



## Income Fund Governance of Legal Entity State University

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**Abstract:** Income funds of Legal Entity State Universities consist of The State Budget and Non-State Budget which can be managed autonomously. Income funds which come from the Indonesian government budget are not yet fully autonomous in their use. Therefore, the focus of the discussion is aimed at the fund governance of Non-State Budget within the scope of these management aspects: organizational structure, revenue sharing and reporting. The research uses qualitative methods, namely the phenomenological approach and direct observation of the object under study. The result of the study shows that public funds are funded by the operations of Legal Entity State Universities themselves, used autonomously in the implementation of academic and non-academic activities while still paying attention to aspects of accountability, transparency, efficiency and effectiveness. Two funding sources are managed through the budget cycle, budget execution and audited by internal auditors and external auditors. The current study's findings can help universities become more entrepreneurial, allowing them to better respond to the changing economy and social environment.

**Keywords:** *Income funds governance, legal entity state university, autonomy*

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### INTRODUCTION

In recent years various phenomena have arisen regarding higher education, namely, ranking, accreditation, lecturers, accountability and financial governance. In 2017, based on data from the Ministry of Technology Research and Higher education (RistekDikti), the number of registered university units reached 4.504 unit. This figure is dominated by private universities (PTS) which reached 3.136 units. While state universities (PTNs) are fewest units, namely 122 units. The rest are religious colleges and universities under state ministries or institutions with official systems. There are 122 state universities in Indonesia yet only eleven of them are Legal Entity Universities. Three of the Legal Entity State universities are among 500 other universities that are ranked in the QS World University Ranking. The top three Indonesian universities in 2017-2018, based on QS World University Ranking, are University of Indonesia, Bandung Institute of Technology and GadjahMada University. Each of them ranked 277, 331 and 401410 (rank shared with nine other universities) respectively.

There are 1,500 accredited universities in Indonesia, only 68 of them are accredited A. There are as many as 18,717 accredited study programs, almost 50% of them have C accreditation status. Many lecturers teach with only Bachelors Degree. This has been a long time issue that the government has been trying to solve by regulating the minimum qualifications needed for a person to be eligible to teach as a lecturer. By the 2016-2017 academic year, 119,959 lecturers have Bachelors Degree, 41,504 have Masters Degree and 21,872 have Doctoral Degree.

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The phenomenon that concerns about accountability of several State Universities is based on the evaluation/follow-up report of the Financial Audit Board. In 2017, there are still unsolved findings on the 2015 Financial Statements related to Internal Control System (ICS) and compliance.

The issue of higher education mentioned above is a challenge for universities and the Ministry of Research, Technology and Higher Education (Ristekdikti) which regulates the implementation of higher education in Indonesia. In the past, Central European Universities have faced many similar challenges, such as those faced by universities in Indonesia lately. Biedermann and Strehl (Lee, 2017; Strehl, 2010) state that in the past, Central European universities had to face many challenges such as high levels of competition, increased demands from the community, increased costs, and scarce state resources. In addition to financial factors that influence university development, Harvey and Williams (Harvey & Williams, 2010; Ozyurek & Uluturk, 2016) state demographics, new generation attitudes, new technologies, and changing labor market requirements are further factors that strengthen competition over the past 15 years. Financial factors, especially higher education income, are important factors in achieving success in improving the performance and competitiveness of universities. Sources of income from state universities (PTN) funds come from the government and the community. Public funds income called non-tax state revenue (PNBP) is the state income that must be remitted by PTN to the State Treasury. The two sources of PTN funding are PTN revenues which are budgeted by the government and their management is not autonomous. Legal Entity PTN funding sources are obtained from (a) the budget and state expenditure budget in the form of legal entity PTN funding assistance and (b) in addition to the State's income and expenditure budget. The two funding sources of the Legal Entity PTN are PTN receipts of Legal Entities that are managed autonomously and are not non-tax State revenues.

