

VILLAGE FUND MANAGEMENT IN AN EFFORT TO IMPROVE COMMUNITY DEVELOPMENT AND EMPOWERMENT

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Abstract

This research aims to determine the management of village funds as an effort to improve the development and empowerment of the Wates Village community in 2023. It is hoped that the results of this study will be an important guide in understanding the best way to manage Village Funds to improve community development and empowerment in Wates Village. This research is qualitative research that uses a descriptive approach. Village Head, Village Secretary, Head of Finance, Head of Community Welfare, and Community Leaders are selected informants. The author collected data through interviews and direct observations on financial management. Data collection techniques include collecting, reducing, conveying, and drawing conclusions. That Permendagri No. 20 of 2018 concerning village financial management has been complied with in terms of planning, implementation, administration, reporting, and accountability. In Wates Village, the physical development program and its implementation have been going well. However, the funds allocated for community empowerment have been reduced, so people who generate income from MSME products are not given entrepreneurship training. As a result, community empowerment programs in 2023 did not achieve the expected level of success. However, the necessary infrastructure development is prioritized in the Wates Village government's development plan and is carried out in a self-managed manner through the desal cash intensive system (PKTD). Thus, income and economic resilience will increase.

Keywords: Fund Management, Village Development, Community Empowerment.

1. Introduction

Indonesian State Governance is in the form of a Unitary Republic with a republican system of government. The country consists of various districts/cities, each with the smallest unit of government, the village. In the development and governance arrangements, villages in Indonesia are undergoing changes and new approaches. The essence of the Village Law is to give villages broad authority in regulating local government, implementing development, and encouraging the independence of village communities in accordance with their wishes, customs, and rights of origin. The law also guarantees that each village will receive an allocation of funds greater than the national and regional budgets. This policy has an impact on management that must be carried out professionally, effectively, efficiently, and transparently in accordance with public management principles to prevent violations, misappropriation, and corruption (Yuliana, 2021).

Development in rural areas has an important role in national and regional development by striving for equitable development and benefiting most rural communities. Village Law Number 6 of 2014 confirms that autonomy actually starts from the lowest level, namely the village. The Regional Revenue and Expenditure Budget (APBD) is an annual

financial plan of local government stipulated through regional regulations (Law No. 32 of 2004) that grants autonomy to regions in Indonesia. The APBD serves as a guide for local governments in planning activities for a year. Local government activities must be included in the APBD because APBD is the basis for regional financial management. Village funds are provided by the government to empower their communities to overcome poverty, unemployment, and improve infrastructure, education, and health (Patmarina, 2016).

The government supports village finances through Village Funds which are given to villages through the State Budget and managed through the District/City Budget. This fund is used for government costs, development, community development, and community empowerment (PP Number 8 of 2016). Collaboration between the village government, the private sector, and the community is needed in developing villages. Development will not succeed if it is only carried out by one party. To achieve development goals, especially in villages, the government must continue to implement special programs for villages and community empowerment. (Sofiyanto et al., 2017).

Although there has been a regulation stipulated, namely the Central Lampung Regent Regulation Number 03 of 2021 which regulates the Guidelines for the Implementation of Village Fund Allocation in Central Lampung Regency for Fiscal Year 2022, a study on the implementation of the APBD program in Wates Village, Central Lampung Regency, shows that there are still a number of unresolved problems. Among them are delays in the distribution of village funds due to complex procedures and unclear interpretation from management of regulations issued by relevant ministries. It is hoped that the results of this study will be an important guide in understanding the best way to manage Village Funds to improve community development and empowerment in Wates Village. This study reviews the allocation and use of village funds in village development and community empowerment in Wates Village, one of the areas in Central Lampung Regency. This study aims to see how village fund management in 2023 can improve village development and community empowerment. For better growth and empowerment of rural communities, an understanding of the new regulations and the ability of human resources to manage Village Funds is essential to prevent the risk of budget violations.

2. Theoretical Background

2.1 Good governance

The principles of Good Governance, also known as good governance, refer to a governance system that bases its operations on universally accepted standards, such as professionalism, accountability, transparency, and effectiveness (Patmarina & Febriana, 2021).

Village financial management, as defined in (Pemandagri No. 20 of 2018), includes a series of activities ranging from planning, implementation, administration, reporting, to village financial accountability. Village financial management is also based on the principles of transparency, accountability, and community involvement. In addition, budgets are managed with regularity and discipline.

