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Application of Accounting for Islamic Boarding School Business Unit: Study on Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Model

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30 **Abstract**

Islamic boarding schools are religious, educational institutions that should provide decent quality infrastructure facilities of economic facilities such as cooperative Islamic boarding schools. A boarding school cooperative is a monetary institution engaged in the scope of Islamic boarding schools that is required to be able to implement financial management properly. Proper financial management can be realized with good financial reports and following applicable Accounting Standards. Often Islamic boarding school cooperatives do not pay much attention to financial management in depth due to limited knowledge and experience in financial reporting. In fact, financial reports greatly affect financial management in Islamic boarding school cooperatives. This study aims to examine how the practical accounting application and its compliance with accounting standards in the financial administration section of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo, as well as to find out the importance of accounting for an institution. This research uses qualitative descriptive research methods with interviews, observations, and documentation. Accounting for Islamic boarding schools is a process of preparing financial statements in general, to produce financial information by considering the characteristics and nature of Islamic boarding schools. The findings of this study reveal that the accounting contained in the financial administration department of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo has implemented accounting even though it is not perfect. The need to improve accounting to be under applicable accounting standards by learning and evaluating the reports that have been applied.

Keywords: accounting, management, business unit, Islamic, boarding school.

46 A. INTRODUCTION

"Pondok Pesantren," called an Islamic boarding school, is an Islamic religious, educational institution aiming to educate students to understand Islamic religious values and are expected to be able to practice them in their daily lives. In today's era, with very rapid technological advances, religious education is very less in demand because, according to some people, religious education is very outdated. Therefore, Islamic boarding schools as religious institutions are required to compete with formal educational institutions to overcome the deterioration of spiritual values and moral and morals degradation in children in the current era. In the Islamic boarding school, the students learn as well as live in the boarding school. Of course, Islamic boarding schools must also have proper facilities for students so that teaching and learning activities at Islamic boarding schools can run well.

The Ministry of Religion (Kemenag) noted that the number of Islamic boarding schools in Indonesia was 26,975 units as of April 2022. All of these pesantren educate 2.65 million students. According to the province, the largest number of Islamic boarding schools is in West Java, which is 8,343 units. The second position is occupied by Banten with 4,579 pesantren. Then, there are 4,452 Islamic boarding schools in East Java. Central Java and Aceh respectively have 3,787 and 1,177 Islamic boarding schools. A total of 684 Islamic boarding schools are located in West Nusa Tenggara. Then, the pesantren in Lampung and Yogyakarta were 677 units and 319 units, respectively. Meanwhile, Maluku is the province with the least number of Islamic boarding schools, namely 16 units. Above it is West Papua which only has 18 Islamic boarding schools. Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo located in Nglumpang village, Mlarak, Ponorogo Regency, East Java 63472. Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo is one of the large huts in the Ponorogo district, with the number of students reaching 1000 students. Who dedicates that there is a fairly interesting problem with implementing Islamic boarding schools' accounting in the Islamic boarding school business unit.

The purpose of this study is to let the cooperative know how prepared they are to manage existing finances. In addition, this study aims to inform the cooperative about the feasibility of financial management in the Islamic boarding school cooperative. And provide knowledge to readers to know how the application of accounting for Islamic boarding schools in the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit. Necessary facilities such as study rooms and student dormitories are available in Islamic boarding schools. In addition, Islamic boarding schools must also have economic facilities such as cooperatives for Islamic boarding schools, which aim as a means to meet the daily needs and shopping of students in Islamic boarding schools. As an economic institution in the Islamic boarding school, the Islamic boarding school cooperative must also pay more attention to its financial statements because they are related to the cooperative's financial statements. Accounting can affect the quality of finances in Islamic boarding school cooperatives. Finance is one of the very important aspects of economic institutions. If their finances are bad, it will also negatively impact the financial institution. However, many Islamic boarding school cooperatives still do not know how to implement accounting that must be done. Therefore, the management of the boarding school cooperative often experiences problems. Due to the lack of knowledge about accounting obtained at Islamic boarding schools, there is rarely any accounting training.

