

## Hajj Financing Transparency in Islamic Cooperatives: Evidence from KSPPS Artha Bahana Syariah

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### ABSTRACT

*Transparency in the management of Hajj bailout funds is a crucial aspect for Islamic financial institutions to enhance customer trust and understanding of the contracts used. However, in practice, there are still challenges in conveying information related to costs, contract mechanisms, and the inherent risks of this financing scheme. This study aims to analyze the implementation of transparency in Hajj bailout funds at KSPPS Artha Bahana Syariah and to examine the institution's compliance with Islamic accounting standards, particularly PSAK 107.*

*This research employs a qualitative method with a transparency-based approach to analyze information disclosure in Hajj bailout financing. Data were collected through in-depth interviews, direct observations, and document analysis related to Hajj bailout financing. A triangulation technique was applied to ensure the validity of the data obtained.*

*The findings indicate that transparency in Hajj bailout financing at KSPPS Artha Bahana Syariah still faces obstacles, especially in delivering information concerning costs and risks to customers. Although the institution has attempted to apply Sharia principles through the ijarah contract, improvements in information disclosure are still needed to align with PSAK 107 and enhance customer trust.*

*The benefits of this research include providing strategic input for KSPPS and other Islamic financial institutions in strengthening the implementation of transparency principles, particularly in Hajj bailout financing products. The practical implications suggest that this study can serve as a reference for regulators, academics, and Islamic finance practitioners in developing guidelines and policies that support greater information disclosure and compliance with Islamic accounting standards.*

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## Introduction

The Hajj is a fundamental pillar of Islam, required of every Muslim who has the physical and financial means to undertake it. Nonetheless, the accurate Hajj registration fee and the duration of the waiting period pose significant challenges for the Indonesian population. (Fatmah et al., 2023). Several would-be pilgrims have sincere intentions but decide to delay their journey due to financial constraints (Nandavita & Islahuddin, 2022). To solve it, sharia financial institutions such as KSPPS (Koperasi Simpan Pinjam dan Pembiayaan Syariah) provide hajj advance fund solutions that enable people to register for the hajj earlier while remaining guided by Islamic law (Sulistyowati, 2022).

KSPPS is a sharia microfinance institution that operates as a cooperative and collects money from members in line with Islamic law (Sofian et al., 2023). The existence of KSPPS is now recognized as an affordable option that complies to Islamic law, especially to the lower-middle class people wishing to go on the Hajj fund (Lasmawan, & Suastika, 2023). Besides KSPPS, several Islamic banks in Indonesia, such as Bank Syariah Indonesia (BSI), Bank Mega Syariah, and Bank Muamalat, are offering similar products to accommodate the community's need to perform the Hajj fund in pleasure (Isa Kholili, 2023).

KSPPS Artha Bahana Syariah is a sharia financial institution that provides hajj loans. Based on internal data, customers for the pilgrimage finance fund have fluctuated in recent years: 54 consumers in 2022, rising to 369 in 2023, and subsequently declining to 237 in 2024. This volatility indicates a variation in public trust towards the pilgrimage fund product, possibly impacted by factors such as information transparency, understanding of the contract, and disclosure of associated costs and risks.

Transparency in sharing information represents a moral responsibility and a component of the implementation of Sharia principles that emphasize justice and honesty. Compliance to Sharia accounting standards, such as PSAK 107, is essential for ensuring financial procedures that adhere to Sharia principles (Panjaitan & Adam, 2022). Additionally, transparency is crucial as it applies to the public's trust in Islamic financial institutions (Ningsih et al., 2023).

nevertheless, several previous studies have proven how the implementation of transparency in hajj fund products is not optimal, especially in the framework of Islamic cooperatives. According to the research written by (Faruq & Wahyuni, 2023), the application of PSAK 107 in the financing of hajj funds at Islamic Banks finds difficulties, especially in transaction documents and recognition of revenue, which are not compliant to the legal standards. Tho'in et al., (2016) found that the implementation of hajj funds at BPRS has not entirely adhered to DSN-MUI Fatwa No.29/DSN-MUI/VI/2002, especially concerning the application of multi-service lease agreements that are contradictory with the fatwa. (Wahyuni, 2023) similarly found that the implementation of ijarah financing at Koperasi Syariah Harapan Sejahtera has not entirely adhered to PSAK 107, especially regarding application, procedures, and accounting documents.