The pattern of management of State Universities is divided into (a) State Universities with a pattern of state financial management in general (b) State Universities with a pattern of financial management of public service bodies (c) Higher Education Institutions as legal entities. Based on Law No. 12 of 2012 that Higher Education (PT) has the autonomy to manage its own institutions as a center for implementing Tridharma which is carried out in accordance with the basis and objectives and capabilities of Higher Education and independently evaluated by Universities. Related to management patterns, Quyen (2014) states that governance of various types of organizations, public or private, non-profit or for-profit sectors and industries depends on the characteristics of each organization. Carnegie (2009) states governance in which authority is used by organizations in allocating and managing resources that involve policies and procedures for decision making and control over the direction and management of the organization to be effective. This refers to practices that require supervision, control, disclosure and transparency (Harris & Cunningham, 2009; Tsai & Tsai, 2017). Shattock (2006) university governance is a constitutional form and process when the university regulates its own affairs.

The implementation of higher education autonomy can be given selectively based on performance evaluations by the Minister to PTNs by implementing a pattern of financial management of public service bodies or establishing state universities for legal entities to produce quality higher education. State universities that apply the pattern of financial management of public service bodies have management and management authority in accordance with the provisions of legislation, while legal entities state universities that have separated state assets except land, governance and decision making independently, units that implement the function of accountability and transparency, the right to manage funds independently, the authority to appoint and dismiss lecturers and education staff themselves, the authority to establish business entities and develop endowments and the authority to open, organize and close study programs.

Management autonomy in the non-academic field includes the establishment of operational norms and policies as well as the implementation, organization, finance, student affairs, labor and infrastructure. Autonomy of financial governance, namely the income received by Legal Entity State University can be managed alone according to the Chancellor's rules. Legal Entity State University is a state higher education institution established by the Government with the status of an autonomous public legal entity (Fathia, 2009; Mughal, Ross, & Fearon, 2017). That university can manage their own income funds in an accountable, effective, efficient and transparent manner in accordance with the applicable rules.

Based on the description above, the purpose of this study will discuss how to manage Income Funds at Legal Entity State Universities including management aspects of non State Budget funding sources, financial management organizational structure, division of income ledger /Legal Entity State Universities income reporting.

## LITERATURE REVIEW

Rybnicek, Gutschelhofer, Suk, and Plakolm (2016) identified two management models in Central European universities: On the one hand, the traditional university model, which was established before the turn of the millennium and on the other one is of the modern university model, which was carried out by many universities in the decade around the millennium. (A) Old University Models; cameralistic accounting systems focus on the use of budgets related to norms while real needs are often ignored. Financial budgets are often planned by the government and transfers to other budget positions or the following year are not permitted (Kupper, Tropp, & Doppik, 2001). As a result, Hauser (2002) stated that institutional autonomy is almost non-existent in universities and the government tries to control more detailed details. (B) The Modern University Model; universities must become more entrepreneurial, so they can react better to the economic and social environment which keeps changing (Maria & Richard, 2004; Harding & Laske, 2016). Thus, a well-known "management-oriented element" from the private sector was established at the university to professionalize management and leadership.

Furthermore, universities must focus on efficiency and effectiveness (Ardyanfitri & Wahyuningtyas, 2016; Harding & Laske, 2016). Autonomous universities must manage and supervise themselves and can manage their own budgets. Therefore, professional management with competencies related to business management is needed, which not only considers research and teaching needs but also economic requirements (Rybnicek, Ruhr, & Suk, 2015). Such universities are not always profit-oriented, but they must have professional leadership that accepts their responsibilities (Maria & Richard, 2004). This professional management is contrary to the heavy democratic involvement of research staff at traditional universities.

Rybnicek et al. (2016) stated that in many areas intense participation from university members in the decision-making process is replaced by strong and powerful management and leadership responsibilities are transferred from the committee to the management board. This limited participation is seen as very critical by many university members.

