

## VILLAGE FUNDS MANAGEMENT IN THE DEVELOPMENT OF SUMBEREJO VILLAGE, BATUWARNO SUB-DISTRICT, WONOGIRI DISTRICT

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Received: 27-07-2023; Accepted: 25-09-2023; Published: 30-11-2023

**Abstract.** *Dana Desa or village funds have contributed in increasing the village's infrastructure development and community empowerment. Therefore, it must be managed and utilized appropriately. The purpose of this study is to analyze the management of the village funds in Sumberejo Village, Batuwarno District, Wonogiri Regency. This research uses a descriptive qualitative approach. Meanwhile, data collection techniques are gained through in-depth interviews, observation, and study literature. The results show that the management of village funds was designed to meet the needs and priorities of village development policies. These policies are contained in the RPJMDesa. The community manages infrastructure development through a self-management system and involves third parties on a contractual basis. On the other hand, business units manage community empowerment activities at BUMDesa. The monitoring stage only refers to the budget via the APBDesa Accountability Report, not the process.*

**Keywords:** *Village Funds, Management, POAC, RPJMDesa*

**Abstrak.** Dana desa telah berkontribusi terhadap peningkatan pembangunan fisik maupun pemberdayaan masyarakat di desa. Maka dari itu dana desa harus dikelola serta dimanfaatkan dengan tepat. Tujuan kajian ini adalah untuk menganalisis manajemen pengelolaan dana desa. Lokasi berada di Desa Sumberejo, Kecamatan Batuwarno, Kabupaten Wonogiri. Penelitian menggunakan pendekatan kualitatif deskriptif. Teknik pengumpulan data dilakukan melalui wawancara mendalam, pengamatan serta penelusuran dokumen. Hasil kajian menunjukkan bahwa pengelolaan dana desa dirancang atas dasar kebutuhan dan prioritas kebijakan pembangunan desa. Kebijakan tersebut tertuang dalam RPJMDesa. Pengelolaan bidang pembangunan infrastruktur melibatkan masyarakat dengan sistem swakelola serta melibatkan pihak ketiga secara kontraktoral. Kegiatan bidang pemberdayaan masyarakat dikelola oleh unit-unit usaha di BUMDesa. Tahap pengawasan dilakukan hanya mengacu pada anggaran dana melalui Laporan Pertanggungjawaban APBDesa bukan pada proses.

**Kata Kunci:** Dana Desa, Pengelolaan, POAC, Rpjmdesa

## **I. Introduction**

Village funds have been beneficial to village development. In 2022, the Ministry of Villages, Disadvantaged Regions, and Transmigration of the Republic of Indonesia (Kemendesa PDTT) declared that village finances have produced initiatives impacting village development. The outcome achievements of village fund from 2015 to 2019 primarily focus on supporting economic activities and improving the quality of life of village communities (Ministry of Finance of the Republic of Indonesia, 2020). Infrastructure development, such as roads, marketplaces, bridges, reservoirs, irrigation, boat moorings, and sports facilities, promotes economic activity. To improve the quality of life in the community, village funds have financed activities such as village-owned enterprises (BUMDesa), early childhood education and development (PAUD), Integrated Health Posts (posyandu), building drainage and wells, retaining walls, providing clean water and sanitation, as well as village maternity clinics (polindes).

According to the Ministry of Finance's 2021 Village Fund Policy report, the realization of village fund absorption from 2015 to 2019 was 99.4 to 100%. The absorption rate fluctuates but it is not statistically significant. The ceiling value continues to increase from 2015, amounting to IDR 20.76 trillion, and reaching IDR 70 trillion in 2019. These funds are distributed directly to local governments in order for them to manage their autonomy.

Law No. 6 of 2014 on Villages mandates that the management of village governance to be fully devolved independently to the village through a bottom-up pattern. This pattern tries to achieve village independence and well-being more quickly. The autonomy refers to the village government's ability to manage its finances. One of them is the provision of village funds with a 90:10 proportion scheme.

Sumberejo Village, located in Batuwarno Subdistrict, Wonogiri Regency, is one of the villages that receive village funds. The allocated proportion of village funds in Sumberejo Village for empowerment programs is increasing every year. The village fund budget for BUMDesa programs reached IDR 140 million in 2017. The funds are used for business capital, basic training, and empowerment activities. This figure will continue to rise as expenditures for infrastructure development, such as road patching, are curtailed.

The attainment of village funds demands refinement. The government seeks to make village funds more pro-poor. The resulting regulatory system must be effective, efficient, and accountable to achieve the objectives of allocating village funds. Village governments must be able to utilize village funds according to their allocation so that it has a tangible impact on

society. In the development process (Yuliana, 2021), the government has the role of formulating and determining provisions. In addition, the village government also monitors, evaluates, and mediates creative economic activities. Weak communities urgently need village government intervention because it pertains to access to the primary sources of needs.

