcome these funding problems is through a fundraising strategy. Fundraising is not just about collecting funds, but it also involves the organization's ability to invite and influence external parties to care about education. With an effective fundraising strategy, STIPI Maghfirah can secure sufficient funds to meet operational needs and school development.

However, the success of fundraising heavily depends on how the strategy is implemented and managed. Good fund management will ensure that every rupiah received can be used optimally (Rafiqi et al., 2018) to support various development programs at STIPI Maghfirah. In addition, an appropriate fundraising strategy can also support the planning and management of the school's finances, allowing the institution to operate more efficiently and sustainably.

Based on this background, this study aims to analyze the implementation of fundraising strategies at STIPI Maghfirah and how these strategies contribute to the institution's financial management. The author will also write about financial planning separately from management to identify the detailed planning at STIPI Maghfirah. Thus, this study is expected to provide useful insights for other educational institutions facing similar challenges in managing their finances.

Method

This research employs a qualitative approach using a case study method. Referring to Creswell (2016), the case study design was selected because it allows for intensive and in-depth exploration of a program or process within a specific timeframe. In this study, the case examined is the implementation of fundraising strategies at STIPI Maghfirah Bogor in relation to the institution's financial planning, which is specifically designed to support the improvement of education quality within the boarding school environment as well as the optimization of Educational Human Resource Management (HRM).

Data sources consist of primary and secondary data, with informants determined using a purposive sampling technique until data saturation is reached. The research subjects involve institutional leaders, the finance department, the head of charity, and donors. The data collection process was conducted through three main techniques: open-ended, semi-structured interviews to deeply explore the informants' perspectives (Creswell, 2016); direct observation to obtain data in a natural and valid context (Patton, 2002); and documentation study by reviewing financial reports and the institution's official archives (Arikunto, 2010).

The researcher acted as the primary instrument (human instrument), supported by supplementary interview and observation guides. To ensure the trustworthiness of the findings, data validity testing was conducted using triangulation techniques (source, technique, and time) alongside member checking procedures. The data analysis technique was applied using the interactive model of Miles and Huberman (in Sugiyono, 2023), which includes four continuous stages: intensive data collection, data reduction to focus information, data display in the form of descriptive narratives, and conclusion drawing and verification.

Results and Discussion

1. Construction of the *Faith-Driven Participatory Fundraising Model*

The implementation of fundraising strategies at STIPI Maghfirah represents a paradigm shift from simple administrative fund collection to a dynamic, strategic management system. Drawing on Mintzberg's (2008) framework, these strategies serve not merely as a Plan to support the budget, but have evolved into a consistent Pattern of action and a core Perspective embraced by all organizational elements.

The institution has constructed a 'Faith-Driven Participatory Fundraising Model.' This model transcends the conventional definition of fundraising, which often focuses solely on transactional solicitation (Searing, 2020), and instead evolves into a form of social engagement that aligns donor commitment with spiritual stewardship. Participation here is not driven by coercion or specific monetary targets, but by a shared theological vision between the donors and the institution. This is highly consistent with the theory of *value-based fundraising* (Sargeant et al., 2010), which posits that organizational sustainability is deeply rooted in the alignment of values between the donor and the educational institution. The techniques employed ranging from *direct fundraising* during scholarly gatherings to asset-based *planned giving* demonstrate STIPI's capacity to diversify its funding methods multidimensionally (Sargeant et.al, 2010).

2. Synergizing Financial Management Functions for Institutional Sustainability

The financial management system at STIPI Maghfirah serves as the foundation for fundraising effectiveness. By adopting the functions of *planning, controlling, auditing, budgeting, and reporting* (Sanger & Manossoh, 2023), the institution has established a transparent and accountable mechanism.

The *maker-checker-releaser* mechanism implemented is not merely an administrative procedure, but a crucial *check and balance* instrument (Anthony & Young, 2003) for fostering public trust. From the perspective of educational financial management, the weekly evaluation of each budget line item demonstrates that STIPI utilizes *adaptive performance budgeting* (Robinson, 2013). This allows the institution to eliminate waste such as redundant office supply allocations and reallocate those resources to more critical needs. Successful, disciplined reporting on budget realization provides empirical evidence that transparency is the most effective branding tool for a philanthropic educational institution. When donors perceive that their contributions are managed with rigorous accountability, their level of satisfaction significantly increases (Sargeant, 2018), thereby fostering a sustainable cycle of recurring donations.