In this study, the research method used is a descriptive skin research method where this method is a method based on the philosophy of positivism, where this method conducts research on an object with the researcher as a key instrument, the technique used in data collection is a triangulation technique. This inductive method will produce research that suppresses meaning more than generalization. The process of collecting data carried out in this study is documentation, that is, observing existing documents related to this study. Observation means making observations of the research object, which will be obtained later—conducting interviews with the parties concerned. Later, the data obtained from the three techniques will be combined to be processed to get results.

Islamic boarding school business units as economic self-reliance institutions are required to be able to realize the welfare of Islamic boarding schools in the economic field, both the interest of students and cooperative members and for Islamic boarding school institutions. Islamic boarding school

cooperatives are required to have good performance and be able to overcome existing problems. One of the important aspects that affect the feasibility of an institution is the financial aspect. The economic factor is very influential for the survival of an institution, including the Islamic boarding school cooperative, because with good finances, it also affects the cooperative of Islamic boarding schools. Al-Mahali Islamic Boarding School is aware of this issue. It has taken the initiative to invite speakers from the Economics Department of Pakuan University to share their knowledge on keeping financial records under accounting standards (Rusmanah et al., 2021).

The financial aspect is very important and greatly impacts economic institutions. Therefore, in economic institutions, clear financial management, and financial reporting are needed, so in economic institutions; it is necessary to have accounting that aims to manage and report everything related to finances in a monetary institution. Islamic accounting research is still in its infancy compared to Islamic banking and finance. One of the reasons is that the research being done in this area is not well-known internationally, so there are few topics of interest (Haniffa & Hudaib, 2010).

The Islamic boarding school business unit as an economic institution in the Islamic boarding school must also implement accounting which is used as a tool to manage and report all financial transactions in the Islamic boarding school business unit. Accounting plays an important role as a tool for managing finances; besides that, accounting also plays an important role in accountability for financial statements. A study shows that accounting was strongly influenced by secular Western culture through education and that educators found legitimacy in national politics (Mulawarman & Kamayanti, 2018). In Indonesia, the accounting of Islamic boarding schools has been regulated by the existence of the *Pondok Pesantren Accounting manual*, the Indonesian Islamic Boarding School Accounting System. The Indonesian Institute of Accountants, in collaboration with Bank Indonesia, made Guidelines for Islamic Boarding School Accounting which aims to empower the economy in Islamic boarding schools so that Islamic boarding schools can prepare appropriate financial statements and under applicable accounting standards. The Indonesian Institute of Accountants and Bank Indonesia issued the Indonesian Islamic Boarding School Accounting Standards (SANTRI) in to hope that Islamic boarding schools can create and implement accounting as transparent, accountable, and effective financial statements under the accounting standards. It would be interesting to analyze experts' opinions in such countries to discuss other Islamic perspectives and their relationship to Islamic accounting (Baehaqi et al., 2020).

However, Indonesia is currently in the process of converging with IFRS, which may affect Islamic accounting. Future research on his guidelines for developing Islamic accounting may interest him (Suandi, 2012). *Pesantren Accounting Guidelines* is a program that seeks to create economic independence for Islamic boarding schools. There are 3 programs made to develop the independence of Islamic boarding schools, including on the development of Islamic boarding school business units by collaborating between Islamic boarding schools. Two, there is a cooperative relationship between Islamic boarding schools through the virtual market. Three, develop a holding and standardize accounting with the Indonesian Islamic Boarding School Accounting Standards that the Indonesian Institute has made of Accountants and Bank Indonesia. With the presence of accounting guidelines for Islamic boarding schools, it is very helpful for them to compile financial reports and make it easier to manage Islamic boarding schools. Accounting for Islamic boarding schools has a clear purpose: to help increase prosperity and sustainability in professional management.