Several factors influence the management of village funds. Supporting factors for village fund management in Tetehosi Sorowi Village (Hulu et al., 2018) are support for policies, facilities, and infrastructure. The main impediments are a need for more human resources and community participation. Coordination among stakeholders is essential for developing suitable and targeted efforts.

Managing village funds in Sumberejo Village largely follows the laws and regulations, especially in the diversity of activities. This village has become one of the pilot villages in managing village funds in Wonogiri Regency. The title directly connects to the innovations implemented by the village head, his officers and administrators. Furthermore, community participation is essential to the success of empowerment efforts.

Several management hurdles still need to be fixed in attaining the objectives of village funds. Based on this explanation, this research focuses on managing village funds in Sumberejo Village development. Management is described in the planning, coordinating, implementing, and supervising stages.

## **II. Literature Review**

### ***Village Funds Management***

In several villages, the community is either fully or partially involved in implementing the management of village funds. According to research on village funds management in Tetehosi Sorowi Village, North Nias Regency (Hulu et al., 2018), village fund planning is conducted by holding *musrenbangdesa* or a forum for village development planning. The village government carries out *musrenbangdesa*. The sub-district head is responsible for delivering the report to the regent.

In Domag Village, Buol District, village funds management includes planning, implementation, administration, reporting, and taking accountability (Yuliana, 2021). The planning stage involves managing finances by creating the village revenue and expenditure budget (APBDesa). The treasurer administers implementation by overseeing local finances. Administration is carried out by recording the bookkeeping of every incoming and outgoing money, including reports and accountability for realizing the APBDesa implementation, year-end village property, as well as central and regional government programs that enter the village.

According to Asoka (2018), this management is also implemented in Tanjung Bali Village, Musi Banyuasin Regency.

In Pranten Village, Grobogan Regency, village funds management is part of financial management component (Mubarok & Annisak, 2021). The management of village funds goes through the stages of planning, organizing, implementing the APBDesa, monitoring, and taking accountability. The APBDesa is being closely monitored to ensure it is being implemented according to its budget. In compliance with rules and regulations, the community and authorized officials conduct practical supervision.

### ***Village Funds for Development***

Laws and government regulations regulate village funds. According to Government Regulation of the Republic of Indonesia Number 60 of 2014 about Village Funds, Village Funds come from the state budget (APBN). These funds are allocated to villages through the district's or city's regional revenue and expenditure budget (APBD) and used to finance the following:

- a. Infrastructure development, such as roads and embankments etc.;
- b. Community empowerment referring to improving life quality by increasing capacity and developing networks;
- c. Service office of Governance development;
- d. Community development to improve the quality of village apparatus resources.

Article 21 of the Minister of Finance Regulation No. 49/2016 on Procedures for Allocation, Disbursement, Use, Monitoring, and Evaluation of Village Funds states that village funds are prioritized for development and community empowerment. According to the Minister of Villages, Development of Disadvantaged Regions, and Transmigration, the government established the following priority programs to mitigate the rate of urbanization:

- a. Determining the Rural Area Leading Products (Prukades) to create a clustering of prukades and encourage increased production scale.
- b. Developing BUMDesa to create employment opportunities, such as providing business capital and managing tourism villages.
- c. Creating reservoirs to increase the productivity of agricultural products.
- d. Creating village sports facilities as a public space to build social nuances in rural communities.

According to the Village Fund Policy report in 2021 (Ministry of Finance of the Republic of Indonesia, 2021), the accomplishment of village fund absorption from 2015 to

2019 was 99.4 to 100%. The absorption rate fluctuates but it is not significant. The ceiling value continues to increase from 2015, amounting to IDR 20.76 trillion, and reaching IDR 70 trillion in 2019.

According to the budget ceiling, village funds have developed initiatives that impact village development. Most outcome achievements revolve around improving the living standard in rural communities and assisting its economic activity. There is an implication that community empowerment and development are increasing. In Pejeng Kelod Village, Gianyar Regency, village funds are particularly beneficial for enhancing infrastructure development and community empowerment (Sukabawa & Karyoto, 2022). The continual improvement in repairing village infrastructure, such as agricultural roads and irrigation canals that were previously damaged, demonstrates the effective use of village funds. The improvement of permanent irrigation canals could encourage a rise in farmer yields. Posyandu, the Family Welfare and Empowerment Organization (PKK), BUMDesa, and the Water Supply and Sanitation Management System (KPSPAM), all of which can enhance community welfare, become part of the initial stage of community empowerment actions.