3. Human Resource Transformation as a Strategic Enabler

A significant finding in this research is the recognition of the need for professional fundraising human resources (HR). In the context of Educational HR Management, this function is often overlooked due to a primary focus on pedagogy. However, STIPI acknowledges that without professionals skilled in strategic communication, grant proposals, and donor relationship management, the institution's full funding potential cannot be realized.

The HR transformation undertaken by STIPI through internal training roadmaps is an adaptive step toward building both technical competence and moral integrity (*amanah*). Consistent with Haron (2016), Islamic financial management requires a balance between technical proficiency and ethical integrity. STIPI seeks to develop personnel who are not only capable of financial administration but are also adept at *value-driven storytelling* (Tempel et al., 2016). The ability to communicate the impact of educational programs is essential for attracting high-net-worth donors seeking long-term *amal jariyah* (enduring charity) opportunities.

4. Strategic Impact on the Campus-Based Boarding Ecosystem

As a campus-based boarding environment, STIPI faces unique management complexities compared to non-boarding institutions. A 24-hour operation demands consistent financial stability. The success of a fundraising strategy integrated with financial planning directly impacts institutional quality:

- a. Optimization of Facilities and Environment: Funds derived from *waqf* (clean water projects, mosque renovations, land acquisition) directly improve the learning environment. Adequate facilities within a campus-based boarding environment are key elements in creating a conducive atmosphere that enhances academic effectiveness.
- b. Academic Quality Enhancement: Stability in funding from *Islamic Social Finance* (zakat, infak, productive waqf) allows STIPI to fund *native speaker* programs and faculty research, which are often difficult to cover through regular tuition fees. This creates a distinct quality advantage for the institution.
- c. Sustainability of Scholarship Programs: Initiatives in *endowment funds* ensure that access to education for underprivileged students remains guaranteed. This maintains an inclusive yet academically competitive campus-based boarding ecosystem.

5. Synthesis of the Sustainability Strategy Model

In summary, the model applied at STIPI Maghfirah can be synthesized as the *Faith-Driven Participatory Fundraising Framework*. This model integrates rigorous financial management with inclusive Islamic philanthropic approaches. The institution's success in managing private funds, public donations, and internal business units (MILBoS and product sales) serves as empirical proof of the concept of funding diversification (Goddard et al., 2018).

The institution no longer relies on a single source of income; instead, it has built a self-sustaining funding ecosystem. By combining traditional strengths (scholarly gatherings/mabit) with modern tools (QRIS digitization/social media advertising), STIPI Maghfirah has transformed into an educational social enterprise capable of balancing pragmatic objectives (operational viability) with idealistic goals (da'wah and education). This model offers a new perspective for Islamic higher education in Indonesia: that financial independence is achievable through strategic planning that is principled, transparent, and focused on tangible societal impact.

Conclusion

STIPI Maghfirah's success demonstrates a sophisticated synchronization of Islamic spiritual values, managerial acumen, and strategic quality orientation. As a campus-based boarding environment with 24-hour operational demands, the institution has achieved financial independence not through isolated pragmatism, but through a holistically integrated governance system. This research identifies four strategic pillars for this sustainability: 1. Fundraising as Strategic Relationship: STIPI has transformed fundraising from transactional collection into robust social engagement. By positioning donors as strategic partners in *da'wah* and education, and utilizing impact-driven narratives to link contributions directly to student progress, the institution has built deep, long-term donor loyalty. 2. Disciplined Financial Foundations: The use of rigorous planning, budgeting, and auditing specifically the *maker-checker-releaser* mechanism serves as the backbone of institutional accountability. This transparency functions as a powerful branding instrument, fostering the public trust necessary to maintain adaptive, performance-based budgeting that prioritizes educational quality. 3. Organizational and HR Transformation: The institution's resilience is rooted in its ability to convert limitations into catalysts for growth. Through digital innovation, internal business development, and continuous professional training, STIPI confirms that sustainability relies on human resources capable of blending moral integrity (*amanah*) with professional managerial proficiency. 3. Integrated Islamic Philanthropy: By effectively converting *waqf*, *zakat*, and *infaq* into educational infrastructure and long-term *endowment funds*, STIPI has established a superior social enterprise model. This synergy allows the institution to meet the high costs of a boarding-based education without sacrificing accessibility for the underprivileged.

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