

Effectiveness of Village Fund Management in Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency

M Ridha Anshari¹, M. Noor Fuadi², Mawarti³

^{1,2,3}Public Administration Study Program, Amuntai College of Administrative Sciences, Indonesia

Email: mridhaanshari7@gmail.com, m.noorfuadi@gmail.com, mawartijati@gmail.com

Abstract

Village Funds are funds sourced from the Regency Regional Revenue and Expenditure Budget which are allocated with the aim of equitable distribution of financial capabilities between villages to fund village needs in the context of administering government and development as well as community services, the background of this research problem is the ineffective use of Village Funds in the context of development Village according to Village needs and timeliness that is not appropriate in the use of village funds. The purpose of this study was to determine the effectiveness of Village Fund management in Banyu Tajun Hulu Village, Sungai Pandan District, Hulu Sungai Regency. This study uses a qualitative approach with descriptive-qualitative research type. Sources of research data take informants totaling 17 people with purposive sampling technique (purpose). Data collection techniques used interviews, observation and documentation. After the data has been collected, it is analyzed using techniques including data reduction, data presentation, and verification/drawing conclusions. The results of the study indicate that the effectiveness of the Village Fund management in development in Banyu Tajun Hulu Village, Sungai Pandan District, Hulu Sungai Utara Regency is quite effective. This can be seen from several indicators: First, the accuracy in carrying out orders includes aspects of the ability to give orders that are quite effective and clear by the Village Head To village officials with orders that are easily understood by subordinates, Second, accuracy in determining goals related to the goals that have been set systematically. effective and appropriate management of village funds for village development, Third, target accuracy is related to effective and precise targeting in the management of village funds for the benefit of Banyu Tajun Hulu village development, Fourth, less effective timeliness because there are several activities that cannot be completed at the specified time due to a lack of budget funds, and Fifth, the accuracy of the calculation of costs is related to the accuracy in determining the calculation of development costs and community empowerment which are less effective. Factors that affect the effectiveness of Village Fund management in Development in Banyu Tajun Hulu Village Sungai Pandan District Hulu Sungai Utara Regency include two factors: One driving factor in setting costs for community empowerment, two abilities to give clear orders, three commands that are easily understood by subordinates , Four Properly Defined Goals, Five Development Goals, Six Community Empowerment Goals, Seven Accuracy in Prioritizing Goals and Obstacles One Timeliness, Two Timeliness, Three Accuracy in Setting Development Costs. To improve the effectiveness of village fund management in Banyu Tajun Hulu Village, Sungai Pandan District, Hulu

*Corresponding author
Article history

: mridhaanshari7@gmail.com

: **submitted**; 2024/11/25 **revised**; 2024/12/06 **accepted**; 2024/12/20 **published**; 2024/12/31

Sungai Utara Regency, it is suggested to the Village Head to immediately fix the planning for the use of village funds and village officials to develop plans in accordance with village development goals and the community to be more active in participating in village development.

Keywords: Village Fund, Effectiveness, Village Fund Management, Village Development, Community Empowerment

1. Introduction

According to Presidential Regulation of the Republic of Indonesia No. 18 of 2020. The law states that the objectives of the rural development program are to improve the welfare of rural communities, accelerate equitable progress in rural economic activities, and accelerate rural industrialization. The goals to be achieved are increased income for rural communities, job creation, availability of food and other materials to meet consumption and production needs, economic linkages between rural and urban areas, strengthened local economic management, and increased capacity of community economic institutions and organizations. Government attention to village development continues to increase with the growing number of various programs and projects, as well as the increasing volume and funds from various departments and non-departmental agencies, both thru central government assistance in the form of subsidies and regional government assistance thru the Regional Revenue and Expenditure Budget (APBD). All types of development, whether sectoral or regional programs, are largely focused on rural areas. Village development is a development movement based on community initiative and self-help. This is because, in reality, the active role of the government as a provider of development funds is not capable of providing funds for overall development, especially funds for village development. The government only provides stimulus that is stimulating to encourage community self-reliance. Village development activities require a considerable amount of funding. In every village in Indonesia, Village Fund Allocation (DD) is provided annually in a certain amount with the aim of developing the village. The allocation of funds by the District Government for Villages comes from revenue sharing of regional tax receipts, revenue sharing of regional fee receipts, and a portion of the central and regional government financial equalization funds received by the District Government, excluding Special Allocation Funds. The amount of regional tax revenue sharing intended for villages is at least 10% of the annual regional tax revenue, taking into account the aspects of equity and the potential of the village in question. The amount of regional fee revenue sharing intended for villages is at least 10% of the fee revenue. Meanwhile, the amount of the central and regional government financial equalization funds received by the District for villages is 5% to 10% of the annual equalization fund revenue, consisting of revenue sharing from taxes and natural resources, as well as General Allocation Funds (DAU) after deducting employe expenses.

