

# Effectiveness Of Village Fund Management On Development Progress In Selayar Regency, South Sulawesi, Indonesia

By

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## ABSTRACT

Qualitative research through a phenomenological approach, as for the results of the study showed that Village fund management plays a crucial role in improving the economy and welfare at the village level. However, an evaluation of these management practices reveals several aspects that need serious attention. Community involvement in planning and decision-making is still limited, while transparency in financial management and supervision of the use of village funds is not optimal. The management process, from planning to supervision, should be more structured and involve active community participation. Greater openness from the village government regarding the use of village funds is needed so that the community can better understand and participate in village development. Through the implementation of transparent, accountable, and participatory financial management principles, as well as involving the community in every stage, it is expected that the management of village funds can be more effective, sustainable, and have a significant positive impact on the development of the village and the welfare of its people.

**Keyword:** Management, Village, Fund, Prosperity, Community

## CHAPTER 1 INTRODUCTION

Selayar Regency, a region located in South Sulawesi Province, is one with tremendous potential but also faces a number of significant development challenges. Covering an area of approximately X square kilometres, Selayar is made up of numerous small and large islands that provide a stunning natural landscape. Despite this, the region still faces a number of issues that affect its development progress.

As part of its efforts to improve the welfare of its people, the Indonesian government through its village fund policy has allocated significant financial resources to each village in various regions, including Selayar Regency. Village funds are an important instrument in accelerating local economic growth and improving the quality of life of residents in this area. However, the effectiveness of village fund management is a crucial question, especially in the context of its influence on development progress in Selayar Regency.

Effective management of village funds is not only a decisive factor in improving local infrastructure, but also plays a key role in strengthening community economic empowerment, improving access to health services, education, and opening up business opportunities for local communities. However, amidst the expectation of great benefits from village funds, there are still many challenges that hinder the achievement of the desired development goals.

One of the problems that arise is related to the transparency and accountability of village fund management. Limited understanding of financial governance, lack of training for village fund managers, and the lack of a monitoring system can be major obstacles in optimising the benefits of village funds. In

addition, issues related to corruption and misuse of funds have also been highlighted, threatening the effectiveness of this programme.

When village funds are utilised in a targeted, efficient and transparent manner, their impact on economic and social development in Selayar Regency can be significant. Infrastructure development that supports inter-island connectivity, improved quality of education and access to healthcare, and equitable economic opportunities can realise a major positive impact on local communities.

When looking deeper, the challenges faced by Selayar Regency in managing village funds are not limited to infrastructure and economic empowerment. There are also social and environmental aspects that are important in the context of development. For example, access to clean water is still limited in some areas, especially on remote islands. This is one of the main obstacles in improving the health and quality of life of local communities.

In addition, a holistic approach to development in Selayar Regency must also consider environmental sustainability. As a region rich in biodiversity, environmental conservation and natural resource management are crucial to ensure that the economic growth generated by village funds does not damage existing natural ecosystems. This also relates to maintaining tourism potential, which can be an important source of income for the region.

In addition, the different needs and conditions between the islands in Selayar Regency are also something that needs to be considered. The more remote islands may require a different approach to development compared to the more connected islands. Therefore, village fund management needs to have sufficient flexibility to adjust to the unique needs of each region.

Despite these challenges, Selayar Regency also has great potential in terms of quality human resources, a rich culture and economic potential that can be further developed. With a measured approach to village fund management, supported by careful planning and active community participation, this potential can be optimised to achieve better development goals.

In assessing the effectiveness of village fund management on development progress in Selayar District, it is important to consider all these dimensions. An in-depth evaluation of the extent to which village funds have addressed the problems faced, the extent to which community empowerment has been realised, and the extent to which they have had a positive impact on infrastructure, the environment and social aspects, will provide a strong basis for recommendations and future improvements.

## **B. Problem Formulation**

1. How are village funds managed in relation to development progress in Selayar Regency?
2. What are the advantages and disadvantages of village fund management in Selayar district?
3. What are the strategies for managing village funds to be effective in development in Selayar district?