2.2 Understanding and Concept of Village

According to Law Number 6 of 2014 concerning Villages, a village is legal community entity that has territorial boundaries that has the authority to manage and manage government affairs and community interests based on community initiatives, hereditary

rights, and/or recognized traditions and respected in the government system of the Unitary State of the Republic of Indonesia (Sarlina et al., 2022).

2.3 Village Fund Management

Based on Ministerial Regulation Health Number 9 of 2014 and Regulation President No. 43 Article 93 In 2014, village fund management included a series of activities such as planning, budgeting, administration, reporting, accountability, and supervision of village finances (Boedijono et al., 2019).

2.4 Village Development and Community Empowerment

Village development involves various aspects of village community life. The village government and its residents work together in managing and utilizing development resources to improve the quality of life and welfare of the community (Febrianto, 2021).

Community empowerment is an action that is carried out reflectively and can only be done by individuals who actively seek strength or understanding of themselves (self-empowerment). While other processes provide conditions, interactions, resources, and procedures that facilitate communities to improve their quality of life (Noning Verawat, Ardansyah, 2016.).

3. Methods

This study adopts descriptive method qualitative. According to Bogdan and Taylor in (Murdiyanto, 2020), research qualitative is the kind of research that produces data descriptive in form kata-written, spoken, and behavioral words Observed.

The main focus of this research is the Wates Village Government which focuses on the use of village funds to improve development and empower communities. Effective management of village funds must include the stages of planning, implementation, administration, reporting, and accountability in accordance with the provisions in Permendagri Number 20 of 2018.

3.1 Object of study

Researchers utilize the object of this study to collect valid, accurate, and essential data for research. The location of the research was conducted in Wates Village, District Bumiratu Nuban, Lampung Regency Middle. The data required by the researcher is provided by the village government consisting of the head desa, secretary, finance kaur, kaur well-being society, and People community.

3.2 Data Analysis

As stated by Miles and Hiberman (1984) in (Sirajuddin, 2016) actions to conduct qualitative data analysis, for example:

1) Data reduction

Data categorization and reductions the process of gathering important information about a research subject and then grouping it based on relevant research topics. The results of in-depth observations and interviews were also grouped based on the sources who provided information, namely the village head, village secretary, village treasurer, and community welfare officer.

2) Data collection

The data that has been grouped is then arranged in the form of a narrative or story to form a sequence of information related to the research problem. The results of

observations and in-depth interviews are then compiled based on the formulation of micro-problems that have been predetermined. This aims to ensure that all information obtained is organized and adjusted in a way that is relevant to solving the problem being studied.

Table 1. shows the classification of the evaluation assessment of the implementation of Permendagri No.20 of 2018.

No	Description	Information
1.	True happened	Supervision and management of Wates village funds have occurred correctly and are carried out in line with Permendagri No. 20 of2018.
2.	Not Happened Yet	The supervision and management of Wates village funds has not occurred so it is not in line with Permendagrit.20 of 2018.

4. Results and Discussion

In this section, researchers will compare the management of village funds in Wates Village, Bumiratu Nuban District, Central Lampung Regency, with the provisions contained in the Minister of Home Affairs Regulation Number 20 of 2018 from the planning stage to the accountability stage. The results of this comparison were obtained through the interview process and direct observation conducted by researchers.

4.1 Village Fund Planning

Table 2. Implementation of Permendagri Number 20 of 2018 With Wates Village Planning indicators

No	Question	Category	
		True happened	It hasn't happened yet
1	The regional regulation plan on the Regional Budget is prepared by the village secretary based on the previous year's RKP Desa.	√	
2	The village head receives a draft village regulation on the regional budget from the village secretary.	√	
3	The Village Head submits the village fund planning to the Village Consultative Board (BPD) for discussion and approval.	√	
4	Within no more than three days of the evaluation decision, the village head through the community empowerment office submits the mutually agreed RPAPB Desa to the regent or mayor.	√	
5	The regent/mayor must report the results of the evaluation of the APB Desa village regulation plan within 20 working days of approval.	√	
6	If in the case of such determination, the regent or mayor does not provide the results of the evaluation within the stipulated time limit, then the village regulation will apply automatically.	√	