The limitations of previous studies indicates that the implementation of transparency in pilgrimage fund products is still not optimal, and there is a gap between literature and practice that requires additional research. In contrast to previous research that focused

mainly on Islamic law aspects, such as which researched by (Pratami, 2020). Previous research has also pointed to discuss aspects of compliance with DSN-MUI fatwa (Tho'in et al., 2016; Umaroh & Fajar, 2024; Wahyuni, 2023). However, it has not yet been thoroughly investigated how information transparency in hajj fund products at sharia cooperatives is evaluated and how it's in compliance with PSAK 107 as a reference for ijarah accounting in sharia financing.

This study provides a unique approach by examining the transparency of information in the hajj fund fund products at Islamic cooperatives and assessing their adherence to PSAK 107 as a reference for ijarah accounting in Islamic financing. This research differentiates its own by measuring the transparency of information in pilgrimage fund products at Islamic cooperatives and assessing their adherence to PSAK 107. In this context, this research states three primary concerns that require investigation. Initially, this research investigates the application of the ijarah contract in hajj fund at KSPPS Artha Bahana Syariah, with a focus on the contract's function as the primary foundation for Sharia-based transactions. Secondly, this research investigates the extent of transparency in the management of hajj advance funds, which encompasses the recording, reporting, and disclosure of financial information. The objective is to guarantee that each stage of fund management is conducted with honesty and accountability. Third, this study assesses whether the financial reports of the pilgrimage fund have met the standards of transparency outlined in PSAK No. 107, thereby enabling customers to access financially transparent and reliable information.

Consequently, this research is expected to have practical implications for enhancing customer trust in Sharia cooperatives and improving governance, in addition to contributing to the development of Sharia financial literature and Sharia accounting practices in microfinance institutions.

## **Literature Review**

### **Financial Transparency in Sharia Financial Institutions**

Financial transparency in Islamic financial institutions is a crucial aspect that ensures financial information is conveyed clearly, accurately, and is easily accessible to various stakeholders, such as members, customers, and regulators (Alazemi, 2021). This principle reflects responsibility in fund management and plays an important role in maintaining public trust in Islamic financial institutions (Nazori et al., 2024). In Islamic teachings, financial transparency is part of accountability and justice, where every transaction must be conducted openly, honestly, and free from elements of uncertainty (gharar) and deception (tadlis) (Mukaromah et al., 2024). The implementation of transparency in Islamic financial institutions encompasses various aspects, such as the preparation of informative financial reports, the use of funds in accordance with Sharia principles, and compliance with applicable regulations. In addition, this transparency is also realized through regular audits and supervision by the Sharia Supervisory Board (DPS) to ensure that all operational activities of the institution remain in accordance with Sharia regulations (Wijandari, 2024). With optimal transparency, the risk of fund misuse and moral hazard can be reduced, thereby maintaining the stability and sustainability of the sharia financial system (Salman, 2023). In terms of hajj fund, financial transparency is essential so that prospective pilgrims

clearly understand the financing mechanisms used, including the contracts applied, administrative fees charged, and the refund process (Panjaitan & Adam, 2022). Sharia financial institutions must provide detailed information regarding the sources of funds used, ensuring that they do not contain elements of usury or practices that are contrary to Sharia (Hasibuan et al., 2022). With the implementation of good transparency, the level of public trust in the pilgrimage loan service will increase, and it will ensure that this financing scheme truly benefits the pilgrims without imposing a financial burden that is not in accordance with Islamic principles (Salman & Mujahidin, 2022).