B. LITERATURE REVIEW

1. Accounting for Islamic Boarding Schools

Islamic accounting education is a new discipline that can cater to the Islamic banking education needs of students in Malaysian higher learning institutions (Amin et al., 2009). Islamic accounting scholars argue that the assumptions that underlie traditional accounting systems and are based on Western philosophies are at odds with Islamic beliefs and values (Velayutham, 2014). It is not a substantial problem if the management of business units is supported by financial reporting or simple accounting patterns. It has provided an understanding that amid the Islamic boarding school

community, an economy has been formed that develops through several activities that can provide income from production factors. However, it is still very simple, such as land (natural resources), labor (human resources), Capital (Capital), and organizing and management skills. However, the activities of the Islamic boarding school business unit (as mentioned above) still need to be re-evaluated- whether it has implemented appropriate management to plan, organize, actuate and evaluate. The existence of management accounting can make it easier to minimize the occurrence of losses in a business in the company. Management accounting also plays an important role for the company's internal parties in making or making strategic decisions and analyzing problems that will occur.

A study uncovered the influential academic actors in Islamic accounting. It categorized intellectual structures into seven currents: Waqf Accounting, Zakat Accounting, Shariah Auditing, Shariah Corporate Governance and Auditing, Various Forms of Islamic Finance, Education, and Ethics Accounting (Alshater et al., 2022). Accounting is an activity of identifying, measuring, calcifying and endeavoring an economic event and transaction producing quantitative financial information that will later be useful as a result of decision-making. Accounting is a process of identifying, reporting, and communicating an economic transaction of an entity or company to be used as information. So, Accounting is a process of documenting all economic events and transactions related to finance that will later be identified, classified, and endeavored to produce information that will be useful for making decisions and as a financial statement addressed to all related to the entity or company.

Some issues related to the socioeconomic development of the Islamic world, such as the environment, human rights, social and gender equality, and education, have been pushed out of the AAOIFI discourse. Still, they have a larger presence in guiding the development process of Islamic accounting, which may play a role. standards and ideas (Kamla & Haque, 2019). Accounting is very important for an institutional entity, including educational institutions. Because with accounting, an educational institution can make better financial decisions and overcome suspicions about an institution's financial statements, especially economic institutions. Islamic boarding schools as religious educational institutions must also implement accounting. Accounting for Islamic boarding schools itself already has official accounting standards, namely the Indonesian Islamic Boarding School Accounting Standards made by the Indonesian Institute of Accountants and Bank Indonesia. Especially for Islamic boarding school economic institutions such as the Islamic boarding school business unit, which must apply accounting as a financial report in the institution. Accounting is very important in an institution, especially economic institutions such as business units of Islamic boarding schools.

Islamic boarding schools are religious, educational institutions wherein the institution must have supported infrastructure so that the Islamic boarding school can be said to be feasible. Feasible in the sense that it is not only possible in the field of infrastructure but also must pay attention to the management and arrangement of institutions. As economic institutions, cooperatives must be able to apply financial management appropriately. Islamic boarding cooperatives often pay little attention to financial management due to their limited knowledge and experience in financial accounting (Rozaidin & Adinugraha, 2020). No exception is the management of economic activities in Islamic boarding school institutions. The most important economic activity is the financial aspect, where financial reporting reflects Islamic boarding schools' economic feasibility. Therefore, accounting manages finances to comply with existing financial reporting standards.

Islam has different worldviews that influence the socioeconomic activities of its followers. Accounting is a social system designed to reflect the nuances of society and help achieve socioeconomic goals, thus requiring a different type of accounting than traditional accounting in capitalist societies (Yaya, 2004). Ibadah, Islamic law principles state that everything is lawful except what is expressly prohibited in the Holy Quran or Sunnah (Ibrahim & Yaya, 2005). Accounting for Islamic boarding schools really needs to be applied in the business units of Islamic boarding schools so that the financial management of the business units of Islamic boarding schools is more well organized. Because with good financial management, it will make the business unit of the Islamic boarding school feasible. Since the accounting manual for Islamic boarding schools has been published by Bank Indonesia (BI) and the Indonesian Institute of Accountants (IAI) and has been enacted since May 2018, Islamic boarding

