

## **VILLAGE FUNDS MANAGEMENT IN IMPROVING THE DEVELOPMENT OF LEPPANGENG VILLAGE, AJANGALE DISTRICT, BONE REGENCY**

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### **Abstack**

This study aims to describe and analyze the management of village funds in increasing development in the village of *Leppangeng*, the obstacles that occur in its application, and the efforts that can be made in overcoming various obstacles. This study uses a qualitative descriptive method by collecting data through interviews and observations and documentation. The results showed that the implementation of the Village Fund in *Leppangeng* Village had been carried out well and effectively in the field of development, but it was still efficient in its use. However, the realization of the use of village funds in 2018 has decreased compared to previous years due to various obstacles. The commitment of the central government, regional government, and village government to jointly succeed in the success of the village fund policy, especially in terms of increasing the competence of the apparatus in the village in terms of knowledge of the application of the village financial system.

Keyword: village funds, financial management, application of village funds, village development

## **PENGELOLAAN DANA DESA DALAM PENINGKATAN PEMBANGUNAN DESA LEPPANGENG KECAMATAN AJANGALE KABUPATEN BONE**

### **Abstrak**

*Penelitian ini bertujuan untuk mendeskripsikan dan menganalisis mengenai pengelolaan dana desa dalam meningkatkan pembangunan di desa Leppangeng, kendala yang terjadi dalam penerapannya dan upaya yang dapat dilakukan dalam mengatasi berbagai kendala. Penelitian ini menggunakan metode dekriptif kualitatif dengan mengumpulkan data melalui wawancara dan observasi serta dokumentasi. Hasil penelitian menunjukkan bahwa pelaksanaan Dana Desa di Desa Leppangeng telah terlaksana dengan baik dan efektif pada bidang pembangunan, namun masih efisien dalam penggunaannya. Namun Realisasi penggunaan dana desa tahun 2018 mengalami penurunan dibanding tahun-tahun sebelumnya dikarenakan berbagai kendala. Diperlukan komitmen pemerintah pusat, pemerintah daerah dan pemerintah desa untuk bersama-sama dalam mensukseskan kebijakan dana desa, terutama dalam hal peningkatan kompetensi aparatur di desa dalam hal pengetahuan mengenai aplikasi system keuangan desa.*

*Kata kunci: dana desa, pengelolaan keuangan, penerapan dana desa, pembangunan desa*

### **PREFACE**

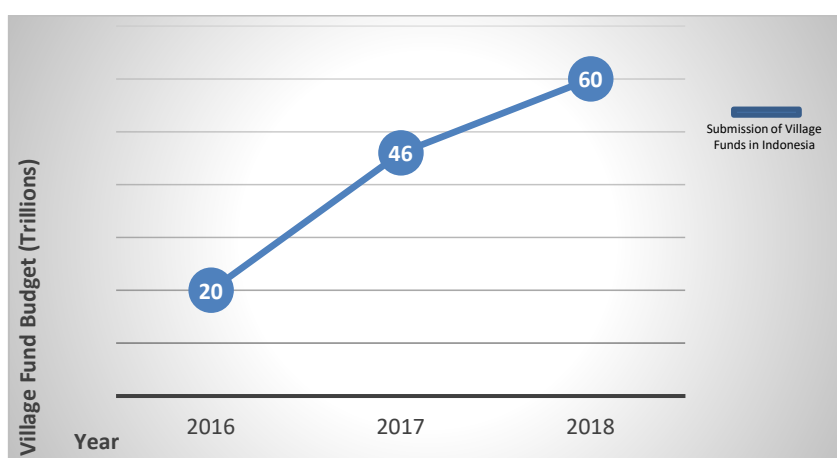
In accordance with *Joko Widodo's* vision in developing Indonesia through the *Nawa Cita Program* which strengthens the rural areas, namely regions and villages. A village is a community unit having territorial

boundaries that are authorized to regulate and manage the interests of the community and there are customs that must be recognized and respected in the government system of the Unitary Republic of Indonesia (Law Number 6 of 2014 Article 1 Paragraph 1). Sustainable

village development will be able to make the village rise and develop, especially aspects of infrastructure that are a requirement of rural communities. The slow implementation of development in the village has made village development even more behind the others. This setback in development has made rural life unable to progress faster. Because in reality, in Indonesia there are still many

villages left behind so that real guidance is needed from various fields.