### **Hajj Fund**

In the context of buying and selling, hajj fund refers to the role of an intermediary facilitating the transaction, while hajj fund means providing financing to pay for a necessity or purchase with payment made in the future (Ahnert & Perotti, 2021). Hajj financing is a financial product provided by Islamic financial institutions to assist prospective pilgrims who do not yet have sufficient funds to pay the required initial deposit for Hajj. Through this mechanism, Islamic financial institutions cover the initial deposit payment to the Hajj Financial Management Agency (BPKH), while prospective pilgrims repay the funds according to the agreed-upon terms (Hulwati et al., 2023). In Islam, this financing must be free from elements of *riba* and *gharar*, so the National Sharia Council – Indonesian Ulema Council (DSN-MUI) has regulated the provisions in Fatwa No. 29/DSN-MUI/VI/2002, which allows bridge financing as long as it adheres to sharia principles, including the determination of administrative costs based on real costs (Ridwan & Vania, 2023). The contracts used in hajj fund can be *qardh*, *murabahah*, or *ijarah*, each having different mechanisms for fund provision and repayment (Habibi, 2024). The *ijarah* contract is applied in the form of hajj registration management services where Islamic financial institutions provide the service and cover the initial deposit, while prospective pilgrims pay for these services in instalments (Sari et al., 2022). With the availability of hajj fund, prospective pilgrims can immediately obtain their departure quota without having to wait until their funds are sufficient, thus providing ease in planning their pilgrimage in accordance with Sharia principles (Wardana & Suhartini, 2023).

### **The implementation of PSAK 107 in the Hajj Fund**

Statement Financial Accounting Standards (PSAK) 107 is a standard that regulates accounting for transactions based on *ijarah* contracts, which are lease agreements in Islamic finance (Yasmina & Nurdiansyah, 2022). In the context of hajj fund, PSAK 107 plays a role in ensuring that the accounting records for these transactions are conducted transparently and in accordance with Sharia principles (Rahmah et al., 2023). Islamic financial institutions that provide hajj fund often use the *ijarah* *multijasa* contract, where they cover the initial pilgrimage deposit while also offering pilgrimage registration services (Usman, 2022). Based on PSAK 107, *ijarah* transactions must be recorded as the provision of services, not as loans or interest-bearing debts, so the income earned comes from rental or service fees, not from interest or usury (Iswanaji et al., 2022). In accounting records, financial institutions will recognize *ijarah* receivables at the amount to be paid by prospective pilgrims, while service revenue is recognized proportionally according to the agreed-upon contract period.

In addition, the costs incurred from providing services, such as administration and operations, must also be recorded as expenses (Sukmaningrum & Yazid, 2022). With the implementation of PSAK 107, the financial statements of Islamic financial institutions can more clearly and accountably reflect the transactions of hajj fund advances and ensure compliance with sharia principles in the management of this financing (Faza' & Badwan, 2024).

### **Research Methods**

This study uses a qualitative method with a transparency framework to analyze the availability of information on hajj financing at KSPPS Artha Bahana Syariah. This method was selected as it enables an in-depth review of the transparency issues in the implementation of ijarah contracts in compliance with the terms of Financial Accounting Standards Statement (PSAK) No. 107. This method provides the research to identify and evaluate the essential elements of transparency in hajj financing procedures.

The data for this study was collected through three primary methods: interviews, observations, and document analysis. Interviews were conducted with managers and personnel engaged in financial management to acquire a thorough understanding of the adoption of transparency in the process. Observation was conducted to directly assess the application of information transparency in financial operations. A documentation analysis was performed by analyzing financial reports and related papers to assess the compatibility of transparency policies with relevant standards. The participants in this study were intentionally selected due to their direct involvement in the operational financing of the pilgrimage fund. The informants include operations supervisors, finance department personnel, accounting staff, and several current clients utilizing the software.