Based on Minister of Research, Technology and Higher Education Regulation Number 50 of 2017 the development of higher education is carried out covering mission differentiation, affirmation, innovation, world class university, and deregulation. In the framework of mission differentiation, higher education has various characteristics, the direction of institutional development needs to be distinguished according to the characteristics of the institution that is directed at research universities, teaching universities, and strengthening of Teacher Training Institutions. Giving affirmations to weak universities needs to be done for the closing the gap so that the quality is not much different from the universities with good quality. Universities must innovate in achieving the targets of the tertiary tridharma that are very challenging. Research conducted, is expected to be commercially produced and utilized by users. Until the year 2025 there are at least seven Indonesian universities that are among the 500 best universities in the world version of QS World University Ranking. Regulations that hinder the increase of innovation, the implementation of programs to achieve world-class tertiary institutions, and the implementation of affirmation programs need to be deregulated.

The Ministry of Research, Technology and Higher Educations policies regarding the development plan for higher education mentioned above refers to Law No. 12 of 2012 that Universities have the autonomy to manage their own institutions within the Tridharma ideology which are carried out in accordance to the basis, objectives and capabilities of the university and independently evaluated by the university itself. The autonomy of university management is carried out based on these principles: (a) accountability, (b) transparency, (c) non-profit aims, (d) quality assurance and (e) effectiveness and efficiency. The autonomy of the management of university covers the academic and non-academic fields which can be given selectively based on the performance evaluation of state universities by the Minister by applying the Financial Management Pattern of the Public Service Agency (PPKBLU) and PTN BH or by establishing a legal entity state university. The application of autonomy in state universities in the academic and non-academic fields is as follows:

Table 1 *THE APPLICATION OF AUTONOMY IN STATE UNIVERSITIES IN THE ACADEMIC AND NON-ACADEMIC FIELDS DATA PROCESSED (2018)*

No.	Authority delegated by the government	State University Work Unit	State University Public Service Agency	State University Legal Entity
1	Financial Management	Not autonomous in financial management	Have flexibility (PNBP can be used directly)	Has a very broad autonomy both in academic and non-academic terms
2	Appointment and dismissal of employees	It is not permissible for a university to appoint or dismiss academic or non-academic staff members	Permitted to appoint professional non-civil servant employees both academic and non-academic staff members	Authorized and permitted to appoint and dismiss professional non-civil servants, academic and non-academic staff members
3	Opening of Study Program	Not allowed to open, organize or close the study programs	Not allowed to open, organize, close the study program	Authorized to open, organize and close the study programs
4	Establishment of a business entity	Not allowed to establish a business entity	Permitted to have short-term investments and long-term investments with the permission of the Minister of Finance	Authorized to open business entities and develop endowments
5	Investment	Not allowed to have investment both short term or long term	Allowed to have short term investment	To carry out investment both short term or long term

Higher Education is a level of education after secondary education which includes diploma programs, undergraduate programs, Masters programs, doctoral programs, and professional programs, as well as specialist programs, held by universities based on Indonesian culture. Higher Education is an education unit that organizes higher education. Higher Education has the autonomy to manage its own institutions as a center for organizing education, research and community service (Tridharma).

Autonomy of Higher Education management covering academic and non-academic fields. Management autonomy in the academic field includes the establishment of operational norms and policies and the implementation of the Tridharma. Management autonomy in non-academic fields includes the establishment of operational norms and policies as well as organizational, financial, student affairs, labor and infrastructure facilities (Law 12/2012) ([Indonesia Higher Education Law, 2012](#)).

Funding Legal Entity State University can be sourced from the state budget for revenues and expenditures and in addition to the state budget (Indonesian Budget). Furthermore, what is meant by other than the state budget is sourced from the community, tuition fees, management of endowment funds, legal entity state universitys business, University Tridharma cooperation, Legal Entity State University wealth management, regional income and expenditure budget and/or loans. Thus the income in the Legal Entity State University (PTNBH) which can be managed by itself consists of 9 (nine) types, namely from the community, education costs, endowment fund management, Legal Entity State Universitys business, University Tridharma cooperation, Legal Entity State University wealth management, regional income and expenditure budget and/or loan. Legal Entity State University income management must be accountable, effective, efficiency, transparent and non-profit.