### ***Management Program Theory***

*Management* is a process or series carried out by a series of groups of people in which there is planning, organizing, implementing, and supervising through utilizing potential to reach specific goals (Thomas, 2013). Management is also known as activity implementation management, which refers to planning, organizing, implementing, and managing organizational resources.

In managing a program, organizations perform management functions. Management functions are a collection of sub-parts in management that allow the parts to accomplish their goals (Terry, 2006). At a minimum, the program management stage includes the following:

- a. *Planning* is the fundamental stage. Activities include formulating problems, selecting and linking facts, designing strategic steps, formulating activities, making decisions, setting goals, and gathering resources. Decision-making necessitates the ability to visualize foresight to build a pattern of action sets.
- b. *Organizing* is the process of grouping resources, tasks, responsibilities, and authorities to create an organization that follows planning as a unit to achieve goals. Resources are required to occupy particular work units during the organization stage. In order to effectively organize, leaders must be able to delegate duties, exercise adequate trust, promote

- cooperation among all stakeholders, and delegate authority. At this point, the division of labor and allocation of resources for activity implementation are the main discussion topics.
- c. *Actuating* is the act of placement and direction in the organization. Actuating refers to all the steps taken to start and carry out what has been decided upon through planning and organizing. The activity's performance by units and resources is the main emphasis of the actuating stage. Additionally, the leader's capacity for actuating has a significant impact.
  - d. *Controlling* is observing, evaluating, and adjusting all parts of an activity to ensure that it aligns with the predetermined goals and objectives. Controlling is conducted to ensure things go as planned, spot and avoid problems, as well as boost productivity and effectiveness.

### **III. Research Methodologies**

This research uses a descriptive qualitative approach. Research is conducted holistically using a scientific method in a particular context. The aim of this study is to investigate the phenomenon of village fund management in creating accurate and realistic descriptions and images.

The research location is Sumberejo Village, Batuwarno Subdistrict, Wonogiri Regency, Central Java. The location selection was based on several considerations. Sumberejo Village is one of the innovative villages in Wonogiri Regency and a pilot village in village fund management, especially BUMDesa management. Furthermore, the distribution of village funds is more diversified. These considerations are expected to provide an overview of policy management.

Data were collected through in-depth interviews, observations, and document searches. The data used is divided into primary data and secondary data. Primary data are gained through observations and interviews with informants relevant to the research aims. Secondary data is supporting data obtained from document searches.

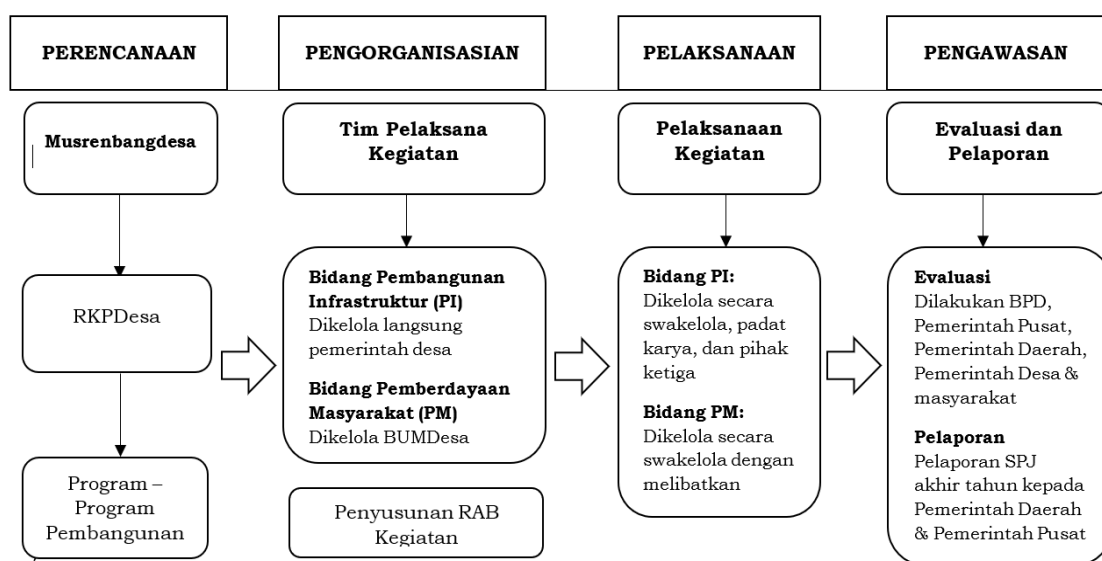
The informants in this study consisted of managers, implementers, supervisors, and beneficiaries of village funds. Village fund managers include the village head, village officials, the BUMDesa director, and business unit managers. The supervisor is the head of the BPD. Beneficiaries are the people who use MFI services, communal cage users, and Telaga Rowo managers.