Some use cases of this Village Fund Allocation are prone to fund misappropriation by parties who should be trusted by the community to build a more advanced and developed village. This is where the role of the community as direct supervisors becomes important, and it is inseparable from the role of the District Government as the funder, which must always monitor the progress of development in the village. This is done because 70% of the Village Fund Allocation is intended for community empowerment and 30% for village government administration. The DD used for empowering rural communities is directed toward the repair or construction of village physical infrastructure, including small-scale public facility improvements, environmental and settlement improvements, honorariums for the DD

Implementation Team, and the strengthening of village institutions and important village activities. Based on initial observations made by the author at the Banyu Tajun Hulu Village office, several issues were found regarding the utilization of Village Funds, including: 1. The Village Funds in Banyu Tajun Hulu Village have not been effectively utilized for village development according to the village's needs, as the planning for village infrastructure development such as public facilities and educational institutions has not been fully implemented or realized [1], [2], [3]. 2. Inaccurate timing in the utilization of village funds for village development in Banyu Tajun Hulu village, caused by inaccurate cost calculations leading to budget delays and a lack of synchronization between output (results/outcomes) and other factors such as natural disasters, which hindered some village development activities like the construction of village alley roads [1], [4], [5]. 3. The construction of the RT.04 bridge in Banyu Tajun Hulu village was stalled due to a lack of coordination with the village government and the community, which caused controversy among community leaders. The project, initially budgeted at Rp.128,980,000, ended up costing Rp.211,091,300 [1]. Regarding this matter, the author is interested in raising the research title "The Effectiveness of Village Fund Management in Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency".

Research Focus This research focuses on the Effectiveness of Village Fund Management in Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency. To prevent it from becoming too broad, this research focuses on several aspects of effectiveness according to [6], which are as follows: 1. Timeliness 2. Accuracy of cost calculations 3. Accuracy in executing orders 4. Accuracy in setting goals 5. Accuracy of targets Based on these aspects, the researcher will conduct observations and in-depth interviews with relevant informants in Banyu Tajun Hulu Village, including the Village Head, the Activity Implementation Team, and the community of Banyu Tajun Hulu Village, specifically in the context of the development of Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency.

Problem Formulation In an effort to conduct more focused research and to make it easier to obtain answers to the problems in this study, the author is based on the following issues: 1. How effective is the management of village funds in development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency? 2. What factors influence the effectiveness of village fund management in development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency?

Research Objectives and Benefits

1. **Research Objectives** The objectives of this research include the following: a. To determine the effectiveness of village fund management in development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency. b. To determine the factors influencing the effectiveness of village fund management in development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency.

2. **Research Benefits** The benefits of this research include the following: a. **Theoretical Benefits:** The results of this research can be used as a reference and reference in the field of scientific work, which can increase knowledge in Public Administration, especially regarding the implementation of development management. b. **Practical Benefits:** The results of this research are expected to provide input for the Banyu Tajun Hulu Village Head's Office, Sungai Pandan District, North Hulu Sungai Regency.