The integrity of the data in this study is guaranteed through data triangulation, which entails comparing the results of interviews, observations, and document analyses to confirm the validity and reliability of the acquired data. The data triangulation procedure involves integrating interview results with observations and verifying it through documentation analysis to ensure data consistency. The data analysis employed a qualitative descriptive methodology, including three primary stages: data reduction, narrative presentation, and conclusion formulation based on research findings.

This study aims to enhance comprehension of transparency in the administration of pilgrimage fund loans and to discern the factors affecting its execution at KSPPS Artha Bahana Syariah.

### **Results and Discussion**

#### **The Application of Ijarah Contract in Hajj Financing at KSPPS Artha Bahana Syariah**

KSPPS Artha Bahana Syariah implements the ijarah contract in its hajj fund product as an innovative approach to help those seeking to get their hajj quota number in early. The ijarah contract, a lease or service provision agreement between the cooperative as the service provider and the customer, facilitates financing, enabling customers to immediately get their hajj quota through a mutually agreed payment system in line with sharia principles (Kusumasari et al., 2024). KSPPS Artha Bahana Syariah's implementation complies to



various relevant regulations and legal standards, including Minister of Cooperatives Decree No. 8 of 2023, which regulates sharia cooperatives in accordance with Islamic economic principles, and the Financial Sector Development and Strengthening Law (P2SK), intended to ensure the stability and regulatory compliance of sharia financial institutions within national frameworks. Furthermore, in transaction documentation, the cooperative adheres to sharia accounting standards as stipulated by PSAK No. 107 to guarantee transparency and accountability in alignment with sharia accounting principles.

The implementation of the ijarah contract in this pilgrimage fund encompasses numerous essential elements. The initial component comprises direct expenditures, encompassing administrative fees and payments to pilgrimage organizers for acquiring quota numbers, whereas maintenance charges pertain to the administrative costs of the cooperative for managing advance funds. Customers must reimburse the advance amounts as stipulated in the agreement, with a repayment duration of up to five years. This adaptable payment structure alleviates financial strain on customers, as the cooperative's revenue is derived from the stipulated service fees rather than interest. To get funding, the cooperative mandates collateral, which may include the shared possession of collateral by partners, enabling families hoping to take on a pilgrimage in the same financing agreement.

The funding procedure for the Hajj Fund at KSPPS Artha Bahana Syariah commences with the satisfaction of criteria grounded in the 5C principles (Character, Capacity, Capital, Collateral, and Conditions). These principles are implemented to ascertain that potential consumers satisfy the requisite conditions to assure their eligibility and capacity to meet the terms of the contract. Before obtaining financing, consumers require a Hajj Savings Book, which functions as both a payment mechanism for instalments and a monitoring tool utilized by KSPPS to ensure adherence to the payment plan. Upon fulfilling the prerequisites, the consumer submits a loan application to the personnel of KSPPS Artha Bahana Syariah. This phase encompasses the validation of document completeness, the formulation of the contract agreement as the legal framework delineating the rights and obligations of both parties, and the implementation of annual ujroh commensurate with the financing amount.

The pilgrimage finance amount is allocated following the settlement of instalments and ujroh, after which the customer is registered in the Integrated Computerized Hajj System (SISKOHAT). The disbursement process is succeeded by the issue of the Hajj Registration Number and the Hajj Departure Registration Letter (SPPH) by the Ministry of Religious Affairs, which are essential prerequisites for the submission of the Hajj Implementation Cost (BPIH).

The interview results with the manager of KSPPS Artha Bahana Syariah indicated that the application of PSAK No. 107 in ijarah contract transactions is essential for guaranteeing accurate and transparent financial records. During the interview, the management asserted:

*" We always ensure that every transaction is recorded accurately and in accordance with the established standards. This not only enhances accountability but also provides legal certainty for our customers. The statement emphasizes the cooperative's commitment to maintaining the integrity of the financial system and providing a sense of security for its members. The manager also added*

*that periodic evaluations, whether through internal audits or supervision by the Sharia Supervisory Board (DPS), serve as the foundation for maintaining operational standards and the implementation of PSAK No. 107.*