The policy in the Law on Villages is with the intention of strengthening village development. In line with the aim of strengthening village development, village funds are needed to support the implementation of the village government.



Source: Ministry of Finance Report of the Republic of Indonesia 2019

Graph 1. Submission of Village Funds in Indonesia 2017-2019

Seen from the table above, it is explained that the Village Fund disbursed every year in all villages in Indonesia has increased in the last three years, in 2017 the funds were provided to meet the needs of the village of Rp. 20.07 Trillion in 2018 also experienced a significant increase of Rp. 46.98 Trillion, in 2019 also increased by 60 Trillion.

The aim of effective development in village communities is the involvement of the community and elements of government who have more reactive authority in development policies giving priority to the needs of village communities in budget allocation so that they are able to develop the potential of their respective regions in the supervision of the

Village Fund through the Village Consultative Body (in Indonesia abbreviated as *BPD*) and the government above it where the *BPD* has a very important role in the management of the Village Fund so that fraud does not occur.

Referring to Government Regulation No. 22 of 2015 concerning Village Funds that in its management is carried out in an orderly, obedient to the provisions of the Statutory Regulations, efficient, economical, accountable, transparent, and responsible regulations by taking into account the sense of justice and decisions and prioritizing the interests of the local community. So, the Village Fund is given through a transfer mechanism from the account of the State

General Treasurer to the account of the Regional General Treasurer.

The implementation of governance in the village is carried out by the village head whose supervision is carried out by the *BPD*, which is the village governance agency because the *BPD* has direct closeness by the community so that it becomes a place for the

community to accommodate the community's aspirations to the management of the Village Fund. One of the villages receiving Village Fund distribution is *Leppangeng* Village, where *Leppangeng* Village has become the choice for conducting research. The number of Village Funds that have been distributed in *Leppangeng* Village is as follows:

Table 1  
 Use of Village Fund Realization  
 In *Leppangeng* Village 2016-2018

Year	Amount of Village Funds (Rp)	Realization of Village Funds (Rp)	Realization (%)
2016	608. 807. 000	608.807.000	100%
2017	775. 331. 000	775.331.000	100%
2018	975. 136. 000	948.127.000	96,92%

Source: *Leppangeng* Village Office, 2019

From the table above, the author can be explained that the Village Fund that has been received by *Leppangeng* Village has increased every year, but in 2018 the realization of development has not been able to be done 100%. In the process of using these funds, there is an excess budget so that the remaining budget calculation is carried out as much as Rp. 27,009,000, or 3.18%. because the *Leppangeng* village government has not been maximized in calculating the budget and operational costs, on the other hand, there are still many obstacles due to the lack of trust of the village government to empower the village community directly in the development process so that in the development program using the services of a contractor is caused by the village government more trusting of the contractor than to the community directly due to more secure work and faster completion in the development program.

The source of the Village Fund comes from the State Budget which comes from the central and regional financial balance funds received by the district which is used for village community empowerment and village development. In the implementation of the Village Fund, there must be direct control from the community so that in accordance with the target, it is to improve community welfare. The similarity of *BPD* to manage the Village Fund is very important because it will affect the running of a government, especially in the village, but on the other hand, there are still many *BPD* that is not in accordance with applicable regulations. So that Village Fund Management in *Leppangeng* Village, *Ajangale* District, *Bone* Regency focuses on the principle of effectiveness of Village Fund management in the village concerned. Indicators on the effectiveness of the management of the Village Fund begin at the

planning, implementation, and post-implementation of activities that ultimately the Village Fund can be accounted for.