## **LITERATURE REVIEW**

### **A. Development**

Development is an endeavour to improve the quality of human life, so the human aspect is certainly the domain of development. Development in metamorphosis is a journey that goes from reality to

desiderata, which is stage by stage bringing us all to a brighter tomorrow, with an improved quality of life. Here are some definitions of development according to experts:

- a. According to Sondang P. Siagian, development is a series of efforts to realise planned and conscious growth and change, taken by a country towards modernity in the context of nation building.
- b. According to Kuncoro, development consists of physical and non-physical development. Physical development is development that can be felt directly by the community or development that is visible in front of the eyes.
- c. According to Syamsi Yuswar Zainul Basri and Mulyadi Basri, development is the process of changing the planned system to an area of improvement which is oriented towards modernist development and economic progress..

Economic development is an effort to improve the standard of living of a nation which is often measured by the high and low real income per capita. So the purpose of economic development in addition to raising real national income is also to increase productivity. Theories of economic development according to experts:

- a. According to Adam Smith, economic development requires specialisation or division of labour to increase labour productivity. Specialisation in the production process will be able to improve the skills of the workforce, will encourage the discovery of new tools or machines and ultimately can accelerate and increase production.
- b. According to David Ricardo, in economic society there are three groups of people, namely the capitalist group, the labour group and the landlord group. The capitalist group is the group that leads production and plays an important role because they always seek profits and reinvest their income in the form of capital accumulation which results in an increase in national income. For the labour class, it is said that this group depends on the capitalist group and is the largest group in society.. As for the landlord class, they only receive rent from the capitalist class for the leased land area. According to David Ricardo, if the population continues to increase and capital accumulation continues, then fertile land becomes less in number or increasingly scarce. As a result, the law of diminishing returns also applies. In addition, there is also competition among the capitalists themselves in cultivating land that is increasingly less fertile and as a result their profits are decreasing until they reach a normal level of profit.
- c. According to Malthus, economic development requires a continuous increase in the amount of capital for investment. Economic development or an increase in production is expected when savings are used for investment purposes. But this investment is hampered by the lack of effective demand. The lack of effective demand is caused by the increase in population which results in suppressing the wage rate and in addition also because the income received is saved and not consumed all.

## **B. Village Development**

Village development is development that has a strategic role in the framework of national and regional development, because villages and their communities are the foundation or basis of economic, political, socio-cultural and defence-security forces. All of these are developments that directly touch the lives and interests of the people, because more than 80% of the population resides and lives in rural areas.

In the implementation of Village development, the Village must implement the principles of transparency and the involvement of community participation in planning, implementation and in

supervision and monitoring. Within the framework of the Village Law, the Village development cycle includes 3 (three) important stages: planning, implementation and accountability.

### **a. Planning**

Village development planning refers to the concept of building villages and developing villages. The concept of developing villages in the context of planning means that in planning development, villages need to refer to Regency/City development planning. This is stipulated in the Village Law, especially in articles 79 and 80:

1. The Village Government shall prepare a Village Development Plan in accordance with its authority by referring to the Regency/Municipal Development Plan..
2. Village Development Planning as referred to in paragraph (1) is prepared on a term basis including:
  - a. Village Medium Term Development Plan for a period of 6 (six) years.
  - b. The Village Annual Development Plan, also known as the Village Government Work Plan, is an elaboration of the Village Medium-Term Development Plan for a period of 1 (one) year..
3. The Village Medium-Term Development Plan and Village Government Work Plan as referred to in paragraph (2) shall be stipulated by Village Regulation.
4. Village Regulations on the Village Medium-Term Development Plan and Village Government Work Plan are the only planning documents in the Village.
5. The Village Medium-Term Development Plan and Village Government Work Plan are guidelines in the preparation of the Village Budget, which is regulated by Government Regulation.
6. Government and Regional Government programmes with local scale in the Village shall be coordinated and delegated to the Village for implementation.
7. Village Development Planning as referred to in paragraph (1) is one of the sources of input in Regency/Municipal development planning.

In the Village Law, to accommodate the principles of democracy, independence, participation, equality and empowerment, village development planning is not solely top down, but also develops the concept of Village Development. The concept of Village Development prioritises village deliberation to fulfil the real needs of the community. This is explained in Article 80 of the Village Law, which states that:

1. Village development planning as referred to in article 79 is organised by involving the village community.
2. In preparing village development planning as referred to in paragraph (1), the village government must organise village development planning meetings.
3. The village development planning deliberation shall determine the priorities, programmes, activities and development needs of the village, which shall be funded by the village revenue and expenditure budget, village community self-help, and/or the district/city revenue and expenditure budget.
4. Village development priorities, programmes, activities and needs as referred to in paragraph (3) are formulated based on an assessment of the needs of the Village community, including:
  - a. Improved quality and access to basic services.
  - b. Development and maintenance of infrastructure and the environment based on technical capabilities and available local resources.
  - c. Development of a productive agricultural economy.
  - d. Development and utilisation of appropriate technology for economic advancement.