Data analysis was carried out by reducing, presenting, and verifying data. Moreover, data reduction is accomplished by summarizing, sorting, and emphasizing the information. The

results of the reduced data are then presented according to the objectives, allowing conclusions to be reached. Data verification is conducted by concluding the data presented.

#### IV. Result and Discussion

Managing village funds includes the overall management of operations and the budgeting of the funds in development areas. Village funds management must go through appropriate stages to accomplish the development policy goals. Following the stages of program management, the outline of village fund management in Sumberejo Village is as follows.



**Figure 1. Village Funds Management Stages in Sumberejo Village**

Source: Primary data

According to Presidential Regulation No. 60/2014 on Village Funds, village funds are managed systematically and comply with legal requirements effectively, economically, and transparently while responsibly considering a sense of justice and propriety and prioritizing the local community's interests. Per the Minister of Finance Regulation No. 49/2015, it is ideal for self-managed activities supported by village funds, using local resources or raw materials, and striving to absorb more labor from the surrounding village community. The village governments and the local population must be involved in its management.

##### 1. Planning Stage of Village Funds Management

With the help of the musrenbangdesa, the management of village fund activities is planned out. Village forums are participatory in nature, involving all elements of the

community, local government, and organization involved in village development. Stakeholders have an equal opportunity to voice their ideas, criticisms, and contributions in the musrenbangdesa. Musrenbangdesa also considers group representation. It expresses the community's involvement in community participation (Rudiarta et al., 2020).

**Table 1. Group Representative in Musrenbangdesa of Sumberejo Village**

No	Representative	Stakeholder
1.	Area	Village Head (Kepala Dusun), Neighborhood Forum (RT), and Citizen's Forum (RW)
2.	Government	Regional Government, The Head of Sub-district, and Village Facilitators
3.	Sector	<ul style="list-style-type: none"> <li>- Economic: Dasa Wisma (family welfare program organized in groups of 10 households at the village and sub-district level), Micro, Small, and Medium Enterprises (UMKM), and BUMDesa</li> <li>- Agricultural: Farmers group association (gapoktan) and forest farmers</li> <li>- Education: PKK and educators</li> <li>- Health: posyandu cadres, extension workers, polindes/puskesmas personnel</li> <li>- Armed forces: Indonesian National Police (POLRI) and Indonesian National Military (TNI)</li> </ul>
4.	Social community and gender	<ul style="list-style-type: none"> <li>- Community leaders: elders, traditional leaders, religious leaders, and regional officials</li> <li>- Women communities: PKK, qur'an recitation group, and men community</li> <li>- Marginalized communities: underprivileged communities, disabilities, elders, orphans, and unemployed</li> </ul>
5.	Other communities	Partners or third parties, Non-Governmental Organization (LSM), village's social and religious organization

Source: Primary data

The musrenbangdesa of Sumberejo Village already includes community organization representatives. The planning process for the development of the village involves all stakeholders, including the representative of women required by law. The Development Activity Plan (RKP) in the musrenbangdesa is created based on the Village Medium-Term Development Plan (RPJMDesa). The direction of the village's financial policies, development plans, and work programs are outlined in the RPJMDesa and then further developed in the Program Work Plan (RKP) annually. The planning focuses on the issues occurring in the Sumberejo Village. Infrastructure development, increasing regional revenue (PAD) through economic growth, and solving social issues are the top three development plans in the RPJMDesa.



Infrastructure development is still the main priority because Sumberejo Village's infrastructure still needs to be improved. At the same time, the Sumberejo Village Government also conducts community empowerment activities to achieve the second priority target. The proposed activities that village funds would sponsor demonstrate that planning activities are conducted strategically to prioritize the focus on community problems and necessities. The implementation of the second and following priorities will begin once the top priority has been completed.

The Sumberejo Village Government adjusts the village funds to the four development areas according to the amount of the funds and the village needs. Sumberejo Village's village funds fluctuate annually due to changes in the percentage calculations considering factors such as population, poverty rate, location, and geographic difficulty (Ministry of Finance of the Republic of Indonesia, 2019).