The stages of the financing application, which include document verification, feasibility surveys based on the 5C concept, financing committee meetings, and the realization of fund disbursement, are designed to minimize the risk of bad credit. The collateral binding mechanism—such as the use of fiduciary for vehicle registration certificates (BPKB), SKMHT for certificates valued below 50 million rupiah, and APHT for certificates valued above 50 million rupiah—strengthens the risk management system at KSPPS. The cooperative's commitment to implementing PSAK No. 107 includes not only the transparent recording of transactions but also risk management through regular audits by the audit team and DPS, as well as periodic training for staff to support the implementation of sharia accounting standards. Daily, weekly, and monthly evaluations are conducted to ensure that financial recording is carried out in accordance with the applicable regulations. Hajj fund products with ijarah contracts are continuously developed through the implementation of more efficient ijarah concepts and partnership plans with cooperative agents to expand services to the community. The recording of rental costs (ujrah) occurs transparently in accordance with PSAK No. 107, with rental costs recorded as prepaid liabilities. Until now, there have been no obstacles in the implementation of the standard, as confirmed through monthly audits and evaluations that ensure the implementation is in accordance with the regulations. This strategy not only improves the quality of service to customers but also supports the sustainability of the cooperative in providing maximum benefits to its members.

### **Implementation of Transparency in the Management of Hajj Fund**

The pilgrimage fund advance product is designed to aid potential pilgrims who do not yet have the entire amount of funds to cover the Hajj Travel Costs (BPIH). This program offers financing to address the funding gap required for obtaining a hajj quota. To reserve their departure date, each prospective pilgrim must pay the BPIH, which amounts to IDR 25,000,000. Nevertheless, not all potential pilgrims are able to promptly cover the cost in a short period. Consequently, KSPPS Artha Bahana Syariah offers a bridging fund facility to enable prospective pilgrims to settle the costs and reserve a pilgrimage seat without the need to wait for the funds to be entirely collected.

In the aim to preserve transparency in the management of hajj fund, KSPPS Artha Bahana Syariah has implemented numerous significant measures. Initially, the cooperative offers a transparent and unambiguous explanation of the expenses associated with hajj financing. Complete information is provided to customers regarding the fees that must be paid, including the ujarah charge (rental fee) required for hajj financing. This transparency is essential to ensure that potential pilgrims comprehend their financial obligations and can effectively manage their finances.

KSPPS Artha Bahana Syariah aims to accurately and transparently record and report the pilgrimage fund from the perspective of financial transparency. The rental fee (ujrah) should be recorded as an advance payment in accordance with PSAK No. 107, which

guarantees the preservation of financial transparency. Prospective hajj pilgrims can gain insight into the management of their funds, including the distribution of profits and payment obligations, by applying the recording procedure in accordance with sharia accounting standards.

*"Mrs. Solechah's, she is a Hajj funds applicant, Subject: Rp 10,000,000 Hajj Fund, application October 7, 2022: submission date. Payment Deadline: 36 months, October 7, 2025 expenses: Rp 10,000,000; ujah fee Rp 239,000 monthly; Hajj savings Rp 2,800,000; total cost Rp  $(10,000,000 + (239,000 \times 36) + 2,800,000)$ ."*

Under this financing scheme, KSPPS Artha Bahana Syariah offers a bridging fund of Rp 10,000,000 with a tenor of 36 months, so allowing the applicant until October 7, 2025, to pay back the loan. With the annuity approach—where the fixed instalment amount is Rp 414,550 per month—the fund management is open. This instalment comprises of a necessary deposit of Rp 2,800, a profit margin of Rp 239,000, and a principle of Rp 178,350. This approach guarantees to the candidates the monthly payment amount that has to be paid without deviations from the original agreement.

Apart from the monthly payments, the information about extra costs imposed to the applicants clearly shows the openness of fund management. While insurance and notary fees are not paid in this financing, these expenses comprise Rp 300,000 in a provision and Rp 20,000 in stamp duty. Additionally required of prospective pilgrims is hajj funds of Rp 2,800,000 for their departure preparations. Applicants using this approach will be able to completely understand their whole responsibilities, which comes to Rp 21,404,000, during the financing time. This sum comprises pilgrimage deposits, first capital, ujah fees for 36 months.