- e. Improvement of the quality of order and tranquillity of the Village Community based on the needs of the Village community.

### **b. Implementation**

Government Regulation No. 43 of 2014 on the Implementation Regulations of Law No. 6 of 2014 on Villages has regulated some of the main uses of Village finances. Article 100 of Government Regulation No. 43 of 2014 states that Village expenditures stipulated in the APBDes are used with the following provisions:

1. At least 70% of the total Village expenditure budget is used to fund the administration of the Village government, the implementation of Village development, the guidance of the Village community and the empowerment of the Village community.
2. At most 30% of the total Village expenditure budget is used for fixed income and allowances of the Village Head and Village Officials, Village Government Operations, Village Consultative Body Allowances and Operations and Neighbourhood and Community Association Incentives..

### **c. Accountability**

The regulation of reporting and accountability for the use of APBDes is stated in Permendagri No. 113/2014 article 38 paragraph 4 on village financial management. The Permendagri also regulates the standards and format of accountability reporting that must be prepared by the Village Head. Such as the provisions of attachments that need to be fulfilled in the accountability report for the realisation of the APBDes implementation, namely:

1. The format of the accountability report for the realisation of the implementation of the APBDes for the fiscal year.
2. The format of the Village property report as of 31 December of the fiscal year.
3. Format of reports on government and regional government programmes that enter the village..

### **C. Effectiveness**

Effectiveness is the main element to achieve goals or objectives that have been determined in every organisation, activity or program. It is called effective if the goals or objectives are achieved as specified (Rosalina, 2012). Effectiveness is the achievement of predetermined goals, whether in the form of targets, long-term goals or organisational missions. Effectiveness is the relationship between output and objectives or it can also be said to be a measure of how far the level of output, policies and procedures of the organisation. Effectiveness is also related to the degree of success of an operation in the public sector so that an activity is said to be effective if the activity has a major influence on the ability to provide community services which are predetermined targets (Beni, 2016).

Effectiveness is a measure of the success or failure of achieving an organisation's goals. If an organisation achieves its goals then the organisation has run effectively. Effectiveness indicators describe the range of consequences and impacts (outcomes) of program outputs in achieving program objectives (Mardiasmo, 2017).

### **D. Village Fund**

Village funds are funds sourced from the state revenue and expenditure budget. The gampong fund allocation is a fund allocated by the city government for gampong sourced from the APBK

The Village Fund is budgeted annually in the APBN and is given to each village as one of the sources of village income. This policy integrates and optimises all existing budget allocation schemes from the Government to the village. Village funds are APBN funds intended for villages that are transferred through the Regency / City APBD and prioritised for the implementation of development and community empowerment. Village fund revenues are sourced from local own-source revenues, village funds sourced from the APBN, part of the proceeds of the Regency / City PDRD, allocation of village funds from the Regency / City, financial assistance from the Provincial APBD and Regency / City APBD, grants and 3rd party donations and other legal revenues.

Village funds are calculated based on the number of villages and allocated with due regard (Ministry of Finance of the Republic of Indonesia, 2017):

1. Total population,
2. Poverty rate,
3. Area size,
4. Level of geographical difficulty.

According to Law No. 6/2014 on villages. The purpose of village funds is to:

1. Improve public services in the village,
2. Alleviate poverty,
3. Advancing the village economy,
4. Addressing the development gap between villages,
5. Strengthening village communities as the subject of development.

## DISCUSSION

### A. Management of village funds in relation to development progress in Selayar district

The essence of development is to be effective for those who enjoy the development itself. It is on this basis that research was conducted in Lamantu Village, Pasimarannu Sub-district in order to see the effectiveness of village development sourced from village funds. The research was conducted by conducting field observations, interviews and documentation that took place in Lamantu Village, Pasimarannu Sub-district, Selayar Islands Regency. According to R. Bintarto, a village is an embodiment or unity of geography, social, economic, political, and cultural found in an area in its relationship and mutual influence with other areas.