## METHODOLOGY

Type of this study is a qualitative research. According to [Creswell and Creswell \(2017\)](#) Qualitative research is a mean for exploring and understanding the meaning of individuals or groups ascribed to a social or human problem.

Whereas according to [Moleong \(2010\)](#) qualitative research is intended to understand the phenomenon of what is experienced by the research subject such as behavior, perception, motivation, actions etc., holistically and by means of descriptions in the form of words and language in a specific context natural and by utilizing various natural methods. So the researcher can interpret the data obtained ([Creswell & Creswell, 2017](#)).

This study uses an interpretivist paradigm which aims to interpret and understand accounting phenomena ([Triuwono, 2013](#)). This research method is a phenomenological approach, which is trying to understand the meaning

of various events and human interaction in a specific situation (Sriwinarti & Triyuwono, 2012). The steps taken to conduct this research are carried out by observing the conditions that exist in an environment to be studied. Which observations according to Sriwinarti and Triyuwono (2012) researchers make observations are to present a realistic picture of behavior or events, to answer questions, to help understand human behavior, and to make measurements on certain aspects of feedback on these measurements.

## RESULTS

In the five years since the establishment of the state university legal entity in 2013, there has been an important change in university management, namely the application of new public management concepts that renew and modernize public administration. With the application of the new concept of public management instruments and mechanisms undergo changes including statute, organization and financing and goal orientation. All state universities of legal entities (eleven state universities) have statutes stipulated by government regulations for each university/institute. Thus the reference in planning, developing programs and carrying out functional activities in accordance with the objectives of each university/institute. University organization which to organize academic and non-academic activities, a public institution organization of legal institutions is required. The organization consists of (a) the board of trustees as a policy-making element that carries out the functions of determining, considering the implementation of general policies and non-academic supervision. To carry out the non-academic supervision function, the trustee assembly forms an audit committee (b) the leader of the college as an academic implementing element to carry out the management function of the university and is responsible to the trustee c) the academic senate that carries out the policy of giving consideration and supervision in the academic field.

Financing and goal orientation are changed to goal-oriented budget allocations (block grant budgets). The government is no longer involved in the details of the budget and financing, for which the university must plan funds independently and at their own risk. As a result distribution is no longer with the government but in universities. Control and management change from input-oriented (available money) to output-oriented. Thus it will have the effect of encouraging the academics to contribute to the university's objectives agreed with the government. But the implementation to date, in managing income funds must still follow the State's financial laws stating that state finance is all state rights and obligations that can be assessed with money, as well as everything in the form of money and in the form of goods that can be used as state property due to the implementation of these rights and obligations (Law 17/2003) (Law of Republic of Indonesia, 2003). In the Act, it is also stated that the wealth of other parties obtained using the facilities provided by the government is state income.

### *The Management of Sources Income*

In the Legal Entity State University, the sources of income which are the funds to run operational activities both academic and non-academic consist of 2 (two) funding sources, namely Indonesian Government Budget and Non-Government Budget (Government Act 26/2015) (Nur, Widodo, & Mutiara, 2018).

Indonesian government budget are sources of funds obtained from government budget is called with the aid of legal entity state university funding. Sources of funds obtained from non Government Budget are often also referred to as Community Funds or often also referred to as Community Funds. This is related to the sources of funds obtained not related to the state budget. The two sources of funds are not non-tax state revenues. Therefore the use of these two funding sources should be used in accordance with the university's mission, objectives and strategic plans. However, the Indonesian government budget can only be used to fund operational costs, non-government employees lecturer fees, non-government employees education staff costs, investment costs and development costs.