Judging from the last level of education that has the highest position in the village, namely the village head and the ranks below him who graduated from high school, this is a consideration that needs to be considered for the quality of village planning and budgeting.

## LITERATURE REVIEW

*Will Kenton*, 2018, in <https://www.investopedia.com/>, stated that funds management—also referred to as asset management—covers any kind of system that maintains the value of an entity. It may be applied to intangible assets (e.g., intellectual property and goodwill), and tangible assets (e.g., equipment and real estate). It is the systematic process of operating, deploying, maintaining, disposing, and upgrading assets in the most cost-efficient and profit-yielding way possible. Then, *paramasivan & Sumbramanian* (2009) explains the Scope of Financial Management, that financial management is one of the important parts of overall management, which is directly related with various functional departments like personnel, marketing and production. Financial management covers wide area with multidimensional approaches. The following are the important scope of financial management:

1. Financial Management and Economics
2. Financial Management and Accounting
3. Financial Management or Mathematics
4. Financial Management and Production Management
5. Financial Management and Marketing
6. Financial Management and Human Resource

Related to financial management *Akbar Ali* (2018) explained that Village Finance is all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of village rights and obligations. Village Financial Management is a whole series of activities starting from the planning, implementation, administration, reporting to accountability stages carried out in one fiscal year, starting from January 1 to December 31. The system approach in managing Village Funds is closely related to complex problem-solving efforts by recognizing the essence of cohesiveness of various elements so that the known processes can truly uphold goals effectively and optimally. Therefore, the process of preparing plans and managing village funds must be carried out in a transparent and transparent approach to the system while taking into account village readiness in terms of Human Resources and supporting infrastructure in its activities.

The problem in village development is the low assets controlled by the community coupled with the low access of the community to economic resources such as land, capital, production inputs, skills, technology, information, and cooperation networks. In other words, the level of service and advice in rural areas is still quite low and the quality of human resources is poor and coordination is weak among each sector. In addition, there are targets that are carried out to improve village development is to improve the quality of safe settlements, improve a plan in the area of regional development, by increasing services in the defense sector from some of these things will be able to increase a village development.

Increasing the development of the village needs a high level of supervision so that the use of Village Funds is maximized.

Village development is a set of planned and directed businesses in producing something that can be utilized in meeting the needs and welfare of the community. The building village is the village that has the authority to create and implement programs that can ultimately increase the level of the community's economy. According to *Todaro* (1998) development is not just a phenomenon, but in the end, the development must go beyond the material and financial aspects of human life that economic development has been re-aligned on the basis of reducing or eliminating poverty, inequality, and unemployment in the context of economic growth in developing countries.

## RESEARCH METHODS

Research is a series of steps carried out in a structured, systematic, and planned manner using scientific methods and applicable rules to find solutions or get answers to certain questions. In this study, the authors used qualitative research methods, according to *Creswell* (2009: 4), "Qualitative research is a method for exploring and understanding the meaning by a number of individuals and groups of people ascribed to social and humanitarian problems". This qualitative research process involves important efforts, searching and gathering specific data from the participant, analyzing data inductively from specific themes to general themes, and interpreting the meaning of data. Data collected in descriptive qualitative research in the form of words, images, and not

numbers, besides all the data that has been collected, is likely to be the key to what has been studied.

With the existence of data collection, it is one of the most important steps in a study, where the presence of data collection techniques will make it easier for researchers to find accurate data about an existing problem with that researchers can match the correct data in the field. But with the absence of accurate data, the researcher cannot find the existing problem. Experts argue *Nazir* (2013: 1974) states that data collection is "a systematic and standard procedure for obtaining the data needed. There is always a relationship between the data collection method and the research problem you want to solve. Problems give direction and affect data collection methods. Many problems that are formulated will not be solved because the method to obtain the data used is not possible, or the existing methods cannot produce the data as desired".