57 schools throughout Indonesia are required to start a business to improve accountability by compiling financial statements in accordance with the accounting norms applicable in Indonesia. The rule from Bank Indonesia is that Islamic boarding schools 33 are required to prepare financial statements in accordance with applicable accounting standards

In Indonesia, the 4 Indonesian Institute of Accountants and Bank Indonesia has accounting standards for Islamic boarding schools, which produce Pesantren Accounting Standards. According to 3 the Indonesian Institute of Accountants and Bank Indonesia in 2018, 4 accounting for Islamic boarding schools is a process of preparing financial statements, in general, to produce financial information by considering the characteristics and properties 37 of the following Islamic boarding schools:

- a. It needs an effort to empower the economy of Islamic boarding schools so that they can make financial reports under applicable accounting standards in Indonesia.
- b. 5 Preparing the Pesantren Accounting Guidelines as an accounting guide is not binding on Islamic boarding schools in preparing financial statements.
- c. The Pesantren Accounting Guidelines will be designed and applied to Islamic boarding schools in Indonesia. 2
- d. Pesantren Accounting Guidelines are not intended and 4 are not applied to business entities with their own legal entities, such as limited liability companies owned by Islamic boarding schools.

2. PSAK 45 for 21 Islamic Boarding Schools

3 The application of Islamic Boarding School Accounting in the Pondok Pesantren business unit of the Indonesian Institute of Accountants and Bank Indonesia makes a format for presenting the financial statements of Islamic boarding schools that have been regulated in PSAK 45.

6 Within the scope of PSAK No. 45, it is said that a nonprofit organization must meet the following characteristics:

- a. The resources of a nonprofit entity come from resource providers who do not expect 6 returns or economic benefits proportional to the number of resources provided.
- b. Produce goods and services without the aim of cultivating profit. If the nonprofit entity makes a profit, then the amount is not distributed to the founder or owner of the nonprofit entity.
- c. There is no such ownership generally in a nonprofit business entity, in the sense that ownership in a nonprofit entity cannot be sold, transferred, or redeemed, or such ownership does not reflect the proportion of the nonprofit entity's share of resources at the time of liquidation or dissolution of the nonprofit entity. 6

2 The boarding school accounting guidelines that have been regulated in PSAK 45 are that Islamic boarding schools must manage and compile complete financial statements as follows:

- a. 17 Statement of financial position
- b. Activity reports
- c. Cash flow statement
- d. Notes to financial statements.

The need for accounting standards is not much different from the norms of requirements of other types of goods, whether an object is a standard for its weight and size. The goal and objective are to make comparisons, thus minimizing social and economic costs and choosing other alternatives that a person will face in making decisions rationally. In financial accounting, sometimes one is inclined to think that accounting is useful only in making investment decisions, but that is not the only reason for creating financial statements that can produce very useful financial information. 14 The purpose of accounting information is to serve the public interest. Hence, in the Islamic context, everyone has the right to know about the impact of the organization's operations on their welfare and to be notified to all those related to the organization as a sharia requirement of how the organization's objectives have been achieved.

Accountability in Islamic accounting reports is defined as accountability to Allah (God first) and to the general public through the provision of information free of charge. Providing honest and relevant reports or knowledge is essential in this aspect of Muslim life. Accounting for Islamic boarding schools can not only be applied in their institutions. However, it can be applied in supporting institutions for Islamic boarding schools, such as economic institutions such as the business units of Islamic boarding schools. The Islamic boarding school business unit plays an important role for Islamic boarding schools as a place to shop for students and as a driver of the economy of Islamic boarding schools.