7	If the results of the Village Regulation Design on the Regional Budget are not in accordance with the public interest and higher laws and regulations, the Village Head is required to perfect the Village Regulation Plan within 20 working days of receiving the valuation results.	√	
8	If the Village Head does not follow the results of the evaluation and still establishes the Village Regulation Draft on the Village Budget as a Village Regulation, the Regent or Mayor has the authority to cancel the Village Regulation. In addition, the Regent or Mayor can include the previous budget year's budget until the improvement of the Village RKP gets approval from the Regent or Mayor.	√	
9	In the case of cancellation, the village head can only spend money on village government operations.	√	
10	Village Regulations regarding the Regional Budget and the elaboration of the stipulated Regional Budget must be submitted to the Regent or Mayor within a maximum time limit of 7 working days after its determination.	√	

(Source: Permendagri Number 20 of 2018, edited by researchers (2023))

Based on interviews with Village Heads and comparisons of Permendagri Number 20 of 2018 with the management of Wates Village Funds can be seen in table 2.1, which shows the presentation of the suitability of calculations as follows:

$$\text{Percentage of conformity} = \% \frac{\sum x}{\sum y} \times 100 = \frac{10}{10} \times 100\% = 100\%$$

Based on the calculation above it can be concluded that the planning process in Wates Village in accordance with Permendagri No. 20 of 2018 reached 100%, or complied with ten applicable rules. This shows that the Rapardes regarding the Village APB, which has been stipulated as a Village Regulation, has complied with the applicable regulations so that the Rapardes can carry out budget expenditures in the current year.

4.2 Village Fund Implementation

Table 3. Shows the implementation indicators for the implementation of Permendagri No. 20 of 2018 in Wates Village.

No	Question	Category	
		True happened	It hasn't happened yet
1	All expenses and receipts use the village cash account	√	
2	Within three days after the stipulation of the Village Regulation on Village APB, the village head assigns the kaur and kasi executors to prepare a Plan for the Use of Funds (RPD).	√	
3	In the process of applying for funding to carry out an activity, the Village Activity Plan and Budget, Village Activity Work Plan, and Draft Cost Budget (RAB) must be included as part of the Fund Use Plan (RPD) for each proposed activity.	√	

4	The draft RPD is endorsed by the village head and verified by the village secretary.	√	
5	Any budget expenditure related to an activity is recorded in a supplementary book by the executor of the budget activity.	√	
6	The organizer of the budget activity sends a Payment Request Letter (SPP) to the village head as a request for payment processing related to the activity.	√	
7	After the Village Head approves the payment request, the finance officer will disburse the budget according to the Payment Request Letter (SPP) submitted.	√	

4.3 Village Fund Administration

Table 4. Shows the administrative indicators of Permendagri No. 20 of 2018 in Wates Village.

No	Question	Category	
		True happened	It hasn't happened yet
1	The financial kaur is responsible for expenditure and receipt.	√	
2	The Financial Officer must close the books at the end of the month properly using the general ledger, tax assistant ledger, and bank ledger.	√	
3	Every expenditure using Village APB funds is documented with a receipt signed by the financial officer and the recipient of the funds as proof of the financial transaction.	√	
4	The finance officer sends the closed General Cash Book at the end of each month to the secretary of the village no later than the 10th of the following month. The book will then be reviewed, evaluated, and analyzed by the village secretary before being sent back to the village.	√	

(Source: Permendagri Number 20 of 2018, edited by researchers (2023))

Based on interviews with the Secretary and Village Treasurer and comparison of Permendagri Number 20 of 2018 with the management of Wates Village Fund can be seen in tables 2.2 and 2.3, and the percentage of conformity can be calculated as follows:

$$\text{Conformity percentage} = \frac{\sum x}{\sum y} \times 100\% = \frac{7}{7} \times 100\% = 100\%$$

The calculation shows that the administration and implementation process in Wates Village has achieved 100% compliance with Permendagri No. 20 of 2018, which includes four rules. This indicates that the management of dana in Wates Village is in accordance with the provisions of Permendagri No. 29 of 2018. In addition, it also shows that the financial department has recorded all receipts and expenses, and regularly closes the book at the end of each year.

4.4 Village Fund Report

Table 5. Implementation of Permendagri No. 20 of 2018 with reporting indicators in Wates Village.