The implementation of this research requires the analysis of data so that data analysis is a process or an effort to process data into new information so that the characteristics of the data become easier to understand and useful for the solution of a problem, especially those related to research.

## ANALYSIS AND DISCUSSION

The government has issued a policy in overcoming problems that began at the lowest stage, namely the village administration, which the government has issued a policy on Village Funds. With this in order to realize the development and welfare of the community that is the main objective of the Village Fund. Disbursement of these funds is used to carry

out the program that has been made in the village so that the government has given confidence to the village to implement the existing program and give more roles to the community to actively participate in carrying out community development and empowerment. The existence of the Village Fund will provide the village with greater opportunities in carrying out the wheels of government so that that goal can be achieved with the presence of democracy and diversity.

The implementation of Village Funds is a stage given by the central government in managing funds to achieve development and empowerment for village communities. The implementation of the Village Fund will make a benchmark of how far the funds can be managed by the village government so that the results obtained by the village can become an independent village.

The priority of the use of Village Funds is explained in article 4 of the Regulation of the Minister of the Village, Development of Disadvantaged Areas, and Transmigration Number 21 of 2015 concerning the Determination of Priorities in the Use of Village Funds in 2016 that the use of Village Funds in each of the villages is focused on financing village development programs and empowering rural communities. In increasing the capabilities and capabilities of the village community, Village Funds are disbursed which are used for village empowerment activities that will automatically develop the capabilities of the village community by developing entrepreneurship and economic expansion for the village community.

*Leppangeng* Village, which is located about 26 km from the city of *Watampone*, is located in the *Ajangale* District of *Bone*

Regency. Geographically, *Leppangeng* Village is surrounded by productive rice fields. The people are mostly farmers and cattle ranchers. Looking at the geographical location above, it cannot be denied that the social problems that often arise are problems related to agriculture and village infrastructure problems that are not yet sufficient. In connection with inadequate infrastructure, the community struggles in old patterns that are not yet advanced, such as unclean toilets, village roads are still not on asphalt, household sewage is not good.

Implementation of development through the Village Fund in *Leppangeng* Village is directed to meet the needs of the community and provide solutions to social problems that occur. The following is detailed data on the realization of the Village Fund in *Leppangeng* Village for 2016 from the amount of the given budget of Rp. 608,807,000, are as follows:

1. *Talud* and pavement development activities of 500 billion with a budget of Rp. 200,000,000
2. Paving block construction activities with a budget of Rp. 110,000,000
3. Family latrine construction activities totaling 90 units of family latrines with a budget of Rp. 133,500,000
4. "*Posyandu*" (integrated health service post) development activities with a budget of Rp. 80,000,000
5. Construction of the *PAUD* (early childhood education programs) platform with a budget of Rp. 50,000,000
6. Procurement of mobile *PAUD* with a budget of Rp. 10,000,000
7. Procurement and maintenance of street lights with a budget of Rp. 15,307,000 8.

8. Capacity-building activities for village orders with a budget of Rp. 10,000,000

Then in 2017, detailed data on the realization of the Village Fund in *Leppangeng* Village with a given budget amounting to Rp. 775,331,000, are as follows:

1. *Talud* development and pavement of *Tanete* hamlet with a volume of 400M with a budget of Rp. 193,800,000
2. Drainage Development & *Tanete* Hamlet in 100M volume with a budget of Rp. 186,800,000
3. *Maccading* hamlet paving block construction activities with a budget of Rp. 130,500,000
4. Building a family toilet with 80 households with a budget of Rp. 166,600,000
5. Procurement of electricity installations in the *PAUD* building with a budget of Rp. 6,500,000
6. Intensive *posyandu* cadre with a budget of Rp. 7,200,000
7. Completeness of administration of healthy village "working groups" with a budget of Rp. 3,031,000
9. Increasing the quality of development planning with a budget of Rp. 9,900,000.
10. Training "village financial system" with a budget of Rp. 5,000,000
11. Training of technical cadres with a budget of Rp. 3,000,000
12. Increased management capacity of "Bumdes" (Village-Owned Enterprises) with a budget of Rp. 10,000,000
13. Village Deliberation for accountability for the handover of the results of village development with a budget of Rp. 3,000,000

