

# Village Fund Management (Study Of Village Fund Budget Effectiveness In Pilolahunga Village)

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## **Abstract.**

*The purpose of this study was to determine how the effectiveness of Village Fund Management in pilolahunga village and the factors that inhibit the effectiveness of Village Fund Management in Pilolahunga village. The method used in this study is Qualitative, with a descriptive approach. Data collection techniques used in this study are by means of case studies, namely: reading books, literature, or legislation related to the problem, and also field studies, namely: interviews, observations, and documentation. The results of the research on Village Fund Management in pilolahunga village are (1) in the field of village governance, village fund management has been realized well or effectively. In terms of village development, the village government allocates a budget of 48% and has been realized in fiscal year 2019, but has not yet had an impact on the needs of the community. Meanwhile, in the field of empowerment and development of rural communities, apsek is only a priority for institutional development and strengthening without regard to health, education and economic strengthening of rural communities. (2) factors that affect the effectiveness of Village Fund Management in Pilolahunga village are human resources and lack of community participation.*

**Keywords:** Management, Effectiveness and Village Fund.

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## **I. INTRODUCTION**

The village as a government organization that is closest to the community in fulfilling everything that is needed in public services which is a benchmark of a successful development in the organization of government. The village will be an organization that will be directly involved in the planning and control of the development of development as well as services. Thus, the village must be able to be at the forefront in continuing the aspirations and also the wishes that are desired to be forwarded to competent parties to be followed up as consideration at the top level. Since the reform of 1998, law No. 22 of 1999 and revised into law No. 32 of 2014 on regional autonomy, the existence of the village has been legitimized by the state through the law. For dozens of villages the village has never gained the freedom to be autonomously independent. On the other hand, the village is an inseparable part of the state power structure. Siring with the passage of reform, the village has been recognized its existence through Law No. 6 of 2014 on the village, the state has recognized the customary rights and sovereignty of the village as a part that can not be separated from the state. Through the act, the village is given the authority and flexibility to independently take care of its own household affairs. Various implications occur in this regulation, up to the allocation of village funds through direct central transfers and the village has the right to manage its budget independently in accordance with the needs of the village community. According to Bambang, the village is the unity of the legal community that has the boundaries of the area that is authorized to regulate and take care of the interests of local communities, based on the origins and local customs that are recognized and respected in the government system of the unitary state of the Republic of Indonesia, as stated in Government Regulation No. 72 of 2005 concerning the village.

PP RI.No. 72. Year 2005. Article 26 paragraph (1) of Law No. 6 year 2014 the village head is in charge of organizing village government, implementing village development, Village Community Development, and Village Community Empowerment, in addition paragraph (2) point h says that the village government has the task of fostering and improving the village economy and integrating it in order to achieve a productive scale economy for the greatest prosperity of the village community. following up on

this point, Article 6 of Permendagri No. 114 of 2014 provides technical strengthening regarding the priorities and guidelines for Village development in village fund management. Village Financial Management based on Permendagri No. 113 of 2014 on Village Financial Management is a whole process of activities ranging from Planning, Implementation, Administration, reporting, accountability and Village Financial Guidance and supervision. Village finance is managed based on the principles of transparent, accountable, participatory and conducted in an orderly and disciplined budget. In response to the above, South Bolaang Mongondow Regent Regulation Number 5 of 2018 concerning procedures for allocating village funds. Article 7 of the Perbub says that the allocation of funds and villages for the implementation of village governance includes Sangadi and village officials' regular income, sangadi's position allowance, RT, RW, bpd oparsional, village treasurer's honorarium, ATM/ATK needs, official travel expenses, meeting consumption costs, Sangadi and village officials' official clothing, facility repair and maintenance costs, and other activities related to village government operations. Article 8 states that the allocation of the village budget must be in accordance with the priority areas of development, therefore the allocation of the village fund allocation presentation consists of two aspects, namely, governance 60% and alloaction for the field of development, development and empowerment as much as 40 %.