The Importance of Implementing Accounting for Islamic Boarding Schools in the Accounting Information System there are six functions, as follows:

- a. As a collection of transaction data, transaction data collection is a data capture stage. Later, the data will be reported to be used as a source document and then validated or validated to ensure the correctness of the data, after which data processing can be carried out.
- b. As a stage of processing transaction data, data from a transaction can be used as information if it has gone through data processing first. Data can be processed in various ways depending on what information is needed.
- c. As data management, there are three main tasks in data management, including storage, updating, and retrieval. Data storage can be done in the form of archives, files, or databases. An upgrade is a step in adjusting to the data that has been stored to get the latest data on operations, events, and decisions. Retrieval is retrieving data reserved for processing that can be used as information.
- d. As data control and security, data entered into processing may be lost, damaged, incorrect, stolen, or falsified. Therefore, the accounting information system's important task is protecting and guaranteeing the accuracy and authenticity of the data, including the information.
- e. In the procurement of information, the final task of the accounting information system is to convey this information to people in need.
- f. Consider that the processing system's design should reflect the organization's principles.

The basic principles of the organization that must be observed include the following. Goals in system planning and project proposals should be achieved to produce greater system progress and capabilities. Consider an adequate trade-off between the benefits of system design goals and the costs incurred. Focus on the functional demands of the system. Serve a wide variety of purposes. System design pays attention to the presence of system users.

In the description of the functions above, it can be interpreted that the accounting system plays an important role in an institutional entity. No exception, the entity of religious educational institutions of Islamic boarding schools must also apply to account for the smooth running of the Islamic boarding school entity. The business unit of the Islamic boarding school as an economic institution for the Islamic boarding school is also required to apply accounting as a tool to manage finances.

C. RESEARCH METHOD

This study used a qualitative descriptive design. Research using a qualitative descriptive format aims to describe and summarize various conditions, situations, or phenomena of social reality in the society that is the research object. And also seek to bring that reality to the surface as a characteristic, trait, model, sign, or description of certain conditions, situations, or phenomena. The type of data used in this study is data documenter, which is a type of research data that includes invoices, journals, letters, minutes of meeting results, memos, or in the form of program reports.

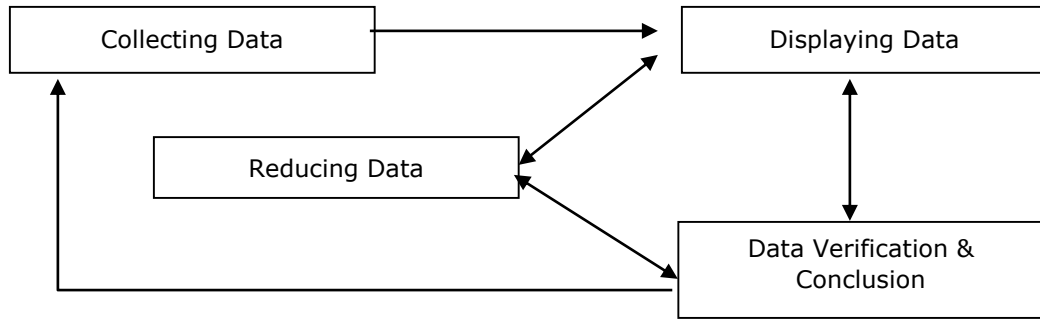


Figure 1. Qualitative descriptive flow chart (Miles dan Huberman, 1984)

The documentary data in this study is the foundation's financial statements. Meanwhile, the data source used in this study uses two data sources, namely primary data and secondary data. This descriptive research shows non-hypothesis research so that in the course of the study, there is no need to formulate a hypothesis. To answer the formulation of the problem, the analysis method used is a qualitative descriptive analysis method.

The stages in this study are:

1. Collecting data on the financial statements of the Ma'had Al-Muqoddasah Business Unit Li Tahfidhil Qur'an Ponorogo.
2. The data obtained are classified according to the accounting treatment regarding the reporting of financial statements of the Ma'had Al-Muqoddasah Business Unit Li Tahfidhil Qur'an Ponorogo.
3. Comparing the presentation of the foundation's financial statements with PSAK No.45, among others, as follows
 - ❖ Financial Position Report
 - ❖ Activity Reports
 - ❖ Net Asset Change Report
 - ❖ Cash Flow Statement
 - ❖ Notes to Financial Statements

D. DISCUSSION

1. Accounting report on Al-Muqoddasah Business Unit

Ma'had Al-Muqoddasah Li Tahfidhil Qur'an is an independent private Islamic educational institution that focuses on educating the nation's life through the Ihya'ul Qur'an. It also teaches them to read, memorize, and practice the Qur'an, to become Kamil people as expected by the Ummah and the State. The establishment of Ma'had originated from the experience of Al-Ustadz K.H. Hasan Abdullah Sahal when he studied at Madinatul Munawwaroh in the past.

