



Received: July 24, 2023 Revised: August 23, 2023 Accepted: August 24, 2023 Published: September 1, 2023

Analysis of Management of Village Fund Allocation in Sumberjo Village, Margomulyo District, Bojonegoro Regency

Puryadi Muhhariawan¹, Mahendra Adhi Nugroho²

Universitas Negeri Yogyakarta

Email: puryadimuhhariawan.2021@student.uny.ac.id¹, mahendra@uny.ac.id²

ABSTRACT

This study aims to analyze the management of village fund allocation (ADD) in Sumberjo Village, Margomulyo District, Bojonegoro Regency. This research uses a qualitative approach by conducting in-depth interviews and collecting data through field observations and analysis of documents related to ADD management in Sumberjo Village. The collected data was analyzed using a descriptive method to identify the problems and challenges faced in managing ADD and to analyze the effectiveness of using these funds. The results of the study show that the management of ADD in Sumberjo Village faces several problems, including a lack of transparency and accountability in the use of funds, low community participation in making decisions regarding the use of ADD, and limited understanding and capacity of village officials in managing these funds. This research also reveals several efforts made by the village government to improve the management of ADD, such as involving the community in planning and monitoring the use of funds, as well as conducting training and mentoring to increase the capacity of the village apparatus. In improving ADD management in Sumberjo Village, it is recommended that the village government increase the understanding and capacity of the village apparatus in managing these funds and strengthen the monitoring and evaluation mechanisms for the use of ADD. In addition, collaboration with related parties, such as government agencies, communities, and non-governmental organizations, must be increased to support more effective and sustainable management of ADD.

Keywords: Management, Allocation of Village Funds, Transparency, Accountability

1. INTRODUCTION

As a government directly in contact with the community, the village is the main focus of government development because most of Indonesia's territory is rural. Based on (Mulasari et al., 2019) concerning villages, the administration of village government finances is separate from district government finances. The separation in the administration of village finances is not only in the desire to transfer authority and financing from the central government to regional governments but, more importantly, the desire to increase the efficiency and effectiveness of the management of financial resources in the context of improving welfare and service to the community. In connection with the devolving

of village financial management independently by the village, this is referred to as Village Fund Allocation (ADD).

Government regulation Number 20 of 2022 concerning villages states that village fund allocations are funds allocated by the district government for villages from a part of the central and regional financial balance funds received by the district. Village fund allocations are mainly used for the development and administration of village government in its development; now, villages have developed into various forms of empowerment so that they become independent, advanced, and strong villages to achieve a just, prosperous, and prosperous society. The village has the

authority to regulate its area according to the capabilities and potential of the community in order to achieve prosperity and equal distribution of economic capacity. Development progress is no less significant; this development also requires planning, implementation, and accountability. Village development must reflect an attitude of cooperation and togetherness as a form of practising the precepts in Pancasila to create a just and prosperous village society. Implementation of village development must be under what has been planned in the planning process, and the community has the right to know and supervise village development activities. ADD management must be carried out openly through village meetings; the results are outlined in Village Regulations (Perdes). These provisions show decision-makers' commitment that the management of ADD must adhere to the principles of good governance, which actors and village communities must implement. Managing village fund allocations given by the government to align with their objectives requires the application of management functions in each management process (Aminah, 2018).

Sumberjo Village, located in Margomulyo District, Bojonegoro Regency, is one of the villages in Indonesia that has received village fund allocations (ADD) as a source of funding for development and improving community welfare. ADD has an essential role in accelerating development at the village level and empowering local communities. However, the ADD management in Sumberjo Village still faces various challenges and problems that must be analyzed in depth. One of the problems faced in managing ADD in Sumberjo Village is

the need for more transparency and accountability in using these funds. When there is no clear and open mechanism for reporting the use of ADD, the risk of misuse of funds or discrepancies with development priorities that have been set is more excellent. Therefore, it is necessary to analyze the extent of transparency and accountability in the ADD management in Sumberjo Village. In addition, the low level of community participation in decision-making related to ADD is also a problem that needs to be addressed. The active participation of the community is essential in ensuring that the use of ADD is under their needs and aspirations. By involving the community in planning and monitoring the use of funds, a sense of ownership and sustainability of development in Sumberjo Village will be created. Another challenge faced in managing ADD in Sumberjo Village is village officials' limited understanding and capacity to manage these funds. Limited knowledge and skills in financial management and development can hinder the effective use of ADD. Therefore, it is necessary to analyze the needs and training needed so village officials can better manage ADD.