So that Legal Entity State University may manage the two funding sources themselves. Community Funds are funds sourced from non-state budget consisting of the community endowment, education costs, management of endowment funds, Legal Entity State Universitys business, university Tridharma cooperation, Legal Entity State University wealth, regional income and expenditure budget and/or loans (Government Regulation 26/2015) (Nur et al., 2018).

In the management of income funds must uphold the principles of state financial management, because all of these revenues are part of state finance (Law 17/2003). The rule contradicts the autonomy possessed by higher education institutions based on law 12 of 2012. As a result, management of public institutions is often treated as a source of income for state universities in their own legal entities where the income funds are used directly to fund



programs and activities in accordance with the work plan and annual budget. So that the management of state higher education institutions' income is still different because there are differences in the rules made by the chancellors of each state institution in interpreting the differences between the two laws. Because of the autonomous nature of the management of non-academic matters, the public funds or income can be used by Legal Entity State Universities in accordance with Annual Action and Budget Plans. However, something that must be considered here is the efficiency and/or effectiveness of the management of nonstate budget funds. So that all income and expenditure of funds sourced from Non-State Budget can be held accountable. The financial management cycle includes planning and budgeting, implementation of the budget (treasury, accountability, accounting), and auditing.

#### a. Planning and Budgeting

Budgeting of civil servant salary funds and operational assistance sourced from the State Budget and processed by state higher education Legal entities through the preparation of work plans and budgets in an integrated manner on work plan documents and ministry/agency budget, discussed (review) by the Inspectorate General. Furthermore, the Ministry of Research and Technology and Higher Education proposes to the Minister of Finance and discussions with the House of Representatives.

Then the state higher education of legal entity obtains a salary Implementation Budget List as the basis for carrying out the payment activities for civil servants' salaries. For state higher education of Legal Entity operational assistance, it is included in the RistekDikti DIPA in accordance with the work plan set by the government. In contrast to budgeting, funds other than the APBN are processed through the participation of all the leadership elements within the university through planning and development meetings (Musrenbang).

Budgeting is based on the mission, strategic plan and objectives of the respective legal entity PTN. Musrenbang generates estimates of income and expenditure from each work unit within the Legal Entity PTN. The budgeting document for tridharma's operational activities is called the annual budget work plan (RKAT) which is submitted to the Legal Entity Board of Trustees (MWA). Subsequently it was proposed to the Minister of Research and Technology to get the ceiling of funds from the State Budget. After that the MWA determined RKAT as a reference for the implementation of PTN BH's tridharma operational activities.

#### b. Budget Implementation

In implementing and organizing work plans and budgets (RKAT), higher education is required to manage funding originating from the APBN and other than the APBN and the use of these income funds in accordance with the established RKAT.

##### 1. Fund Revenue

Fund income includes income from funds from the state budget and income from funds other than the state budget. Fund revenues from the state budget for civil servant salaries are processed by submitting a Direct Payment Request Letter (SPM LS) by the Chancellor, then the Ministry of Finance transfers salary funds to PNS accounts. Revenue from operational assistance funds is processed by requesting funds to the Director General of Higher Education by the Chancellor, then the Director General of Higher Education submits to the Ministry of Finance. Based on the submission, the Minister of Finance transfers funds through a block grant directly to the Rector's account. Fund income other than the APBN is processed by transferring funds to the Chancellor's account that has been determined by the Partner/funder.

##### 2. Use of Funds

Legal Entity PTNs in implementing programs and activities resulting in the issuance of legal entity PTN money must refer to and comply with the RKAT document. New payments are made after the item is received with the mechanism of Direct payment (LS) or Petty cash.

#### c. Payments for Civil Servant Salaries

Funding for civil servant salaries is financed from state budget funds. Payments for civil servants' salaries use direct payments (LS), namely the Human Resources department processes the civil servants salary list, then the salary list is submitted to the commitment maker (PPK) to verify substantive and formative documents and calculations. Furthermore, the verified documents are submitted to the examining officer to pay (PPSPM) to be tested formatively, then a direct payment order (SPM LS) is made and submitted to the Ministry of Finance. Direct disbursement of funds (SP2D LS) issued by the Ministry of finance to be submitted and transfers of PNS accounts.