Based on his experience and observations of the Tahfidh Al-Qur'an movement in Makkah and Medina, there was a desire to establish the Ma'had Tahfidh of The Qur'an. he returned to the country Indonesia; after finishing his studies in Medina, Saudi Arabia. Before realizing his ideals, he conducted comparative studies and observations at the Tahfidh Al-Qur'an Islamic boarding schools around the island of Java. The five souls are the underlying values of life in the Al Muqoddasah Ponorogo Islamic boarding school (Anggara & Faradisi, 2020).

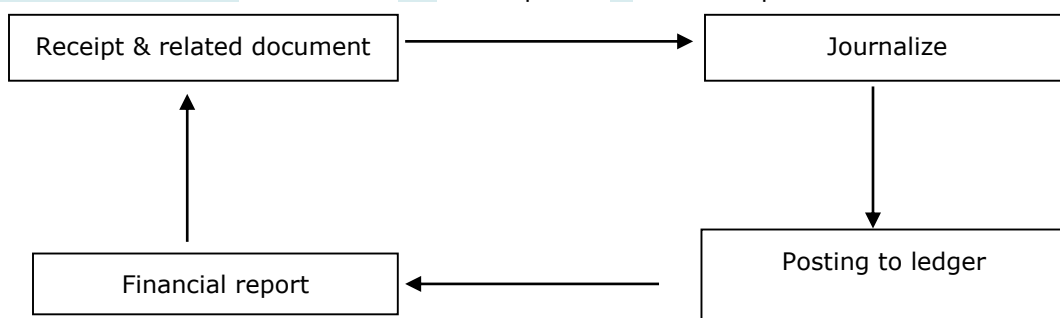
Reporting financial statements is a term commonly used by various institutional agencies and individuals, which without exception, is also used by Islamic Boarding Schools. Transaction Reporting and Financial Statement Preparation Process. The initial activity is carried out in reporting data transactions, namely data retrieval or reduction. This activity is done on data from financial transactions at the foundation. The data is like a report on income and expenses at the foundation according to the transaction date. In reporting the transactions that occur, namely reporting receipts and expenses in the cash diary, documenting all receipts and payments, then transferring to monthly statements such as monthly recaps. The income and expenditure report has been accompanied by evidence from the foundation's treasurer. The report consists of parts of income.

As for the parts of expenses, namely, consumption, health, electricity, operational, transportation, and other costs, the foundation does not compile perfect financial statements. From this explanation, the foundation is said to be less than optimal in the economic process because this business unit foundation prioritizes services to the community. This condition is under the previous theory that it is difficult to find financial statements in the foundation of business units that include nonprofit entities. The economic data is classified according to the accounts for preparing financial statements and attached to the attached sheet. The process of sorting financial data coincides with reporting and grouping transactions. The financial reports on the foundation are carried out by the treasurer, known to the general chairman. The business unit reporting receipts are reported directly from the receipt of donor donations, fixed and non-fixed. It is recognized when the business unit receives the money.

Reporting cash expenditures, reporting expenditure activities that occur from the payment of electricity costs, consumption costs, education costs, operational costs, transportation costs, and other costs. These parts are reported by the business unit in the ledger of receipts and expenditures, which is far from the provisions regulated by PSAK No. 45. In reporting, expenses are reported when the chairman of the business unit declares these costs. This business unit's distribution includes electricity, consumption, education, and transportation costs for foster children. The results of interview data to obtain information about assets in business units showed that assets are in the form of land, equipment, and vehicles owned by Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo.