Supervision and evaluation of the use of ADD is also a challenge that needs attention. Effective oversight will minimize the risk of misuse of funds and ensure that the funds are used under development objectives. Regular and objective evaluations are also essential to assess the impact of using ADD and make improvements if necessary. Therefore, it is necessary to analyze the existing monitoring and evaluation mechanisms in Sumberjo Village to evaluate their effectiveness in managing ADD.

2. LITERATURE REVIEW

Under (Regulation of the Government of the Republic of Indonesia Number 47 of 2015) concerning Villages, the definition of a village is a legal community unit that has territorial boundaries. The village has the authority to regulate and manage government affairs and the interests of the local community based on community initiatives, origin rights, and

traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. Village Funds, or ADD (Allocation of Village Funds), originate from the state revenue and spending budget. These funds are allocated to villages and transferred through the district/city regional income and expenditure budget.



Village Funds are used to finance government administration, development implementation, community development, and community empowerment.

Village Fund Allocation (ADD) is a balancing fund received by districts/cities in the regional revenue and expenditure budget after deducting the Special Allocation Fund. At least 10% (ten per cent) of the balancing funds received by districts/cities in the regional revenue and expenditure budget, deducting special allocation funds, is allocated as ADD.

Increasing infrastructure development: Village fund allocation aims to support infrastructure development in villages, such as roads, bridges, irrigation, and other public facilities. This goal is to improve the accessibility, mobility, and quality of life of village communities. **Economic empowerment of rural communities:** Village fund allocations also aim to encourage economic empowerment through various local economic development programs, such as business capital assistance, skills training, agricultural development, and small and medium industries. This goal is to create jobs, reduce poverty, and improve the welfare of rural communities. **Increasing access to essential services:** The allocation of village

funds is also intended to increase village community access to essential services, such as education, health, clean water, sanitation, and electricity. (Suryadi dalam suryana, 2006)

This goal is to improve rural communities' quality of life and welfare and reduce the disparity between urban and rural areas. **Strengthening village governance:** One of the objectives of village fund allocation is to strengthen village governance, including increasing transparency, accountability, and community participation in decision-making regarding the use of village funds. This goal is to encourage good governance and reduce the potential for corruption in managing village funds. **Increasing village independence:** Allocation of village funds also aims to increase village independence, namely the village's ability to manage resources and make decisions that affect the development and welfare of village communities. This goal is to strengthen the role and capacity of villages in sustainable development and strengthen local sovereignty. This village fund allocation aims to improve the development and welfare of village communities and provide opportunities for them to participate actively in making decisions about using village funds.

3. RESEARCH METHOD

This qualitative descriptive study describes ADD management based on Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Financial Management in Sumberjo Village, Margomulyo District, Bojonegoro Regency. ADD management is the entire stage of activity, which includes planning, implementing, administering, reporting, and accountability of ADD, where the Village Head holds the authority to manage village finances and authorizes some of his powers to village officials.

3.1. Data Collection Techniques

The data collection technique used in this study is a Literature Study. In other words, this research examines various literary features such as research books, written reports, and other media that can be used as a reference for the problem being studied, namely the Management of Financial Funds (ADD).

Observation of observation can be interpreted as a systematic warning and improvement of problems that occur in research objections. Thus, the method of collecting data in this research is a direct observation of the research object. Interviews are surveys carried out through question and answer or a series of questions directly to informants/agencies to collect information on matters being investigated under the direction of Debt Fund Allocation (ADD) to obtain accurate and valid data (Sukmadinata, 2005).