Literature Review

1. **Effectiveness** Effectiveness cannot be equated with efficiency. Because they have different meanings, even tho in various uses of the word, efficiency is closely associated with effectiveness. Efficiency implies a comparison between cost and output, while effectiveness is directly linked to goal achievement. states that effectiveness is doing the right things, while efficiency is doing things right, or

effectiveness is the extent to which we achieve our goals and efficiency is how we carefully mix resources. Effectiveness has three levels, as based on David J. Lawless in Gibson, Ivancevich, and Donnelly in [7], including: a. Individual Effectiveness Individual effectiveness is based on the individual perspective, emphasizing the work results of employees or members of the organization; b. Group Effectiveness The view that individuals actually work together in groups. Therefore, group effectiveness is the sum of contributions from all group members; c. Organizational Effectiveness Organizational effectiveness consists of individual and group effectiveness. Thru the influence of synergy, organizations are able to achieve results that are of a higher level than the sum of the results of each of its parts [6], [8], [9], [10]. reveals that effectiveness indicators can be viewed from several aspects of effectiveness criteria, as follows: a. Timeliness Time is something that can determine the success of an activity carried out within an organization, but it can also lead to the failure of an organizational activity. Proper time management will create effectiveness in achieving previously set goals. b. Accuracy of cost calculation Regarding the accuracy in utilizing costs, meaning not experiencing shortages nor, conversely, excessive financing until an activity can be carried out and completed successfully. Accuracy in setting cost units is part of effectiveness. c. Accuracy in executing commands. The success of an organization's activities is greatly influenced by a leader's abilities, one of which is the ability to give clear and easily understood instructions to subordinates. If the instructions given are not understood, it will lead to failure, which will be detrimental to the organization. d. Accuracy in setting goals Accuracy in setting goals is an organizational activity to achieve a previously established goal. Setting goals accurately will greatly support the effectiveness of activities, especially those oriented toward the long term. e. Accuracy of targets Setting accurate targets, whether individually or organizationally, is crucial for the success of organizational activities. Conversely, if the set goals are not accurate, it will hinder the implementation of the various activities themselves.

2. Management Management is generally referred to as a process of getting things done thru others. This definition implies that management is a science and an art that studies how to achieve organizational goals by arranging for others to perform the necessary tasks. This aligns with what [11] stated: management is the science and art of effectively and efficiently organizing the process of utilizing human resources and other resources to achieve a specific goal. Meanwhile, according to, management is a unique process consisting of planning, organizing, directing, and controlling actions to determine and achieve goals thru the utilization of human and other resources. This research examines the management functions proposed by, who states that management functions are generally divided into several functions: planning, coordinating, directing, supervising, and controlling activities in order to effectively and efficiently achieve the desired goals. a. Planning Function The success of a company is greatly determined by the implementation of good management, and in terms of management, this requires planning. Planning is the manager's task, starting with setting goals and then organizing strategies, policies, and methods to achieve them. Organizing Function Organizing is the next stage after planning. Therefore, managers need to consider organizational concepts and the authorities that can or cannot be delegated. From this organizing process, an organizational structure will be obtained. Therefore, it is also necessary to present the forms of organization and the strengths and weaknesses of each organizational form. The task of organizing is to harmonize a group of diverse people, bring together various interests, and utilize everyone's abilities in a specific direction. c. Function of Driving Driving is a fundamental or the most important function in management, because the plans that have been

drawn up and organized must be carried out carefully. Therefore, the leader's task is to utilize all available potential to ensure that all activities function properly so that goals can be achieved. d. Controlling Function Controlling activities are the process of ensuring that company goals are achieved. Control is essentially the effort to guide implementers so that they always act in accordance with the plan. 3. Village Funds Village Funds are funds sourced from the District Regional Revenue and Expenditure Budget (APBD) that are allocated with the aim of equalizing financial capabilities among villages to fund village needs in the context of governance, development implementation, and community service. Village Funds are the village's share of district finances, distributed thru the Village Treasury. Village Funds are part of the Central and Regional Financial Balance Funds received by the District. Framework of That Based on the Minister of Home Affairs Regulation Number 37 of 2007 concerning Guidelines for Village Financial Management and Village Regulation Number 01 of 2010 concerning the Village Medium-Term Development Plan (RPJMDes), which serves as the basis for officials to carry out their duties in utilizing Village Funds for Village Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency, this study will also discuss the factors influencing financial management. Based on my experience regarding the Effectiveness of Village Fund Management in Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency, and in relation to [6], [12] which reveals indicators of effectiveness from several aspects of effectiveness criteria, as follows: 1. Timeliness 2. Accuracy of Cost Calculation 3. Accuracy in carrying out orders 4. Accuracy in determining goals 5. Accuracy of Targets