Accounting contained in the financial administration of the Business Unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo based on research conducted is quite good. The financial position report, economic activity report, cash flow statement, and notes on financial statements have been applied. Even though the application is still not optimal but is still relatively good. The accounting application carried out in the financial administration of the business unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo, starting from the reporting of assets, Capital, receivables, cash, and others, can be said to be feasible. The financial administration of the business unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo reports per day, purchases per day, sales per day, cash in, and cash out per day. In addition to reporting daily transactions of the financial administration of the Ma'had Al-Muqoddasah Business Unit, Li Tahfidhil Qur'an Ponorogo also did not forget to report operational expenses and other expenses.

The reporting carried out by the Islamic boarding school business unit includes good reporting because it reports all financial activities that occur in the Islamic boarding school business unit. In addition to daily reporting of the financial administration of the Business Unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an, Ponorogo also conducts monthly recaps. This monthly recap is carried out as bookkeeping which is carried out monthly by collecting data on transactions or financial activities that have been reported per day. This monthly reporting consists of income, purchases, payables, receivables, expenses, and monthly income statements. The monthly recap carried out by the Islamic boarding school business unit aims to facilitate financial reports and clarify existing financial information. This monthly recap also provides good benefits for business units. With monthly summaries, the Islamic boarding school business unit can find out the development of each unit per month.



source: data analyzed, 2022

Figure 2. Accounting Cycle in Al Muqoddasah

2. Conformity of Islamic Boarding School Accounting Implementation

After reporting transactions, data presentation is then carried out, knowing more details about the financial programs in the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit even though it does not compile perfect financial reports. However, the researcher presents and constructs reports under the provisions of PSAK No.45 so that the financial reporting presentation is more convincing. Through PSAK Accounting for Islamic Boarding Schools, Islamic Boarding Schools must demonstrate accountability through financial reports (Prayogo et al., 2022).

This regulation can encourage creditors, donors, and interested parties to have more confidence in the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit's financial administration and lend its resources. The financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit prioritizes the best service for the community. It leaves aside financial statements as well as other nonprofit organizations.

CASH OUTFLOW	CASH INFLOW
❖ Through purchases	❖ No gains or losses
Dr. Investment property	10 Cr. Cash and cash equivalents/receivables
34 Cr. Cash and cash equivalents/debt	Dr. Accumulated depreciation
34 Cr. Cash and cash equivalents/debt	Cr. Investment property
❖ Through development	❖ Gains occurred
Dr. Property investment in development	10 Cr. Cash and cash equivalents/receivables
34 Cr. Cash and cash equivalents/debt	Dr. Accumulated depreciation
Dr. Investment property	Cr. Investment property
Cr. Property investment in development	Cr. Gain
❖ At the time of depreciation:	❖ Losses occurred
Dr. Depreciation expense	10 Cr. Cash and cash equivalents/receivables
61 Cr. Accumulated depreciation	Dr. Accumulated depreciation
61 Cr. Accumulated depreciation	Dr. Loss
❖ At the time of impairment (if any):	Cr. Investment property
Dr. Impairment losses	
Cr. Accumulated impairment	

source: data analyzed, 2022

Figure 3. Journal Illustration in Al Muqoddasah

Based on data in the field, it can be seen that the business unit of the Islamic boarding school has implemented accounting. Even though it is not perfect but has implemented the applicable accounting. It is hoped that the business unit of Islamic boarding schools can improve the reporting under applicable accounting standards in Indonesia. The management of the Islamic boarding school business unit also revealed that the profiteering they did in the business unit was still sober. With the experience and knowledge they have. The Islamic accounting literature is beginning to take hold, which provides an opportunity to examine the factors that lead to the generation of ideas and research in accounting research (Napier, 2007).

The conformity between the applicable accounting standards to the application of accounting carried out by the business unit of the Islamic boarding school is quite good. Although some implementations must be improved, they can still be said to be feasible. The Islamic boarding school accounting application carried out in the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit still needs improvement to be in accordance with applicable Islamic boarding school accounting standards. (Wirawan, 2019) stated that in the Islamic Boarding School, the financial records are aimed at accountability to Allah as the highest responsibility and making decisions related to the progress and development of the pesantren and can be used as evidence if needed.