3.2. Sample Collection Techniques

The sampling technique in qualitative research is by selecting certain people (key informants) with the consideration that they will provide the necessary data. 10 Researchers will take informants as a sample of 10 people in this study, which consists of the village government and several community elements in

Sumberjo Village, Margomulyo District, Bojonegoro Regency. The informants were as follows: village head, village secretary, village treasurer, people's welfare committee, BPD head, hamlet head, traditional leader, youth leader, PKK head, and community leader. Respondents were in-depth, and the number of respondents was relatively/small (Wiguna & Dwilingga, 2020). Researchers conducted question and answer and direct and in-depth conversations (in-depth interviews) with competent informants in managing Village

Fund Allocations.

3.3. Data Analysis Techniques

The data analysis used in this research is a qualitative descriptive analysis technique. Qualitative descriptive analysis means analyzing and describing the Village Fund (ADD) management in Sumberjo in different situations, as well as the data collected in the form of interview results—alternatively, recollection of problems in the field that have become substantive research for researchers.

4. RESULTS AND DISCUSSIONS

4.1. Result

The Village implementation team implemented activities funded by the Village Fund Allocation (ADD) in Sumberjo Village, Margomulyo District. The Village implementation team must be open and transparent to the community in implementing ADD. This effort is part of the Village government's efforts to apply the principle of transparency in managing ADD. In managing the Allocation of Village Funds, duty holders in the Village Administration must carry out three main stages so that the Regional Government can disburse the funds and use them as previously discussed. The following is the process for managing Village Fund Allocations for the 2022 fiscal year in Sumberjo Village, Margomulyo District, Bojonegoro Regency.

Based on Permendagri No. 113 of 2014, planning is the initial stage in managing ADD. This planning activity is carried out to arrange ADD implementation activities. First, each hamlet will hold a meeting (Musdus) to accommodate community suggestions regarding what work programs will be carried out for the current year. On the other hand, the village government discusses village development planning, including the Village Medium Term Development Plan (RPJM) and the Village Government Work Plan (RKP). Then, the BPD held a Musrenbangdes to discuss and agree on the RKP Desa draft and discuss the priorities and priority scale of work programs to be carried out in the year under the community's proposal at the Musdus.

It is under the results of the researcher's interview with one of the informants, who said:

"The first thing to do in ADD planning is for the village secretary to report to the village head to order each hamlet head to conduct a Musdus regarding implementing existing developments in the village. It is intended so that each hamlet consults with the residents about what they need."

Village Fund Allocation Planning can be briefly described that the Village Head in charge of ADD leads village meetings to discuss plans for using ADD. Village meetings are attended by elements of the village government, Village Consultative Body (BPD), village community organizations, and community leaders and must be attended by the District Facilitation Team. The Village Implementation Team submits the overall plan for ADD to the deliberation participants. The plan for using ADD is based on the priority scale of the results of the previous year's Musrenbangdes. (4) The plan for the use of ADD, which was agreed upon at the village meeting, is outlined in the plan for the use of ADD, which is one of the materials for preparing the APBDES.

The Village Implementation Team (Village Government) fully carries out implementing activities whose funding comes from ADD. The implementation of development funded by ADD must involve the entire community or social institutions, be self-managed using local resources or raw materials, and seek to absorb more labour from the local village community (UU No. 6 of 2014). At the stage of



implementing the Village Fund Allocation, it must always be guided by the APBDesa, which has been stipulated as a Village Regulation. In addition, budget details must be prepared beforehand for each use of costs or expenses, which the village head will approve. Meanwhile, the village secretary will first check each Budget Plan (RAB). It is under what was disclosed by the informant, who said:

"All village revenues and expenses are carried out based on the village budget, and each budget plan will be verified first by the village secretary and then approved by the village head."

After the Budget Plan is determined, the activity implementer submits the SPP. The secretary must only accept a request for payment by the executor if it meets the required requirements, and the village head can only approve the request if the secretary accepts it. The implementation stage of ADD in Sumberjo Village, Margomulyo District, is under applicable regulations. Sumberjo Village is one of the villages that is fast in submitting ADD disbursement documents to the local government.