### **Financial Management Structure**

In carrying out the income management tasks in Legal Entity State Universities the first thing to note is the arrangement of an organization that manages the income. The organization must be able to carry out duties and obligations in accordance with the mission of the organization.

The structure of such organization must prioritize in implementing the principles of effectiveness and efficiency in using the existing human resources. Because of the importance of managing this income, we need human resources who are not only capable in managing income but also understand the characteristics of income funds of Legal Entity State Universities.

The financial management structure consists of Director of Finance, State Budget Treasurer and Non-State Budget Treasurer. See the chart below:



Figure 1 *Financial management structure*

The efficiency and effectiveness of the organizational structure should be taken lightly. The more inefficient the number of human resources in the financial organization, the more difficult it is to achieve the financial objectives of Legal Entity State Universities due to the difficulties in coordination.

From the structure above, the utmost concern needs to be put on the accountability of the Non-State Budget Treasurer. Because this position is responsible for managing all types of incomes which are sourced from all Legal Entity State Universities activities.

### **Recording of Income Funds Ledger**

Income funds are recorded in the general ledger according to the type and to be managed separately. By such way, it can be known how much Legal Entity State Universities earn from the various sources of incomes. These accounts play a pivotal role in managing income funds.

Table 2 *DIVISION OF LEGAL ENTITY STATE UNIVERSITY INCOME FUNDS LEDGER*

Ledger	Type of Income
A	Community Funds
B	Tuition Fees
C	Endowment management
D	Legal Entity State Universitys Business
E	Legal Entity State Universitys Cooperation
F	wealth managementLegal Entity State University
G	Regional Government Budget
H	Loan

In the management of income fund sources Legal Entity State University, all receipt and expenditure accounts to be within one Bank Account. So that the functions and roles of the bank accounts are not only as depositors. The most important thing is the implementation of bank financial reconciliation.

In carrying out bank reconciliation, every account in the income from A-H must carry out bank reconciliation. So that the real value will be seen in the bookkeeping of each income account, both received and issued. So that in the bookkeeping the income accounts have 2 (two) books, namely bookkeeping of incomes and bookkeeping of expenses, each is held by the treasurer aide. The procedure that must be carried out by each of these books is by the recording of the evidence of the existing transactions. So that a good and accountable accounting process will be created. Bank reconciliation is carried out by people who are not related to a bank or unit outside the Finance Directorate. thus fraud committed by the recipient's treasurer or expenditure treasurer can be detected as early as possible and the Finance Director can provide reward and punishment to the treasurers. The process of recording of both receipt and expenditure is done by obtaining transaction proof. Then the official reports of receipt or expenditure are accompanied by internal numbering. So that the history of each transaction can be recorded in the treasurers books.

The procedure for income funds is as follows:

- An outside party that has deposited funds to the Bank submits deposit evidence to the receiving treasurer
- The Receiving Treasurer verifies the proof of receipt and submits it to the Director of finance
- The Finance Director conducts authorization and is sent to the assistant treasurer of receipt to be given an internal number and recorded in the ledger in accordance with the type of receipt
- Bank reconciliation is carried out periodically to match the bank statement with Bank records so that the correct balance is known
- Treasurer receipts make reports periodically and submit to the Finance Director for accountability and decision making.

In the procedure of incomes and expenses above, all mandatory incomes and expenses are authorized by the treasurer and director of finance. This is intended to be a good effort of internal controls. So that the internal controls will be organized with a pattern like this. All evidences must be recorded manually or electronically within internal records. Thus is the reason the internal controls are designed to achieve good financial reports and compliance (Murwanto, Budiarmo, & Ramadhana, 2012). Reporting of both income and expenditure should be carried out periodically.