No	Question	Category	
		True happened	It hasn't happened yet
1	During the first semester, the village head sends a report on the implementation of the Village Revenue and Expenditure Budget (APBDesa) to the regent or mayor through the sub-district. This report consists of two main parts, namely the APBDesa implementation report which includes budget realization and the report on the realization of activities that have been carried out in the village.	√	
2	The village head prepares a report on the implementation of the regional budget for the first semester which is submitted no later than the second week of July of the current year.	√	

(Source: Permendagri Number 20 Year2018, edited by researchers (2023))

Based on interviews with Village Heads and comparisons of Permendagri Number 20 of 2018 with the management of Wates Village Funds are presented in table 2.4, which shows the presentation of calculations as follows:

$$\text{Conformity percentage} = \frac{\sum x}{\sum y} \times 100\% = \frac{7}{7} \times 100\% = 100\%$$

The calculation shows that the reporting process of Wates village has been in accordance with Permendagri No. 20 of 2018 by 100%, or two rules. This shows that the management process of Wates village funds is in accordance with Permendagri No. 29 of 2018.

4.5 Village Fund Accountability

Table 6. Shows how Permendagri No. 20 of 2018 is implemented in Wates Village with Accountability indicators.

No	Question	Category	
		True happened	It hasn't happened yet
1	At the end of each fiscal year, the village head is required to submit an accountability report on the realization of the Village Revenue and Expenditure Budget (APBDesa) to the Regent or Mayor. The submission of this report must be done no later than 3 months after the end of the fiscal year that has been determined through the Village Regulation.	√	
2	Performance reports of the Village Budget (APBDes), activity performance reports, as well as activity reports covering the remaining unmet or unfinished budgets, are submitted to the community in writing through available media.	√	

(Source: Permendagriri No. 20 of 2018, edited by researchers (2023))

Based on interviews with the Head of Community Welfare and comparison of Permendagriri Number 20 of 2018 with the management of Wates Village Funds presented in table 2.5, which shows the presentation of calculations as follows:

$$\text{Conformity percentage} = \frac{\sum x}{\sum y} \times 100\% = \frac{7}{7} \times 100\% = 100\%$$

Calculations show that the reporting process in Wates Village has achieved 100% compliance with Permendagriri No. 20 of 2018, which includes two rules. This indicates that the management of funds in Wates Village is in accordance with the provisions of Permendagriri No. 29 of 2018.

4.6 Financial report on the implementation of the Wates Village Budget for Community Development and Empowerment

Table 7. Shows a report on the realization of the implementation of the Wates Village APBD in 2022.

No	Description	Budget 2022	Year 2022		Realization in 2022
			Add	Reduced	
I	Income				
1	Transfer Revenue	1.561.124.150	66.282.036	—	1.627.406.186
II	Shop				
1	Village Government Implementation	776.421.922	80.527.036	—	856.948.958
2	Village Development Repayment Sector	206.156.000	—	—	206.156.000
3	Field of Community Development	74.954.200	—	8.450.000	66.504.200
4	Community Empowerment	47.763.000	3.970.000	—	51.733.000
5	Field of Disaster Management Emergency	410.400.000	—	—	410.400.000
III	Funding				
1	Capital participation	50.000.000	—	—	50.000.000

(Source: Data processed from the 2022 Wates Village Realization Report.)

Table 8. Shows a report on the realization of the implementation of the Wates Village Budget in 2023.

No	Description	Budget 2023	Year 2023		Realization in 2023
			Add	Reduced	
I	Income				
1	Transfer Revenue	1.522.868.667	139.642.000	—	1.662.510.667
II	Shop				

1	Village Government Implementation	894.057.569	–	11.919.825	882.137.744
2	Village Development Repayment Sector	328.586.675	195.707.000	–	524.293.675
3	Field of Community Development	70.630.000	–	–	70.630.000
4	Community Empowerment	42.363.750	–	–	42.363.750
5	Field of Disaster Management Emergency	144.000.000	–	–	144.000.000
III	Funding				
1	Capital participation	49.095.175	–	49.095.175	0

(Source: Data processed from the 2023 Wates Village Realization Report.)