In the stages of the ADD accountability report in Sumberjo village, those involved are as follows: (1) Activity Executor, whose job is to collect proof of payment such as receipts, order notes, et cetera.; (2) Village Secretary in charge of verification; (3) Village Head, who will approve the LPJ report, then (4) Village Facilitator, tasked with verifying the report, after being verified it will be submitted to (5) District level and finally to (6) Regency level for inspection and then approval. In the ADD accountability report stage, the village government must prepare and complete several documents, including Order Notes, SPP, Receipts, General Cash Books, and other reports that will be prepared and accountable to the local government.

The Village implementation team implemented activities funded by the Village Fund Allocation (ADD) in Sumberjo Village, Margomulyo District. The Village implementation team must be open and transparent to the community in implementing ADD. This effort is part of the Village government's efforts to apply the principle of

transparency in managing ADD. Evaluation of the implementation of the ADD plan also involves the active participation of the community in providing comments and corrections to the implementation of ADD. The principle of participation is realized by involving the community in implementing ADD. In addition, the plan evaluation form that has been implemented also applies the principle of transparency in regular ADD accountability.

The implementation of the principle of transparency has been proven through the results of interviews with the village secretary of Sumberjo Village, who stated, "The initial plan was to hold a meeting to convey and explain the program through the village "musrenbang" (Results of an interview with the village secretary of Sumberjo Village on 27 June 2023). Informants' explanation about the village government realizes the principles of transparency and participation in managing and planning village fund allocation. Regarding ADD accountability from a physical perspective, Sumberjo Village is excellent, with 100% completion.

4.2. Discussion

The Village Fund Allocation (ADD) planning stage in Sumberjo Village has implemented the principles of participation and transparency (Yuliyanto & Dwiastuti, 2021). It can be seen from the enthusiasm of the community in the Village deliberation forum and the acceptance of the Village government for suggestions from the community regarding the progress of Village development. Sumberjo Village has achieved indicators in the implementation of ADD, including ease of access for the community to centres of economic activity, government, and service services; forming a Village implementation team; the existence of sustainable management and community initiatives that are responsible for the use of building infrastructure; as well as community participation in village development programs. Thus, Sumberjo Village has implemented the principles of participation and transparency in the planning and implementation of ADD and has achieved progress in village development through active community participation and sustainable management.

Sumberjo Village implemented self-management at the ADD implementation stage because the village government wanted to improve people's welfare. In this case, Sumberjo Village seeks to improve the quality of human resources and apply the principle of transparency in implementing ADD. The principle of transparency is well implemented in Sumberjo Village, where the village government provides information to the public through direct communication with community leaders. In addition, the village government also created a website and conveyed information through banners placed on each activity funded by ADD. These efforts aim to ensure that the public can transparently access information regarding the use of ADD funds. Thus, Sumberjo Village has taken steps to maintain transparency in implementing ADD and communicating with the public effectively. At the ADD accountability stage in Sumberjo Village, technically and administratively, it has been carried out well, and the management is relatively good.

5. CONCLUSIONS

Based on the research results, which are explicitly stated in the results and discussion, the conclusion can be drawn from the research entitled "Analysis of Village Fund Allocation Management in Sumberjo Village, Margomulyo District, Bojonegoro Regency," namely the planning stage of Village Fund Allocation for the 2022 fiscal year in Sumberjo Village, Margomulyo District, Regency Bojonegoro has implemented the principles of participation and transparency. It is proven by a very enthusiastic community in village deliberation forums. The Village Fund Allocation implementation phase for the 2022 budget year in Sumberjo Village, Margomulyo District, Bojonegoro Regency, has implemented the principles of transparency and accountability. The principle of transparency is fulfilled by having clear information regarding the physical implementation schedule funded by ADD. The principle of accountability has been fully implemented because the physical and administrative accountability has been completed. At the stage of the ADD accountability report for the 2022 fiscal year in

It is proven by the successful management of ADD, which has increased community knowledge about the existence of ADD and increased community participation in development planning at the village level. In addition, the community's knowledge of the accountability system used by the Village Government has also increased. Even so, Sumberjo Village still needs guidance from the sub-district government to increase community trust in village officials in managing village finances. Guidance and direction from the sub-district government can assist Sumberjo Village in improving and optimizing ADD management and strengthening public trust in transparency and accountability in using Village funds. Thus, even though Sumberjo Village has succeeded in the ADD accountability stage, collaboration with the sub-district government is still needed to continue improving the quality of the village's financial management and building community trust.