### ***The Report of Income Funds Legal Entity State Universities***

The reporting of income funds legal entity state university must be done in several stages. Every income reporting in Legal Entity State Universities must be carried out through 5 (five) periods: daily, weekly, monthly, quarterly and annually. So that each process pertaining the income funds of Legal Entity State Universities can be monitored regularly by the leader.

The report must separate each income fund account of Legal Entity State Universities which subsequently will be consolidated later on. The income must be presented on an actual fashion, so that all incomes will be seen accurately. In every weekly report, bank reconciliation of the existing income must be included.

All Legal Entity State Universities performance reports and financial statements must be submitted to the Government through the Ministry of Research and Higher Education and audited by the Public Accountants Office (PMK.139 of 2015) (The Regulation of Minister of Finance , 2015). Besides handing them to the government, the financial statements of Legal Entity State Universities must also be kept for next years evaluation.

Every midterm and the end of the year the accounting department prepares financial statements as accountability and transparency. Statement of accounting standard number 45 is a reference in the preparation of these financial statements. The internal auditor periodically audits the financial statements and produces recommendations to immediately follow up on the recommendations. External Auditors conduct an audit of the presentation of financial statements and performance.

## **DISCUSSION**

The Income Funds Governance of State Budget is based on the applicable State Finance legislation. This is suitable with the statement of Maria and Richard (2004) stating that institutional autonomy is almost non-existent in universities and the government tries to control more detailed details. While the management of Non-State Budget income funds is based on the Chancellor's regulations made by each Legal Entity State University. Universities must



become more entrepreneurial, so they can react better to the changing economy and social environment (Maria & Richard, 2004; Harris & Cunningham, 2009). Thus, a well-known "management-oriented element" from the private sector was established at the university to professionalize management and leadership. Furthermore, universities must focus on efficiency and effectiveness (Harris & Cunningham, 2009). Autonomous universities must manage their own institutions and can manage their own budgets. Therefore, professional management with competencies related to business management is needed, which not only puts concern on research and teaching needs but also on economic requirements (Rybnycek et al., 2015).

### LIMITATION OF THE STUDY

Universities are divided into two categories, namely State Universities and Private Universities. State Universities are divided into three smaller categories, namely Work Unit State Universities, State Universities which are managed through patterns of Public Service and Legal Entity State University. This study focuses on Legal Entity State Universities and how they manage financial aspects of state budget income funds. The non-state Budget funds income aspect is not discussed here because Legal Entity State Universities (11 State Universities) are currently still fighting for the revision of autonomous financial rules.

### CONCLUSION

Income Funds Governance of Legal Entity State Universities can be managed autonomously. In its implementation, such autonomy is carried out in accordance with the ideology, objectives and capabilities of the each university. This autonomy is carried out based on the principles of accountability, transparency, non-profitability, quality assurance, effectiveness and efficiency. Two sources of income in legal entity state universities are state budgetis called with the aid of legal entity state university funding and non-tax revenue. Sources of income in Legal Entity State Universities from non-tax revenue consist of 9 (nine) categories, namely from the community, education costs, management of endowment funds, Legal Entity State Universities business, Tridharma University cooperation, Legal Entity State Universities wealth management, regional income and expenditure budget and/or loan.

The arrangement of organizational structure related to the financial management of Legal Entity State Universities must put emphasis on efficiency and effectiveness, so there will not be any issues due to too many employees being involved in the financial organizations. The income management organizational structure in Legal Entity State Universities should be clear so it is necessary to divide the tasks into competent employees, so that they can carry out their duties and functions as managers of income funds. The reporting of income funds at Legal Entity State Universities must be done every day, weekly, monthly, quarterly, every semester and yearly. The income report must be made and reported to the finance director as an evaluation and correction of the rising and falling sources of income from Non-State Budget funds. With the income report, the finance director will easily take all decisions related to managing the expenditure of funds sourced from Legal Entity State University income funds.

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