2. Research Method

A. Research Location The research location is the Banyu Tajun Hulu Village Head's Office, RT.04, Sungai Pandan District, Hulu Sungai Utara Regency, Postal Code 71455.

B. Research Approach This research is qualitative research. The focus is on a comprehensive depiction of the form, function, and meaning of prohibition expressions. This aligns with the opinion of Bogdan and Taylor (1975) in [13], who define "qualitative methodology" as a research procedure that produces descriptive data in the form of written or spoken words from people and observable behaviors. In other words, this research is called qualitative research because it is a study that does not involve calculations.

C. Research Type The research type used is descriptive qualitative. Descriptive research is research that explains something that is the target of the research in depth. This means that the research is conducted to uncover everything or various aspects of its research target [14].

D. Data and Data Sources The data sources for this research are:

1. Suriani, the Village Head
2. Napisah, S.Sos, the Village Secretary
3. Herlin Marwati, the Finance Officer
4. Lisda Ariyanti, S.Sos, the General and Planning Officer
5. Junaidi, the Government Section Head
6. Riani, the Welfare and Service Section Head
7. M. Muhiddin, the General Staff
8. Abdullah Afandi, S.Pd.I, the BPD Chairman
9. Eddi Rahman, the BPD Secretary
10. Andarun Rajidin, a Community Member

11. Rajidin, the RT 01 Chairman
12. Barkatullah, the RT 02 Chairman
13. A. Yani Ramli, the RT 03 Chairman
14. Mahrian, the RT 04 Chairman
15. Gafari, the RT 05 Chairman
16. Maserani, a Religious Figure
17. M. Rafisal Ansari, a Youth Figure

E. Data Collection Techniques The qualitative data collection techniques used in this study are:

1. Observation
2. Interview
3. Documentation

F. Operational Research Design Operational design is a specific statement and empirically testable criteria. With operational definitions, we can measure, count, or gather information thru empirical logic. Whether an object can be defined concretely (e.g., gold) or is highly abstract, this definition must have specific characteristics that can be observed and how to observe them. [15]. The operational design of this research is about the Effectiveness of Village Fund Management. This is related to the theory put forward by [6], who revealed indicators of effectiveness from several aspects of effectiveness criteria, as follows:

1. Timeliness
2. Accuracy of cost calculations
3. Accuracy in carrying out instructions
4. Accuracy in determining goals
5. Accuracy of targets

G. Data Analysis Techniques

1. Data Reduction
2. Data Presentation
3. Drawing Conclusions

3. Results and Discussion

1. Effectiveness of Village Fund Management in Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency

a. Timeliness

- 1) Accuracy of Time Usage Based on the results of interviews, observations, and documentation above, it can be concluded that there are several village development activities that are less effective. This is not in accordance with the theory put forward by [6], who stated that effectiveness indicators can be seen from several aspects of effectiveness criteria, one of which is timeliness.
- 2) Accuracy of Time Utilization Based on the results of interviews, observations, and documentation above, it can be concluded that there are several village development activities that are less effective. This is not in accordance with the theory put forward by [6], who stated that effectiveness indicators can be seen from several aspects of effectiveness criteria, one of which is timeliness.

b. Accuracy of Cost Calculation

- 1) Accuracy in Determining Construction Costs Based on the results of interviews, observations, and documentation above, it can be concluded that the

determination of village development activity costs is less effective. This is not in accordance with the theory put forward by [6], who states that effectiveness indicators can be seen from several aspects of effectiveness criteria, one of which is accuracy in utilizing costs.