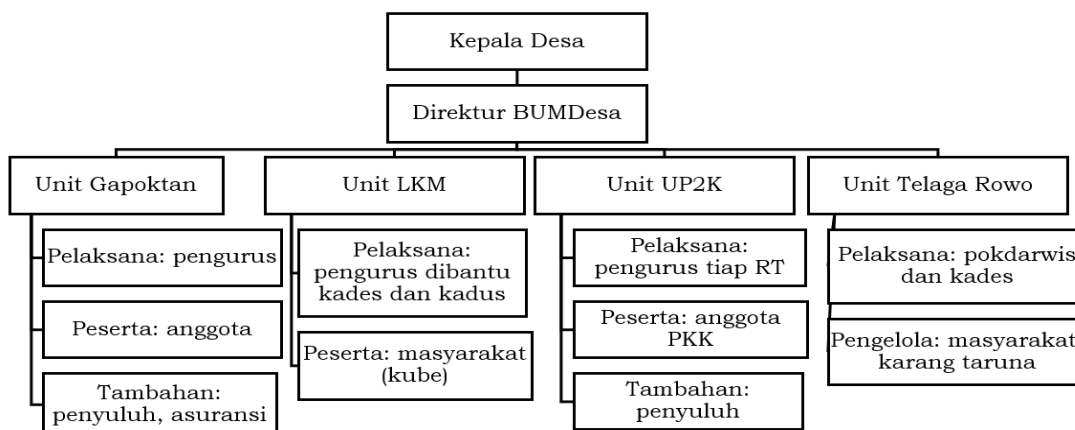
The majority of the village funds still go toward infrastructure development. Due to several factors, there was no allocation for the empowerment sector in the previous year. First, infrastructure was still the main growth area because it needed improvement. Second, the units implementing the activities could not yet carry out community empowerment activities.

The role of the village head and community involvement in Sumberejo Village are inseparable from managing the village funds. In this instance, the village head can allocate a sizable portion of village revenues towards community empowerment. The planning of empowerment activities is conducted in a participatory manner (bottom-up). Participants, consisting of representatives from the community, provided suggestions for activities. Various proposals were then arranged based on prioritized needs according to budget, resources, urgency, and RPJMDesa.

## **2. Organizing Stage in Village Funds Management**

*Organizing* is the process of grouping resources, tasks, responsibilities, and authorities to achieve goals. The village government organizes village funds by considering suggestions from local government, village facilitators, the BPD, and community members. Resource deployment is crucial to accomplishing activity goals.

The activity implementation team, made up of the BUMDesa business units, divides up the work of managing community empowerment programs. *Sumber Artha Makmur* is one of the BUMDesa in Sumberejo Village. The division of labor refers to each unit's ability to manage its resources. Business units can supervise any administrators or staff members actively involved in duties.



**Figure 2. Organizational Structure of BUMDesa Sumber Artha Makmur**

As shown in Figure 2, the village head serves as the vital authority figure for delegating tasks and managing community empowerment initiatives. It can be seen in delegating authority to subordinates (BUMDesa), in which business units manage the authority. Thus, a top-down line authority structure is subsequently established following the organizational structure.

The Microfinance Institutions (LKM) and BPS drinking water units, are examples of professionally-managed business units in which administrators are consistently compensated and expected to do tasks to the best of their skills. Administrators who are not frequently paid handle the remaining business units on a volunteer basis. The administrators only work when there is a necessity or during activities.

BUMDesa Artha Makmur is part of the Sumberejo Village Government, whose management involves the village head as a supervisor. BUMDesa Maju Jaya, in contrast, is a distinct entity from the village government organization (Harjanti, 2021).

The chairman, secretary, and treasurer are part of the LKM management team. In addition to performing structural roles, the management is entrusted with managing daily operations, which include providing services, accepting payments, and analyzing as well as disbursing funds following an agreed schedule. The LKM management is paid monthly from the residual business results (SHU).

The Tourism Awareness Groups (Pokdarwis) management, who is in charge of the tourism units, oversees the Telaga Rowo unit. The tourism unit's employees are in charge of implementation. The management is involved in the administration and the development of tourist facilities. Each tourism business hires locals from the neighborhood and youth organizations.

Volunteers run the Gapoktan unit and the business unit for increasing family income (UP2K). While the UP2K management operates during the regular monthly RT meetings, the

Gapoktan management operates when there is an activity. Activities in the Gapoktan and UP2K units require additional resources to help manage activities such as counseling or training. The business unit invites speakers from relevant organizations, the private sector, or other parties to facilitate activities.