Presenting this data transparently reveals that KSPPS Artha Bahana Syariah has followed open and responsible money management policies, therefore enabling prospective pilgrims to make more wise financial judgments. Islamic financial institutions can build public confidence and guarantee that fund management is carried out in line with Sharia principles, which are free from components of usury (*riba*), uncertainty (*gharar*), and speculation (*maysir*), by clarity of the financing structure and payment duties. By means of this transparency, KSPPS Artha Bahana Syariah not only guarantees that the whole funding procedure is carried out fairly and in line with the negotiated contract but also gives ease for future pilgrims to acquire their hajj quota more rapidly. Transparency in the administration of hajj financing money also helps to improve sharia financial literacy in the community, thereby enabling more people to see the value of hajj planning through safe, straightforward, and sharia-compliant financing schemes.

Prospective pilgrims can quickly access the advance fund facility to achieve their desire of visiting the Holy Land free from financial hardship by means of a transparent and orderly financing plan, therefore relieving of uncertain expenses and payments. This indicates that KSPPS Artha Bahana Syariah has performed as a professional, open, welfare-oriented sharia financial institution as expected. KSPPS Artha Bahana Syariah has followed numerous significant actions to guarantee openness in the handling of hajj fund.

**Table 1**



**Balance Sheet of the Hajj Fund (as of January 31, 2025)**

<b>Keterangan</b>	<b>Saldo</b>	<b>Pati</b>
<b>Hajj Fund</b>	58.844.971,00	7.344.238,00
<b>Multijasa Ijarah</b>	-	-
<b>IJM Musiman Financing</b>	90.870.000,00	36.500.000,00
<b>IJM Semester Financing</b>	1.873.773.025,00	126.500.000,00
<b>IJM Anuitas Financing</b>	5.404.776.246,00	701.293.811,00
<b>Dana Umi Financing</b>	-	-
<b>UMi IJM Financing</b>	-	-
<b>Umi IJM Semester Financing</b>	23.000.000,00	0
<b>Umi IJM Anuitas Financing</b>	4.657.130,00	0
<b>Umi Murabahah Financing</b>		
<b>Umi MRB. Musiman Financing</b>	6.700.000,00	0
<b>Umi MRB. Semester Financing</b>	65.598.750,00	0
<b>Umi MRB. Anuitas Financing</b>	12.547.655,00	0

Source : Data 2025

KSPPS Artha Bahana Syariah noted a balance of hajj fund equivalent to Rp 58,844,971.00, based on the balance sheet report as of January 31, 2025; in the Pati region, it was reported at Rp 7,344,238.00. Using an ijarah contract in line with Sharia standards, Hajj fund is a financial tool offered to potential pilgrims who have not yet been able to pay the first deposit. On KSPPS Artha Bahana Syariah's financial accounts, however, the hajj fund is classified under other financing groups rather than as a stand-alone financial organization. The KSPPS Artha Bahana Syariah manager said the hajj fund ratio is at 1.39. The hajj fund is not split into its own financial report since this sum is somewhat little compared to the overall financing. "With a ratio of just 1.39, separating the financial report of the pilgrimage fund especially is less efficient in the reporting and finance management process. "We thus still mix its recording with other financing schemes, especially those based on ijarah contracts," said the Manager of KSPPS Artha Bahana Syariah. This indicates that it is not feasible to illustrate the hajj fund's relatively meager contribution to the overall finance apart.