Based on tables 7 and 8 mentioned above, it is explained that there has been an increase in Wates village income from 2022 of Rp. 1,627,406,186 and 2023 of Rp. 1,662,510,667, this is followed by an increase in village expenditures which previously in 2022 amounted to Rp. 856,948,958 increased to Rp. 882,137,744 in 2023, while in the field of village development also increased compared to the previous year of 2022 Rp. 206,156,000 increased to Rp. 882,137,744 in 2023, while in the field of village development also increased compared to the previous year of 2022 Rp. 206,156,000 increased to Rp. 206,156,000 increased to IDR 524,293,678 in 2023. Meanwhile, for the field of village community empowerment, it actually decreased from the previous year 2022 of Rp. 118,237,200 down to Rp. 112,993,750 in 2023. And the disaster, emergency, urgent management sector has also decreased from the previous year 2022 of Rp. 410,400,000 to Rp. 144,000,000 in 2023.

The decrease in Community Empowerment Funds in Wates Village resulted in decreased community empowerment, because the funds disbursed by the government were very limited. This is reflected in the ability of MSMEs in Wates Village to decline dramatically due to the lack of entrepreneurship training programs for people who have MSMEs.

Results of conformity analysis Management Wates Village fund based on Permendagri Regulation Number 20 The year 2018 mentioned earlier shows that researchers group Discussion of data in accordance with the stages of financial management desa, including planning, implementation, administration, reporting, accountability, and Development Village and empowerment Society.

1) Wates Village Fund Management Planning

In Wates village government, the level of conformity of the planning process with the Regulation of the Government of Agriculture Number 20 of 2018 is 100% or ten rules. The level of planning that is not in accordance with the Regulation of the Government of Agriculture Number 20 of 2018 is 0%. Therefore, all plans based on the Government of Home Affairs No. 20 of 2018 in Wates village have been implemented. All this planning is due to the fact that the Rapardes on the Regional Budget, which has been determined to be a village regulation, has complied with the applicable regulations, which allow the expenditure of the current annual budget to be carried out in the Rapardes.

- 2) **Implementation of Wates Village Fund Management**
In the Wates Village government, the implementation of village fund management has been fully implemented, following the guidelines provided by the Government of Home Affairs No. 20 of 2018, especially in articles 43-46.
- 3) **Wates Village Fund Management Administration**
According to Articles 63 to 67 of Permendagri No. 20 of 2018, the Wates Village government carries out the management of village funds in full compliance and established guidelines.
- 4) **Wates Village Fund Management Reporting**
The Wates village government has implemented a full fund management system in accordance with Articles 68 and 69 of Permendagri No. 20 of 2018 that have been stipulated.
- 5) **Wates Village Fund Management Accountability.**
The Wates village administration has implemented village fund management in accordance with Permendagri No. 20 of 2018 articles 70, 71 and 73 in accordance with the established guidelines.
- 6) **Community Development and Empowerment**
Rural development is carried out optimally by the Wates Village Council. It aims to accelerate and improve the quality of development services and strengthen rural communities, especially rural communities, by using a participatory development approach that involves all stakeholders from planning, implementation, and monitoring to ensure effective development.

However, in the Wates Village management development plan, the top priority is the development of the necessary infrastructure, which will be carried out independently through the cash-intensive village system (PKTD). This increases the sustainability of the village economy and community income. Therefore, if physical construction such as the construction of roads, springs, and gates is completed in 2023, then the village government will continue other development programs next year as planned. In addition, funding for village community empowerment will decrease in 2022-2023. As a result, the number of community empowerment programs in Wates Village is decreasing. One of them is that entrepreneurship training is not given to people who have MSME products as a source of income. This is why the 2023 Community Empowerment Program is not going well.

5. Conclusion

According to this study, Permendagri No. 20 Year 2018 The management of village funds has been adhered to in terms of Planning, implementation, administration, reporting, and accountability. The development program and implementation of physical development in Wates Village have been going well. However, financing for community empowerment has been reduced, so there is no entrepreneurship training for people who have MSME products as their source of income. As a result, community empowerment programs in 2023 did not achieve the expected level of success. Suggested suggestions include that programmed that cannot be undertaken in 2023 are able to continue in the coming year, greater priority will be given to much-needed work programmed. In addition, they can help people who have MSME products by providing business training, which will give them skills to improve their quality of life and help the economy of Wates Village

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