Starting from the regulation side, the Pilolahunga village government through the village fund budget has allocated the budget in accordance with applicable regulations. In 2019, the Pilolahunga village government received a village fund allocation of Rp. 1,358,136,575 with the allocation of funds for the implementation of village government by 30% or Rp, 409,1339,141, the implementation of development by 48% or Rp. 792,241,934, and for the field of empowerment and development of 12 %. Alloaksi funds show that the Pilolahunga village government in managing the village fund budget is greater for the development sector when compared to government administration in accordance with South Bolaang Mongondow Regulation Number 5 of 2018 on procedures for allocating village funds. In connection with these provisions, this implies that in carrying out village household affairs, coaching, community development, and fostering the village economy must be run by village officials because village communities have developed with various activities that increasingly require professional government officials. Along with the development of the community, the need for more complex services and services that are getting better, faster, and more precise is needed by the community. Apparatus located in the middle of the community must be able to provide services in accordance with the needs of the community. In carrying out its duties, the apparatus is a subsystem of government administration that has the authority to organize and manage its own household in a powerful and effective manner in accordance with the development of government. In relation to the above, the results of Field Research show that the effectiveness of Village Fund Management in Pilolahunga village in 2019 still has some obstacles. For the field of governance, it is said to be effective because everything is well realized.

While in the field of development, empowerment and development have been realized through the available budget, but not in accordance with the demands and needs of the community. The results also showed that there are several things that hinder the effectiveness of village fund management, including the availability of village apparatus resources, almost all village officials have equivalent high school education, with the educational background will affect the competence of the performance of the apparatus. Another factor is community participation in development in Pilolahunga village, this is due to unrealized needs and demands through angagran dana desa making the community passive in village development. Village fund budget management there is a need for management in development in order to direct the budget so that it can be used as well as possible for existing development in the village. For this reason, a special review is needed to see the effectiveness of the use of the village fund budget whether it is in accordance with the target to be achieved. the performance of the village apparatus also needs to be considered so that the use of the village fund budget is really effective and efficient and on target in its use. Not only that, the form of transparency also needs to be done by the village government as a form of notification to the community so that the community can also assess the use of the village's budget whether it is effective and efficient. Based on these results, the researchers took the title *“Village Fund Management (Study of the effectiveness of Village Fund budgets in Pilolahuga Village”*.

## II. METHODS

This research on Village Fund Management uses qualitative research methods using a descriptive approach. The approach using descriptive problem formulation is a problem formulation that deals with the question of the existence of independent variables, either only on one variable or more on two or more different samples, or at different times (Sugiyono P. D., 2018). Research on Design Fund Management was conducted in Pilolahunga Village, Posigadan District, Bolaang Mongondow Selatan Regency. Data to be collected in this study in the form of primary data and secondary data. Primary Data in the form of data that will be obtained directly from respondents who come from the village government and The Village Community Pilolahunga District Posigadan Bolaang Mongondow South. Secondary Data is data obtained based on the study of documents collected from government agencies Pilolahunga Village District Posigadan Bolaang Mongondow South and other regulations as well as supporting data obtained from books search results of literature studies. The Target of this study is the head of the village and village officials who are in the working environment of pilolahunga village, and added several people to the community for interviews. Analysis of the study refers to the effectiveness of the village fund budget.

## III. RESULT AND DISCUSSION

### Effectiveness Of Village Fund Management Field of Village Governance

In the implementation of village government, the Pilolahunga village government has adjusted the position of budget allocation in accordance with the provisions in force in Law No. 6 of 2014, Permendagri number 114 of 2014, PermendesPDPTT No. 11 of 2019 on Prioritizotas for the use of village funds and more specifically in accordance with South Bolaang Mongondow Regent Regulation No. 5 of 2018 on procedures for allocating village funds. Article 9 of the Perbub says that the allocation of funds and villages for the implementation of village governance includes Sangadi and village officials' regular income, sangadi's position allowance, RT, RW, bpd oparsional, village treasurer's honorarium, ATM/ATK needs, official travel expenses, meeting consumption costs, Sangadi and village officials' official clothing, facility repair and maintenance costs, and other activities related to village government operations.