Due to limited knowledge about the current financial reports and the absence of a dispute from the party concerned, Researchers offer several solutions to business unit managers. The solutions are by providing an understanding of Islamic boarding school accounting and providing input so that managers can consider the accounting standards of Islamic boarding schools for the advancement of Islamic boarding school business units. It is similar to the findings by (Kirowati et al., 2021) that the financial report of Al-Mujjadadiyah IBS in Indonesia includes expenses, income, and human resources. Accounting guidelines for Islamic boarding schools are still poorly understood.

The need for learning, evaluation and training on financial reports should be under the Islamic boarding school accounting standards. The application, under the applicable law, must apply the following accounting reporting standards:

1. Statement of financial position
(Assets, Current activities, Fixed activities, Current liabilities, Long-term liabilities, Capital, etc.).
2. Activity reports
(Revenue, Sales, Purchases, Expenses)
3. Income statement

Applying the income statement carried out by the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit is still inappropriate. Due to several aspects that hinder the reporting. One of them is the aspect of knowledge about reporting income statements that are lacking and the lack of training carried out. Therefore, the Islamic boarding school business unit is often wrong in calculating the profit and loss of the business unit. Even so, the business unit of the Islamic boarding school reported a fairly good profit and loss even though it was not perfect.

At the end of the year, the Islamic boarding school business unit conducts annual bookkeeping as a recap of the monthly books that have been carried out. The purpose of this yearly bookkeeping is not only to inform the financial management of the business unit for the business unit manager but also to be reported to the caregivers of the Islamic boarding school as proof of responsibility for the management of the Islamic boarding school business unit.

In addition to reporting the annual book, the business unit reports financial statements such as reports of the business unit's development. The Islamic boarding school accounting application carried out in the financial administration of the Business Unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo can be feasible. The reporting carried out by the Islamic boarding school business unit is good by applying the applicable accounting standards even though it is still not perfect. However, the financial reports in the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit are classified as good reports. It is because more than half of the accounting standards of Islamic boarding schools in Indonesia have been applied in the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit.

The accounting reports of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit have implemented several accounting standards above more than half. However, it cannot be said to be perfect, and it's just that it is worthy of being used as financial information. Even so, the financial administration of the Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo business unit in reporting its finances is good. Still, it can be even better if it is refined according to the accounting standards of Islamic boarding schools. One Islamic Boarding School, such as Khalaf Islamic boarding schools, will pay attention to the importance of intellectual Capital, both human Capital, structural Capital, and relational Capital, and networking to improve organizational values but not erase the classical boarding school tradition (Sari et al., 2020).

E. CONCLUSION

1. Summary

The importance of accounting in every institution is no exception for Islamic educational institutions such as Islamic boarding schools. Moreover, accounting is mandatory in economic institutions to manage finances in these institutions. The business unit of the Islamic boarding school as

a monetary institution in the Islamic boarding school must also apply accounting as a financial report. Some issues that concern on financial accounting report on the Business Unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo, such as the Statement of financial position (Assets, Current activities, Fixed activities, Current liabilities, Long-term liabilities, Capital, etc.), Activity reports (Revenue, Sales, Purchases, Expenses) & Income Statement. Generally, the financial accounting report on the Business Unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo has already been conducted but completed PSAK 45 yet.

2. Suggestions

The application of accounting for Islamic boarding schools carried out by the financial administration of the Business Unit of Ma'had Al-Muqoddasah Li Tahfidhil Qur'an Ponorogo can already be said to be feasible. This condition is the first step towards standard reporting by PSAK 45. In the future financial reporting and accounting will be under these standards. So that further in-depth analysis is still needed after the PSAK 45 standard-based accounting reporting awareness program is carried out and the development training of the expertise of accountants so that the reporting is better and under applicable standards.

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