- 2) Accuracy in Determining Community Empowerment Costs Based on the results of interviews, observations, and documentation above, it can be concluded that the determination of community empowerment costs for village development is quite effective. This is in accordance with the theory put forward by [6], who states that effectiveness indicators can be seen from several aspects of effectiveness criteria, one of which is accuracy in determining costs for community empowerment.

c. Accuracy in Executing Orders

- 1) Ability to Give Clear Orders Based on the results of interviews and observations, it can be concluded that the orders and directions from the Village Head are quite effective and clear to village officials, especially in the management of village funds, which refers to the Village Long-Term Development Plan (RPJMDes), Village Work Plan (RKPDes), and Village Budget (APBDesa). Therefore, it can be said that the Village Head's ability to give orders to village officials is quite good.
- 2) Orders That Are Easy for Subordinates to Understand Based on the results of interviews and observations, it can be concluded that the orders and directions from the Village Head are quite effective and easy for village officials to understand, especially in the management of village funds, which refers to the Village Long-Term Development Plan (RPJMDes), Village Work Plan (RKPDes), and Village Budget (APBDes).

d. Accuracy in Determining Goals

- 1) Goals Set Accurately Based on the results of interviews, observations, and documentation, it can be concluded that the goals of village fund management are quite effective and accurately designed in the RPJMDes, RKPDes, and APBDes, and are agreed upon by all members of the community in Banyu Tajun Hulu village, North Hulu Sungai district.
- 2) Accuracy in Prioritizing Goals Based on the results of interviews, observations, and documentation, it can be concluded that the goals of village fund management are quite effective and accurately designed in the RPJMDes, RKPDes, and APBDes, and are agreed upon by all members of the community in Banyu Tajun Hulu village, North Hulu Sungai district.

e. Target Accuracy

- 1) Development Targets Based on the interviews, observations, and documentation above, it can be concluded that the village fund management targets are not effective because they have changed from what was planned in the RPJMDes and RKPDes. This is not in accordance with the theory put forward by [6], who states that effectiveness indicators can be seen from several aspects, one of which is accuracy in determining goals.
- 2) Community Empowerment Targets Based on the results of interviews, observations, and documentation above, it can be concluded that the targets for managing village funds are quite effective and accurately designed in the RPJMDes and RKPDes. This is in accordance with the theory put forward by [6],

who states that the effectiveness indicator can be seen from several aspects, one of which is the accuracy of community empowerment targets. 2. Factors Influencing the Effectiveness of Village Fund Management in Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency. a. Driving Factors 1) Cooperation between Village Governments in Facing a Problem Based on the results of interviews and observations, it can be concluded that the village government's teamwork is quite good, because when faced with a problem, their teamwork is quite good and they always coordinate with community leaders. 2) Accuracy in determining choices to be useful for society Based on the results of interviews, observations, and documentation, it can be concluded that the village fund management objectives are quite effective and accurately designed in the RPJMDes, RKPDes, and APBDes, and are agreed upon by all members of the community in Banyu Tajun Hulu village, North Hulu Sungai district. b. Inhibiting Factors 1) Ineffective Utilization of Village Funds Based on the interviews, observations, and documentation above, it can be concluded that the utilization of village funds is not yet effective because there are village development activities that lack funding, leading to ineffectiveness. This is not in line with the theory put forward by [6] who states that effectiveness indicators can be viewed from several aspects of effectiveness criteria, one of which is the accuracy in utilizing costs.

4. Conclusion

1. The effectiveness of managing Village Funds for development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency is quite effective. This is evident from several areas, including the following: First, accuracy in issuing orders, encompassing the ability of the Village Head to issue sufficiently effective and clear orders to village officials, with instructions that are easily understood by subordinates. Second, accuracy in determining goals, relating to goals that are effectively and appropriately set for the management of village funds for village development. Third, accuracy in targeting, relating to the effective and appropriate determination of targets in the management of village funds for the benefit of village development in Banyu Tajun Hulu. Fourth, less effective timeliness because some activities could not be completed within the specified time due to a lack of funds. And fifth, accuracy in cost calculation, relating to the less effective accuracy in determining the calculation of development and community empowerment costs because there were activities such as the construction of the bridge in RT 04, which lacked funds for its implementation.