Comparatively to other financing products, such Annuity IJM Financing equal to Rp 5,404,776, or Semester IJM Financing amounting to Rp 1,873,773, the percentage of hajj financing portfolio is rather limited. To keep efficiency in reporting and risk management, the recording of hajj monies is thus still coupled with other forms of ijarah-based finance. KSPPS Artha Bahana Syariah is still dedicated to show members easily available and responsible financial statements. The hajj fund does not have a separate financial report, but each transaction is nonetheless meticulously recorded and routinely checked to guarantee adherence to sharia rules and relevant accounting standards. Maintaining the

confidence of members, especially potential pilgrims who make use of this financial tool is dependent on open administration of hajj fund. Clear information on profit-sharing ratios, payback plans, and fund use method helps to also realize transparency. KSPPS Artha Bahana Syariah makes sure members of the hajj fund grasp their responsibilities and relevant rules so that financial management mistakes never arise. Therefore, even if the financial records of the hajj fund are not segregated, the idea of openness is kept guaranteeing the trust and sustainability of the given sharia financial solutions.

### **The application of PSAK No. 107 to the transparency of the financial statements of the Hajj Fund**

KSPPS Artha Bahana Syariah implements PSAK No. 107 to ensure transparency and accountability in financial statements, particularly related to hajj fund. Accounting is needed as a data provider for the preparation of financial statements within an entity. The financial statements will later serve as a basis for determining whether an entity is healthy or not. Financial statements not only include financial reporting but also other means of communication that are directly or indirectly related to the information produced by financial accounting. Financial statements are very beneficial for most users of financial statements in economic decision-making and serve as a form of management accountability for the use of resources entrusted to them (Afriani, 2020). For KSPPS Artha Bahana Syariah itself, it functions as a yearly performance comparison. The Financial Accounting Standards Statement (PSAK) impacts accounting records preserved in a sharia institution. KSPPS employs a software-based financial tool called Arthos, which follows the relevant accounting rules, to help to support the execution of these standards. The program helps one to prepare financial statements in line with PSAK No. 107's clauses. KSPPS also offers staff members training, seminars, and education to guarantee the seamless execution of PSAK No. 107 and so help the success of managing pilgrimage funding.

In managing risks, particularly related to collateral, KSPPS Artha Bahana Syariah uses the method of securing collateral with fiduciary and Deed of Mortgage (APHT). Fiducia is an agreement for the transfer of ownership rights of an object to another party based on trust. APHT is a legal document that serves to record the granting of a mortgage right to the creditor as a form of guarantee for the repayment of debt obligations. The use of these two security instruments aims to provide security for the creditor and protect both parties, both the debtor and the creditor.

**Table 2**

#### **Comparison of Ijarah Between Accounting PSAK No. 107 and KSPPS**

<b>ASPEK</b>		<b>PSAK No .107</b>	<b>KSPPS</b>
Recognition and measurement of Ijarah	and	The acquisition cost of the ijarah object is measured based on the market price.	The acquisition cost of the ijarah object is reduced based on market price/demand.
Depreciation and Amortization	and	Depreciation / Amortization is carried out	There is no depreciation of the ijarah object because it is

	on assets that can be in the form of a power of depreciated according to attorney service. their economic lifespan.	
Income and expenses Ijarah	Rental income is recognized when the benefits of the asset are provided to the lessee.	Rental income is recognized according to the instalment payments in the agreed contract.
Rental income receivable	Rental income receivables are measured at the value that can be realized at the end of the reporting period.	Rental income receivables are measured based on the realizable value at the end of the reporting period.
Repair cost	The repair costs of the ijarah object are recognized as an expense at the time the expenditure or repair occurs on the ijarah.	There are no repair costs for the ijarah object.
Presentation of ijarah income	Presented on a net basis after deducting related burdens.	Presented on a net basis in the financial statements