**Table 3. Implementation of Sumberejo Village BUMDesa Business Unit Activities**

No	Business Unit	Implementer
1.	Gapoktan	- Managed by three administrators with nine farmer groups - Implementation of activities of 8 Gapoktan members - Involving related agencies and BUMN
2.	UP2K	Managed by 22 administrators consisting of a supervisor, two persons in charge, three daily administrators, and five operational groups with three operational group administrators each.
3.	LKM	- Managed by three daily administrators in a professional manner - Assisted by the village head and director as supervisors as well as analyzing loan applications
4.	Telaga Rowo	-Managed by <i>pokdarwis</i> as the person in charge of tourism units -Involving community groups -Development is managed directly by the village head

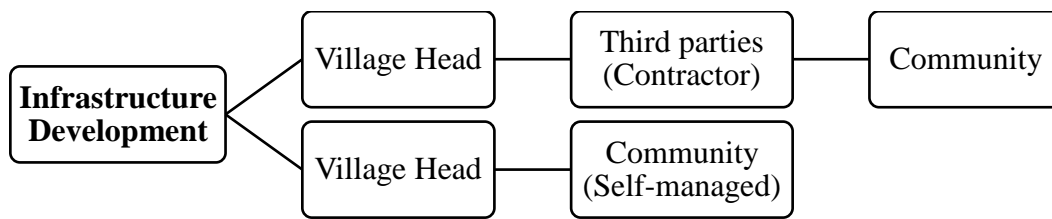
Source: Primary data

The business unit implements the village fund empowerment field by working with BUMDesa management and extra employees or third parties. The allocation of development management resources is planned to align with the implementer's competencies. Nevertheless, some employees choose not to use experts because not all business units are profitable. BUMDesa Guyub Reksa Dana also experiences a related phenomenon (Filya, 2018). According to data from the monthly cash book report, not all BUMDesa business units profit consistently.

Activities for community empowerment differ from those for infrastructure development in delegating power and duties. The village administration directs the community in a self-managed manner or to a third party (contractor) to handle infrastructure development operations. Both schemes involve the community in the implementation of activities.

### **3. Actuating Stage of Village Funds Management**

*Actuating* is an effort to arouse and encourage visible parties to strive in order to achieve goals of placement and direction. The village government carries out the implementation of infrastructure development and community empowerment. Infrastructure development is managed in two ways: by contracting third parties and self-management.



**Figure 3. Flow Chart of Sumberejo Village Infrastructure Development Implementation**

According to the agreement, the village administration divides up the work of activity management while taking the implementer's capabilities into consideration. Infrastructure development is carried out contractually with third parties alongside working directly with the community through self-management. Delegation was carried out because some buildings required abilities such as arithmetic, whereas small scale construction, such as the casting of village roads, was carried out autonomously. The community is provided funds based on a fixed budget and then managed collectively.

In contrast, the 2018 regulations specify that third parties can no longer administer village funds for infrastructure development. Per Minister of Finance Regulation No. 49/2015, implementing activities funded by village funds is prioritized to be self-managed using local resources or raw materials. It aims to absorb more labor from the village community. The community must carry out implementation as an effort to encourage labor-intensive programs. The idea is similar to cash power or labor purchase from the village. This idea is intended to earn wages to foster purchasing power in the village. However, the village authority has always tried to maintain community involvement, particularly in labor absorption, since third parties became involved in infrastructure development in Sumberejo Village.

However, as of 2018, there was no longer any infrastructure development that needed a third party. Nowadays, infrastructure development is frequently lighter, allowing the community to carry it out on its own. The village head may complete the work if further assistance is still required because he has experience in architecture.

In contrast to infrastructure development, community empowerment activities are managed by BUMDesa. BUMDesa is assigned to manage the activity implementation team with the existing business units. The management is a permanent employee of BUMDesa, and if more staff are needed, Sumberejo Village's residents will be hired. Instead of abilities, willingness and necessity are given precedence when hiring employees.



**Figure 4. Flow Chart of the Implementation of Community Empowerment in Sumberejo Village**

Sumberejo villagers are responsible for carrying out all community empowerment activities. People that require the program are the ones who eventually wind up being implementers. Since the activities do not require particular skills or abilities, there is neither a classification nor a requirement for joining an implementation team. The community is welcome to join if willing to contribute and work.

The activity implementation team received verbal and written instructions from the Village Head. The village head conducts oral instructions by giving the BUMDesa management instructions for their duties. Written instructions might come in the format of directives made through instructions, decisions, and rules. The village head provides all briefings and commands.

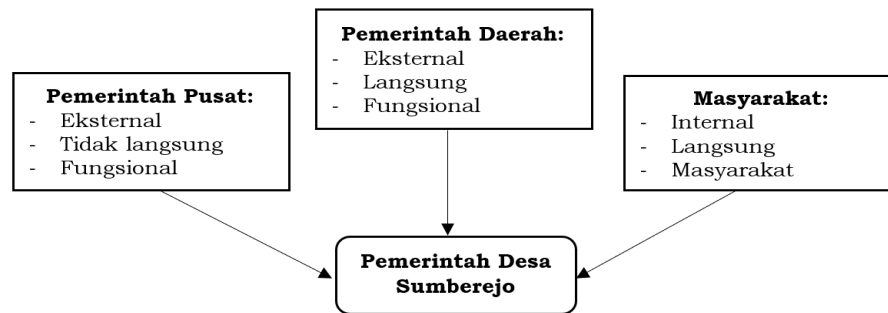
The management in the BUMDesa business units, the community, and the village head all have high trust in one another. Trust grows because the village head's ability to lead the village has been considered competent. The daily interactions that take place face-to-face have an impact on trust levels as well.