In the organization of government, according to the author, it has been effective in the use of village funds, this can be seen in the realization of angagran susai with the planning and needs of village officials. the government's allocation policy of 30% is part of the Pilolahunga village government's efforts to streamline the budget by reducing village government operational costs. Provisions governing budget allocation in government administration as much as 60% based on South Boalaang Mongondow Regulation Number 5 of 2018 can be suppressed by the Pilolahunga village government. This indicates that there are other priority agendas pursued by the village government, including aspects of village development.

### Village Development

According to Article 78 of Law No. 6 of 2014 on villages, the purpose of village development is to improve the welfare of the village community and the quality of human life and poverty reduction through the fulfillment of basic needs, development of village facilities and infrastructure, development of local economic potential, and sustainable use of Natural Resources and the environment. Village development covers the stages of planning, implementation, and supervision. The implementation of village development is carried out by prioritizing togetherness, kinship, and mutual assistance in order to realize peace and social justice. on the reference to the article, the data said that by prioritizing the budget sebsar 48% of the total existing budget is something that proves the seriousness of the village government in the implementation of development in the village.

Aspects of the procedure in accordance with the provisions of this article are implemented by the village government in village development, meaning that the allocation and realization of the budget are effective. But the biggest obstacle is the planning and implementation of development is not in accordance with what the basic needs of the people of Pilolahunga Village. The construction of agricultural roads, and the rehabilitation of street lighting by swallowing such a large budget is not a basic need of the community, while what is needed by the community is how to support facilities and facilities in increasing community

production access such as BumDes and other physical facilities. This makes the village fund budget management has not been effective because it has not been in accordance with the demands and needs of the local community.

### **Development And Empowerment Of Rural Communities**

Permendagri number 114 of 2014 concerning the field of Village Community Development, among others, the development of community institutions. implementation of peace and order, fostering religious harmony, strengthening the economy of the village community, the provision of sports facilities and infrastructure, fostering Indigenous institutions, fostering Arts and social and cultural communities and other activities according to village conditions. in addition, Article 6 of the Minister of Home Affairs Regulation No. 114 of 2014 on Village Community Empowerment confirms that village consultative bodies, village consultative forums, village community institutions, village customary institutions, village BUMs, inter-village cooperation bodies, village cooperation forums, and other community activity groups are formed to support government and development activities in general. The provisions in the field of Community Empowerment in accordance with the amanah include 1) economic, agricultural, fisheries and trade business training; 2) Appropriate Technology Training; 3) education, training, and counseling for village heads, village officials, and Village consultative bodies; 4) Community Capacity Building, including Village Community Empowerment cadres, productive economic business groups, women's groups, farmer groups, poor groups, fishermen groups, artisans groups, child protection and observer groups, youth groups and other groups according to village conditions.

Meanwhile, dalam UU No. 6 of 2014 Article 26 paragraph (2) point h affirms that the main task of the village government is to foster and improve the village economy and integrate it in order to achieve a productive scale economy for the maximum prosperity of the village community. Based on the provisions of the Permendagri, and adapted to the conditions of Pilolahunga village governance in the management of the village fund budget as has been realized. Namun in the context of Village Community Development and empowerment is still at the level of Village Institutional Strengthening including religious, customary and village apparatus development. While other elements have not been met, such as health, education and economic empowerment of rural communities. on the other hand, the demands of Article 26 point b of Law No. 6 of 2016 on villages and outgroups are realized in the management of village fund allocation. Data from the study shows that until now BumDes as a forum to create economic productivity of the Pilolahunga village community are not effective in their management, even the 2019 budget has no allocation for BumDes. Therefore, through the management of the village fund budget, the Pilolahunga village government must streamline BumDesa in order to increase the economic productivity of the community based on the potential of village resources.