Sourche: Data, 2025

Based on the table above, it can be seen that KSPPS Artha Bahana Syariah has generally implemented the principles contained in PSAK No. 107 in the accounting records of hajj financing. The recording of rental costs (ujrah) in accordance with PSAK No. 107 is done by treating the rental costs as prepaid debt. So far, KSPPS Artha Bahana Syariah has not faced any obstacles in the implementation of PSAK No. 107 for haj financing, as routine audits and evaluations are conducted by the appointed audit team to ensure compliance with the applicable standards. Routine audits are conducted every month, both internal and external audits, to ensure compliance with PSAK No. 107. The external audit conducted by the Public Accounting Firm (PAF) aims to assess the feasibility and compliance of financial statements in accordance with applicable regulations. In addition, KSPPS Artha Bahana Syariah also enhances the efficiency and accuracy of financial reporting. This digitization is expected to support transparency and provide more accurate information access to stakeholders. To improve service and product development, KSPPS Artha Bahana Syariah plans to introduce an ijarah product. With this, it is expected to provide more convenience for customers who need hajj financing, as well as support the sustainability of the cooperative in providing maximum benefits to its members.

### Discussion

The research results show that the implementation of the ijarah contract in the hajj fund advance scheme is in accordance with sharia principles. This contract serves as the basis for the financing transaction, where the ujarah fee is recorded as an upfront payment. This model provides legal certainty to members, avoids elements of riba and gharar, and

maintains the shariah compliance of cooperative financial products. These findings are in line with the research conducted by Nasution & Hasanah (2020), which emphasizes the importance of the ijarah contract in creating a fair and non-burdensome hajj financing scheme.

One important aspect of the success of this implementation is transparency. KSPPS Artha Bahana Syariah has implemented financial reporting standards based on PSAK No. 107, which specifically regulates ijarah accounting. This implementation ensures that all transactions are recorded accurately, accountably, and can be audited. This shows progress compared to some findings in the study by Fitriani et al. (2021), which noted that many sharia cooperatives still have not consistently adopted ijarah reporting standards.

However, one of the weaknesses still found is that the pilgrimage fund is not separated in its own financial report. The cooperative argues that separating a special report for the pilgrimage fund is considered inefficient, given that the portion of this product in the total financing portfolio is still relatively small and would add to the reporting burden without providing significant added value. This weakness has the potential to obscure specific analysis of product performance, as also highlighted by Fitriani et al. (2021), that integrated recording without segmentation can hinder micro transparency of certain products. Nevertheless, KSPPS Artha Bahana Syariah continues to conduct regular audits, both internal and external, to ensure the sustainability of this product. Furthermore, the use of the Athos application-based digital system has become a key element in supporting the transparency and efficiency of financial reports. This digitization allows cooperative members to access their financing information in real-time, strengthening the institution's trust and accountability.

These findings reinforce the results of the study by Huda and Nugroho (2022), which stated that the digitization of financial processes in sharia cooperatives significantly enhances transparency, operational efficiency, and member satisfaction. From the risk mitigation perspective, this cooperative also uses guarantees in the form of fiduciary and Deed of Pledge (APHT). This provides strong legal protection for the cooperative and its members and demonstrates that this institution prioritizes the principle of prudence. This strategy supports the findings of the study by Ningsih & Rohmah (2020), which recommends the importance of asset protection in the hajj financing scheme to maintain the sustainability of the institution.

## **Conclusion**

This study demonstrates that KSPPS Artha Bahana Syariah implements the ijarah contract for hajj fund in alignment with sharia principles. This contract serves as the foundation for financing transactions, with the ujah fee documented as an advance payment. This contract ensures legal certainty for customers and guarantees that the financing scheme complies with sharia financial regulations. Furthermore, the management of pilgrimage funds demonstrates effective transparency through adherence to financial recording and reporting standards established by PSAK No. 107. This standard guarantees that all transactions are documented with clarity and accountability. The Athos application-based digital system enhances the accuracy and efficiency of financial reports, facilitating reliable access to financial information for customers. The assessment of financial report transparency

indicates that KSPPS Artha Bahana Syariah has effectively adhered to the standards set by PSAK No. 107. The hajj fund's contribution to the overall financing portfolio is modest; however, the institution is dedicated to upholding transparency via regular internal and external audits. Guarantee mechanisms, including fiduciary arrangements and the Deed of Mortgage (APHT), offer protection for all parties involved and mitigate risks in financial management.

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