The Sumberejo Village Head is considered a village facilitator by the locals, village officials, and external parties. The Sumberejo Village Head can govern and inspire his people and the village officials. The accomplishment of numerous development activities that have been conducted is evidence of his leadership. Due to his social, political, legal, and administrative legitimacy, the village head significantly impacts the community. A village leader who lacks legitimacy would find it challenging to make decisions because he lacks community support.

#### **4. Controlling Stage of Village Funds Management**

*Controlling* is conducted during the execution of development activities in order to prevent drifting from the defined route. Controlling is carried out by the local government (the Wonogiri Regional Government) through the community and village empowerment service (Dinas PMD) and village facilitators, the central government (Kemendesa PDTT) through the local government and village facilitators, and the community to the Sumberejo Village

Government as the manager of the development program. Accountability reporting demonstrates the standard of control.



**Figure 5. Controlling of Sumberejo Village’s Village Funds Management**

- a. **Controlling by the Central Government** the Ministry of Finance and the Ministry of Villages PDTT conduct indirect supervision through evaluating written reports. Only the Sumberejo Village Government is responsible for reporting to the central government. The report is submitted to the Minister of Finance, and a copy to the Minister of Villages PDTT or other relevant organizations. Because the central government is an external party to the Sumberejo Village Government as the administrator, its supervision is a form of external supervision. Functional supervision implementation involves parties in the governmental system with roles and responsibilities in line with laws and regulations. Regulation of the Minister of Village PDTT No. 19/2017 governs how the Ministries of Finance and Village PDTT carry out their duties.
- b. **Controlling by the Wonogiri Regional Government** was conducted by the Regency Facilitation Team through the Wonogiri Regency PMD Office. The local government performs external supervision because they are separate from the Sumberejo Village Government, which manages development initiatives. The implementation of supervision is effective since the person conducting it performs its functions and duties. Direct controlling is conducted by going to and observing various infrastructure development or community empowerment activities. The supervisory team arrives mainly to check that the programs have been completed. However, the rest of the supervision is only conducted by evaluating the accountability report.
- c. **Controlling by Sumberejo Village’s Community** is internal because it is still incorporated into the Sumberejo Village Government. If something is improperly carried out, the community engages in direct supervision by being active in every activity and submitting disagreements, criticisms, input, and suggestions to the village authority. The local community could take an active part in managing village development activities.

Since the village finances were handed over, reporting by the Sumberejo Village Government as the activity manager has gone smoothly. The village government submits accurate and timely reports. By correct manner is the reporting of income, expenditure, and realization in line with the budget amount in the APBDesa. Timely reports following the rules impact the smooth disbursement and distribution of village funds in the following year.

The competence of village officials to properly compile reports is essential to the accuracy of the reports filed by the Sumberejo Village Government. The preparation of accountability reports is conducted meticulously and follows the Dinas PMD guidelines. The Sumberejo Village Government makes every effort to submit reports by the deadline. Based on the Minister of Home Affairs Regulation No. 113/2014 on Village Funds Management, it is stated that the village head has the right, authority, duty, and obligation to provide an accountability report on the realization of the APBDesa implementation. The report is written by the village secretary and delivered to the regent by the village head through the sub-district head.

Revenue, expenditures, and financing are included in the accountability report. The realization of the APBDesa is subject to two reports: the first-semester report due by the end of July of the current year and the final semester report due by the end of January of the following year. Following the Village Regulation, the provisions of the accountability report for the realization of the APBDesa must attach several report formats: the Accountability Report for the Realization of the Implementation of the APBDesa for the fiscal year, the Village Property Report as of December 31 of the fiscal year, and the Government and Regional Government Program Reports that enter the village. The Sumberejo Village Government prepares the accountability report annually.

**Table 4. Village Funds Accountability Report of Sumberejo Village Government**

	<b>Regional and Central Government</b>	<b>Community</b>
<b>Format</b>	Accountability Report for Realization of APBDesa Implementation, Village Regulations, Village Property Reports, and Program Reports	Information on Accountability Report, Realization of Implementation, and APBDesa
<b>Purpose</b>	Administrative accountability	Information disclosure
<b>Time</b>	2 times (First and second semester)	Tentative
<b>Media</b>	Report to sub-district head and uploading to the system	Billboards, information boards, and village website

Source: Primary data

The community is notified of the realization report and accountability report for the APBDesa implementation in written form and through an accessible information medium. Information media, such as announcement boards and billboards, are installed at various sites across the village. The report on the usage of APBDesa is also a form of village government accountability for public disclosure.