### **Factors that hinder the management of Village Fund Allocation**

#### **Apparatus Resources**

Permendagri No. 83 tahun 2015 about the appointment and administration of village apparatus Article 2 Paragraph (1) states that the village apparatus is appointed by The Village Head of the villagers who have met the general and special requirements. Provisions regarding the village head's requirements stipulated in Article 2 Paragraph (2) on the general requirements for the appointment of village officials are a) at least educated in public secondary school or equivalent; b) aged 20 (twenty) years to 42 (forty two) years; C) registered as a resident of the village and residing in the village at least 1 (one) year prior to registration; and d) meet the completeness of administrative requirements. Furthermore, paragraph (3) special requirements as meant in Paragraph (1) are requirements that are special in nature with regard to the rights of origin and socio-cultural values of the local community and other requirements and Paragraph (4) special requirements as meant in paragraph (3) are stipulated in local regulations. If seen in the aspect of Permendagri provisions mentioned above, it is in accordance with the specifications of education and age limits for officials in Pilolahunga village. The average aparatur berdidiakn sederajat high school and one person with S1 education. Elements of village apparatus requirements have met the applicable provisions. However, the obstacles faced in the implementation of village governance is the competence possessed by the village apparatus. village budget management really needs the competence of the village apparatus.

Some village officials have not mastered IT, competence is needed to facilitate service access to village fund management. To improve the competence of village officials, the village government has allocated village funds for training activities of village officials including BPD members in terms of increasing their work productivity. However, this effort has not been able to get maximum results because it is constrained by the ability of village officials who are still minimal. The government has issued PermenDesPDPT number 17 of 2019 concerning general guidelines for development and empowerment of rural communities. However, on the one hand, there are still obstacles to the realization of the use of village funds. Less qualified human resources (HR), both village officials and villagers, become one of the obstacles in the financial management of village funds because in the planning process, implementation to accountability requires qualified human resources in the financial management process of village funds. The participation of the village community in the implementation of village government is the right and obligation of villagers to contribute to the achievement of Village Development Goals. So that they are given the opportunity to participate in development by contributing their initiative and creativity. Contribution of initiative and creativity can be delivered in community groups or meetings, both formal and informal.

In the group meeting or meeting, there will be mutual information between the village government and the community. Community participation is indispensable as the main condition in the implementation of development with a self-help system, participation helps encourage and facilitate the development process. In relation to participation in development Margono defines as the participation of the community in providing input in development, which can be in the form of personnel assistance, materials, funds, expertise, ideas, alternatives and satisfaction, and participate in development as intended Village Development Goals. In relation to this, all regulations governing village government require the village government to involve the community in every village development. Therefore, the implementation of village governance without community participation will fail in every aspect of development. This is a problem for the government of Pilolahunga village, in every implementation of community development, there is less participation. The lack of community participation resulted from Village program planning that has not fully accommodated the interests and needs of the village community. This makes the community passive towards several development program policies carried out by the Pilolahunga village government.

#### **IV. CONCLUSION**

Based on the results of research and discussion above, the author can draw some conclusions including : a). In the field of village governance, village fund management has been realized properly or effectively in accordance with applicable laws and regulations. In terms of village development, the village government allocates a budget of 48% and has been realized in the 2019 budget year, but on the other hand has not yet had an impact on the needs of the village community which makes the management of the village fund budget less effective in the field of development. While in the field of empowerment and development of rural communities only prioritize aspect development and institutional strengthening without regard to health, education and economic strengthening of rural communities.

The field has not been running effectively, where BumDes which should be an important element in strengthening the economic productivity of rural communities have not been streamlined through the Pilolahunga village budget. b). There are two factors that affect the effectiveness of Village Fund Management in Pilolahunga village, namely Human Resource factors, with an average level of high school education equivalent to affect the competence of apparatus performance in its mastery and other performance. In addition, the next factor is the lack of participation of the village community in village development. Basic needs and demands that have not been accommodated through the allocation of village funds make people passive in every aspect of development in Pilolahunga Village.

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