14. *Bumdes* capital with a budget of Rp. 50,000,000

While for 2018, there is a decline in the realization of only 96.92% of the total budget of 948,127,000, with the following details:

1. Pioneers the *Tanete* road *tanete* hamlet with a budget of Rp. 27,009,000
2. Construction of *Tanete* Village Duiker Plate with a budget of Rp. 21,160,000
3. Pioneering *Bentenge* agricultural road with a budget of Rp.43,734,000
4. The sidewalks of *Tanete* hamlet with a budget of Rp. 122,809,000
5. *Talete Tanete* development for 1000 meter hamlet with a budget of Rp. 135,978,000
6. *Talud* heap *maccading* 500-meter hamlet with a budget of Rp. 117,430,000
7. *Talud* paving block construction in *macading* 340 meters with a budget of Rp. 38,198,000
8. Construction of a 170 meters *macading* paving block with a budget of Rp. 141,913,000
9. Procurement of internet network and village website development with a budget of Rp. 13,000,000
10. Development of *talud* in *maccading* 1000 meters with a budget of Rp. 122,705,000
11. Construction and maintenance of latrines & toilets with a budget of Rp. 17,600,000
12. Medical Devices with a budget of Rp. 1,300,000
13. Construction and maintenance of a residential environment with a budget of Rp. 44,100,000
14. Construction and repair of healthy houses for the poor with a budget of Rp. 60,000,000

15. Capital of Village-Owned Enterprises with a budget of Rp. 40,000,000
16. *Posyandu* cadre with a budget of Rp. 9,000,000
17. Health cadre training with a budget of Rp. 3,500,000
18. Intensive assistance for *PAUD* teachers with a budget of Rp. 6,000,000
19. Village Deliberation Organizers with a budget of Rp. 2,200,000
20. *KPMD* cadre training with a budget of Rp. 3,500,000
21. Development of village legal and paralegal assistance with a budget of Rp. 4,000,000
22. *SILPA* (the remaining balance of the budget calculation) is Rp. 27,009,000

Based on these details the use of Village Funds in 2016 amounted to Rp. 608,807,000, with a realization of 100% of the activities. In 2017 the village budget increased by Rp. 775,331,000, with the realization of activities 100%. In 2018, also an increase of Rp. 825,144,574 but the realization decreased by 96.92% so that there was more balance in the calculation of Rp. 27,009,000. This is very unfortunate even though the use of the Village Fund budget is used for the field of development and community empowerment is not just for development.

Most of the development in *Leppangeng* Village is realized on the road or the construction of paving block roads, seen from the livelihoods of the people in *Leppangeng* Village, mostly farmers, and planters, so that the development in *Leppangeng* Village is focused on building roads, this is also inseparable from the needs of the community. *Leppangeng* Village community itself. In certain conditions, also

most people who become housewives and unemployed can become agricultural laborers. For example, during the planting season and harvest season, so that the steps of the village government to increase development in the form of village roads with funds from the Village Fund is the right step to help the community to improve their economy, as well as a manifestation of increased development.

The implementation of village funds in 2016 is prioritized on physical development in order to facilitate population mobility and support the course of early childhood education in *Leppangeng* Village. This is consistent with the results of deliberations on the development plan in *Leppangeng* Village. The use of the Village Fund has also been in accordance with the regulations that have been regulated by several ministries which make a follow-up to Government Regulation No. 60 of 2014 concerning Village Funds originating from the State Budget and Regulation of the Minister of Home Affairs Number 113 of 2014 concerning village financial management, and Development of Disadvantaged Regions, and Transmigration number 21 of 2015 in article 6 paragraph (1), which states that the use of the Village Fund It must be right on target namely by focusing on the field of empowerment and development which includes:

- 1) Construction, development, and maintenance of infrastructure or physical facilities and infrastructure for livelihoods, including food security and settlements.
- 2) Construction, development, and maintenance of public health facilities and infrastructure.
- 3) Construction, development, and maintenance of educational, social, and cultural facilities and infrastructure.