Tanjung Bali Village Government reports and supervises village finances at the end of each fiscal year. The sub-district and the Musi Banyuasin Regency BPMPD submit asset wealth reporting and budget realization reports for each activity to the regent. (Asoka, 2018). Reporting is a form of accountability to the central government.

Installing billboards at several points in the village is one form of public transparency used by the Sumberejo Village Government. The billboards provide an overview of how APBDesa funds are used. This type of report is beneficial in informing the community and assisting the community in supervising the village government. The same application is also implemented in Sardonoharjo Village, Central Java (Safitri & Fathah, 2018). The transparency principle is demonstrated through the publication of the village newsletter every two months, which includes a summary of the village's activity plan and the APBDesa notice board installed in each hamlet.

The evaluation targets set by the national and municipal governments solely apply to recording or reporting. There needs to be more oversight of managers' performance, policies, implementation methods, planning, or village officials' direction. Most evaluations are focused on the veracity of the APBDesa report and are more concerned with the budget than the activity. The absorption of the budget and the realization of the activities are typically used to gauge success.

The supervision process impacts the follow-up process through penalties and sanctions. The distribution of village funding will be temporarily halted unless the reporting is correct. On the other hand, process supervision must be carried out to acquire an analysis of actions that may be used for further improvement.

## **5. Factors in Village Funds Management**

Some issues could become impediments in the management of village funds. Obstacles to policy execution through village funds in Rantaupandan Hamlet are due to a lack of expertise in managing operations by the government apparatus resources (Rahmah & Rifka, 2018). Similar obstacles occurred in Pejeng Kelod Village (Sukabawa & Karyoto, 2022) whereas



training and comparative studies to other villages were held for village officials to overcome obstacles due to the low ability of management resources.

The issue of human resources in village fund management is related to managers' inability to optimize the use of these funds (Islamiyah, 2020). Sumberejo Village is replacing government resources with young people. Many young people work in administrative and technical roles. The goal is to maximize productivity while being adaptable to change.

An external factor that inhibits the management of village funds is the implementation of bureaucracy. The execution of complicated policies necessitates the collaboration of numerous stakeholders. Complexity can arise when the bureaucratic structure is unfavorable to policy implementation, resulting in ineffectiveness and impeding the policy's progress (Devyana, 2020). Transparent policies result from an apparent bureaucracy. Transparency is crucial for avoiding abuses of village fund administration. These impediments have resulted in uneven benefits and accomplishments of initiatives that have not met the aims of village funds, and their sustainability is in doubt (Wattimena et al., 2021). The same with village funds usage in Sebakung Taka Village, only two physical activities could be carried out of the nine planned activities (Sari & Alaydrus, 2019). Furthermore, inadequate management of village funds increases the likelihood of violations.

On the other hand, a supporting factor for community empowerment activities in Sumberejo Village is the innovations made by the village head. Sumberejo Village's village head is considered young and has a college education. This background and previous work experience are used in implementing activities, among which is the design of Telaga Rowo Tourism development.

Sumberejo Village's budgeting of village funds varies greatly. Village funds are increasingly used for community empowerment rather than just physical development. Empowerment activities are planned based on assessing the village's needs, potential, and resources. It has been stated in the planning process that the process of developing empowerment activities is done in a participative (bottom-up) manner.

Community involvement also contributes to the success of the programs. Sumberejo Village's community is still relatively close-knit. Thus, their excitement is excellent, and they participate in many village events. Because of this community involvement, Sumberejo Village has become one of the most innovative communities in Wonogiri Regency.

## **V. Conclusion**

The village government manages the village funds, which begin with the musrenbangdesa. Physical development and empowerment programs are designed in a participative manner, taking into account the community's top priorities. Contracting third parties and self-management are the methods used to carry out infrastructure development. Meanwhile, BUMDesa is in charge of community empowerment implementation. Organizing is accomplished by involving BUMDesa in work units. The controlling stage is carried out regarding the fund budget through the APBDesa Accountability Report.

Sumberejo Village has become a role model village for the handling of village funds. The role of village officials and the community in implementation activities is essential. Sumberejo Village funds are designed with the participation of community groups. Many villagers participate in BUMDesa programs as beneficiaries of activity managers. The self-management model used in Sumberejo Village can also absorb local labor. Collaboration between the village government and community participation allows village funds to be used for activities that directly and indirectly benefit the community.

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