Sumberjo Village, Margomulyo District, Bojonegoro Regency, both technically and administratively, it has been running under the provisions in force in Bojonegoro Regency. The use of the Village Fund Allocation for 2022 in Sumberjo Village, Margomulyo District, Bojonegoro Regency, is under the results of the previous "musrenbang". Supervision of Village Fund Allocations for 2022 in Sumberjo Village, Margomulyo District, Bojonegoro Regency, is running smoothly and conductively. Parties overseeing ADD play an active and solid role in the Sumberjo village government. It is proven by the results of the researcher's interviews with the head of the BPD and several of its members.

Referring to the research results described above, the next researcher should coordinate with the informants regarding the time for the interview process. Future researchers are advised to look for problems under the conditions in the village concerned to be studied so that later it will benefit the community and village government, and the research results can provide solutions to



problems faced by that village and other villages.

REFERENCES

- Aminah, N. S. (2022). Pengelolaan Dan Pemanfaatan Dana Desa Untuk Pemberdayaan Masyarakat. *Jurnal Public Policy* Vol, 4(1).
- Kementerian Dalam Negeri. (2022). Peraturan Kementerian Dalam Negeri (Permendagri) Tentang Pengelolaan Keuangan Desa. <https://Peraturan.Bpk.Go.Id/Home/Details/139714/Permendagri-No-20-Tahun-2022>
- Mulasari, S. A., Syehab, M., Dewi, T. K., & Awhinarto, A. (2019). Pemberdayaan Masyarakat Serut, Kayoman, Dan Dawung Memaksimalkan Potensi Masyarakat Di Bidang Keagamaan, Pendidikan, Dan Ekonomi. *Jurnal Pemberdayaan: Publikasi Hasil Pengabdian Kepada Masyarakat*, 3(2), 137–144.
- Nomor 72 Tahun 2005 . (N.D.). Retrieved July 6, 2023, From <https://Peraturan.Bpk.Go.Id/Home/Details/49852/Pp-No-72-Tahun-2005>
- Peraturan Pemerintah Republik Indonesia Nomor 47 Tahun 2015 . (N.D.). Retrieved July 6, 2023, From <https://Peraturan.Bpk.Go.Id/Home/Details/5617/Pp-No-47-Tahun-2015>
- Permendesa Nomor 5 Tahun 2015 . (N.D.). Retrieved July 6, 2023, From <https://Ppidkemmkominfo.Files.Wordpress.Com/2016/08/Pm-Desa-No-5-Tahun-2015-Tentang-Penetapan-Prioritas-Penggunaan-Dana-Desa.Pdf>
- Sukmadinata, S. N. (2005). *Metode Penelitian*. Bandung: Pt Remaja Rosdakarya.
- Suryadi Dalam Suryana. (2006). *Meningkatkan Pemberdayaan Organisasi Dan Masyarakat*.
- Undang - Undang No 6 Tahun 2014. (N.D.). Retrieved June 29, 2023, From https://Www.Dpr.Go.Id/Dokjdih/Document/Uu/Uu_2014_6.Pdf
- Wiguna, K. Y., & Dwilingga, E. (2020). Akuntabilitas Pengelolaan Keuangan Desa. *Balance: Jurnal Akuntansi Dan Bisnis*, 5(2), 167–179.
- Yuliyanto, Y., & Dwiastuti, M. M. P. (2021). Analisis Efektivitas Sistem Pengelolaan Dana Desa. *Jurnal Ilmiah Ekonomi Dan Kewirausahaan*, 17(01).