- 4) Development of community economic businesses, including construction and maintenance of production and distribution facilities and infrastructure and / or,
- 5) Development and development of renewable energy infrastructure and environmental conservation activities.

The development that occurred in *Leppangeng* Village originated from the Village Fund which is a process of controlling, managing, administering, organizing the Village Fund budget for physical and non-physical development needs that began at the planning stage until the benefits gained are to improve welfare in *Leppangeng* Village so that it can develop broadly and evenly and directed based on government planning in accordance with specified rules. The implementation of the Village Fund in *Leppangeng* Village, which began in 2016 to 2018, has many obstacles that have faced it, causing it to be hampered in implementing the Village Fund's budget. Which of the implementation of the budget from year to year always faces obstacles that come from external factors and internal factors that have not been resolved until now. Based on the authors' observations on the implementation of the Village Fund in *Leppangeng* Village, various obstacles can be summarized as follows:

1. There are still many local regulations that discuss how to solve the Village Fund problems caused by the relationship problems in the area.
2. The still low understanding by village officials in understanding the laws and regulations regarding how to manage Village Funds

3. There is still no seriousness carried out by the local government in conducting socialization to each village, which is very beneficial for the village so that they are more understanding in the implementation of the budget.
4. The still low level of supervision by the local government to the village, which with frequent monitoring does not prevent misuse of funds.

The frequency of socialization that is still lacking carried out by local governments in the form of seminars or counseling about the use of Village Funds. The socialization involved the community so that they knew how to use the village budget, but the socialization was only carried out once a year, causing ineffectiveness and many village officials did not understand how to use it due to the lack of socialization. Then in terms of fostering and supervising the government towards the use of village funds, it looks less intense to the village government so that there are still many village officials who do not understand how to implement and report on Village Funds. This lack of understanding is due to the low level of competency of apparatuses in *Leppangeng* Village.

The low competency of village apparatuses in understanding the use of village funds is also used as land for the coffers of several sub-district and district governments. Some apparatuses lacking competence in managing village fund applications "ask for help" and submit to some elements to assist in making administration on the "village financial system" application for a "certain fee". This phenomenon also occurs in many villages in Indonesia, especially villages that have

apparatus competencies that do not understand computer applications.

To overcome the obstacles that occur in the use of village funds requires the commitment of the central government, regional and village governments to jointly succeed in the policy of the village fund. The commitment is by making the following efforts:

- 1) Carry out effective village assistance for the implementation of the Village Fund, so that when there are found obstacles there will be a solution or a solution by making local regulations. Because the funds disbursed in each of these villages have a very large amount for the size of the village.
- 2) Providing several types of training such as training on finance, training using financial applications that must be provided for village officials so that the quality of the village officials is increasing and understanding how to manage them.
- 3) There must be coordination between the local government and law enforcement officials in implementing Village Fund management.

## CONCLUSION

The implementation of the Village Fund in *Leppangeng* Village has been implemented well and effectively in the development sector, but it is still efficient in its use. Increasing the amount of the budget from 2016 to 2018 provides good benefits for the community because it can build smooth mobility of agricultural and plantation products. Most of the development in *Leppangeng* Village is realized on roads or the

construction of paving block roads, seen from the livelihoods of the people in *Leppangeng* Village, which are mostly farmers and planters. However, the realization of the use of village funds in 2018 has decreased compared to previous years due to various obstacles. The commitment of the central government, regional government, and village government to jointly succeed in the success of the village fund policy, especially in terms of increasing the competence of the apparatus in the village in terms of knowledge of the application of the village financial system.

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