2. The factors influencing the effectiveness of Village Fund management in development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency are 2, namely driving factors: cooperation among village officials in facing a problem, and accuracy in making choices to benefit the community; and hindering factors: the ineffective utilization of village funds according to village needs due to budget shortages, and inaccurate timing in utilizing village funds for development. B. Suggestions In order to effectively manage Village Funds for Development in Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency, it is recommended that: a) The Village Head should effectively and efficiently realize the construction of the bridge in RT.04 by immediately improving the planning for the use of village funds, especially in the construction of the bridge in RT.04, to ensure accurate cost/budget calculations and adjust the planning so that its realization can be

completed according to the specified time. b) Village officials should prepare plans in accordance with the goals of village development efficiently, especially in the construction of the bridge in RT.04, so that it can be realized according to community expectations. c) The community should be more active in participating in the development of Banyu Tajun Hulu Village, Sungai Pandan District, North Hulu Sungai Regency, by actively participating in village meetings and providing suggestions and criticisms regarding village development plans.

5. References

- [1] F. Saragih and R. Hutabarat, "The Effect of Accounting Information System Implementation on Village Financial Management Accountability," *J. Akunt. Multiparadigma*, vol. 12, no. 3, pp. 501–512, 2021, doi: 10.21776/ub.jamal.2021.12.3.29.
- [2] W. N. Dunn, *Public Policy Analysis*, 6th ed. New York: Routledge, 2018.
- [3] Mardiasmo, *Akuntansi Sektor Publik*. Yogyakarta: Andi, 2018.
- [4] R. Sari and S. Abdullah, "Pengaruh Dana Desa terhadap Pembangunan Desa di Kabupaten Aceh Utara," *J. Ilm. Mhs. Ekon. Akunt.*, vol. 2, no. 4, pp. 1–10, 2017.
- [5] I. M. Putra and N. M. Suryani, "Efektivitas Pengelolaan Dana Desa dalam Meningkatkan Pembangunan Desa," *J. Akunt. dan Bisnis*, vol. 14, no. 2, pp. 120–132, 2019.
- [6] Makmur, *Efektivitas Kebijakan Kelembagaan Pengawasan*. Bandung: Refika Aditama, 2011.
- [7] H. N. S. Tangkilisan, *Manajemen Publik*. Jakarta: PT Gramedia Widiasarana Indonesia, 2014.
- [8] I. Soeharto, *Manajemen Proyek: Dari Konseptual Sampai Operasional*. Jakarta: Erlangga, 2016.
- [9] E. Karlina, O. Rosanto, and N. E. Saputra, "Pengaruh Kualitas Pelayanan dan Kedisiplinan Pegawai terhadap Kepuasan Masyarakat," *Widya Cipta J. Sekr. dan Manaj.*, vol. 3, no. 1, pp. 7–16, 2019.
- [10] R. H. Garrison, E. W. Noreen, and P. C. Brewer, *Managerial Accounting*, 16th ed. New York: McGraw-Hill Education, 2017.
- [11] M. S. P. Hasibuan, *Manajemen: Dasar, Pengertian, dan Masalah*. Jakarta: PT Bumi Aksara, 2016.
- [12] A. Dwiyanto, *Mewujudkan Good Governance Melalui Pelayanan Publik*. Yogyakarta: Gadjah Mada University Press, 2014.
- [13] L. J. Moleong, *Metodologi Penelitian Kualitatif*. Bandung: Remaja Rosdakarya, 2012.
- [14] S. Anggara, *Metode Penelitian Administrasi*. Jakarta: Pustaka Setia, 2015.
- [15] H. Pasolong, *Metode Penelitian Administrasi Publik*. Bandung: Alfabeta, 2013.