The distribution of the Village Fund Budget (ADD) can be seen based on the main Independent Variables and additional Independent Variables with the following details:

- a) The Equitable Principle is the amount of the same share of the Village Fund Budget (ADD) for each village or what is called the minimum Village Fund Allocation (ADD), Village Fund Allocation (ADD) Main Independent Variable of 70% and Additional Independent Variable of 30%
- b) Fair principle is the amount of Village Fund Allocation (ADD) that is divided proportionally for each based on the Village Weight Value calculated by certain formulas and variables or Proportional Village Fund Allocation (ADDP). The Main Proportional Variable is 60% and the Additional Proportional Variable is 40%. The Main Independent Variable is the most important to determine the village weight value.
- c) Sustainable Development The current development is temporary. With the guidance of globalisation, Indonesia follows the times without looking at future prospects. The development of a society that is all instant and finished, so with the concept of Sustainable Development, which is then called SD, it

will try to provide a new discourse on the importance of preserving the natural environment for the future, future generations..

According to the Brundtland Report of the United Nations, 1987, sustainable development is the translation of the English "sustainable development". One of the factors that must be faced to achieve sustainable development is how to repair environmental destruction without sacrificing the needs of economic development and social justice.

The Lamantu Village Budget is set out in No 1 of 2017. From the total funds available, four programme areas were developed as mentioned in the Lamantu Village Budget. The four programme areas are as follows:

- a) Lamantu Village Administration
- b) This sector requires Rp. 470,936,712 of the total budget provided. This sector focuses more on personnel and operational expenditures as well as the administrative system of Lamantu Village in Fiscal Year 2016.
- c) Village Development Implementation This is a priority area where almost 64% of the total budget is used for development. A total of Rp. 641,158,281 was used for several developments, namely the construction / improvement of Village Roads, construction of Concrete Rebates, construction of Village Arches and Borders, construction of Educational Infrastructure and construction of other facilities and infrastructure.
- d) Lamantu Village Community Development This sector absorbed 3% of the total budget or a total of Rp. 82,371,000 with several programmes carried out such as fostering Youth and Sports, Arts and Socio-Culture, Combating Illegal Logging and Illegal Fishing, Village Level Greening, and Santri Education Development.
- e) Lamantu Village Community Empowerment Sector The budget in this sector reaches 15% or around Rp. 237,809,228 In this field, several things are carried out in the context of increasing the capacity of Community Institutions / Groups, malnutrition improvement assistance activities for toddlers, pregnant women and poor families, PKK mobilisation team assistance activities, PPKBD and Sub PPKBD meeting orientation activities, healthy district activities, and livestock / fisheries / agriculture capacity building activities.

Of all the areas of activity carried out, an unexpected budget of Rp. 4,832,500 or 1% of the total budget was also prepared. Based on initial observations, the utilisation of village funds for development is budgeted at 64% rather than for empowerment in the productive economic sector. Infrastructure is important because so far development is still very minimal so that the community is still using old buildings that are sometimes no longer suitable for use. According to one community member named Fauzi, "development based on village funds does a lot of physical development for village needs such as kampong roads". On the other hand, the author also interviewed the village secretary, Mr Tamsil. According to Mr Tamsil "Village development is prioritised for physical development because after the conflict the village did not carry out significant development so that physical development continues to be spurred" Mr Tamsil added "after the division into Lamantu village from Bonerate village the infrastructure at that time was very minimal, the background of the community as farmers did not have much impact on development so that the village seemed slum and irregular. After the beginning of 2014, the development of village infrastructure such as village roads began to be intensified. MCK, and others"

The development of infrastructure development in Lamantu village has basically increased although it seems rather slow, this is influenced by various factors due to the village's position far from urban areas and the undeveloped mindset of the community. According to the village secretary, H.Tamsil, development has really taken off after several years of funding from the National Community Empowerment Programme (PNPM) Mandiri Rural and assistance from government parties as part of reconciliation. H.Tamsil added that development did not have significant obstacles so that development was slowly created according to the expectations of the residents. As a comparison, the author also interviewed several residents regarding the development of Lamantu village, Pasimarannu sub-district, Selayar Islands Regency. According to Amiruddin, during the expansion period there was almost no significant development in the village, everything was simple. According to Amiruddin, who is also a resident, the growth of village development was not as great as it has been, in the past the community was only preoccupied with farming work without thinking much about village development..

Regarding the Village Fund Allocation (ADD) funds that have been provided by the government, the author conducted interviews with a number of community leaders and residents. According to Fauzi, funds sourced from the Village Fund Allocation (ADD) have been used to build a number of infrastructure facilities in the context of village progress such as the construction of village roads, the construction of toilets, the construction of village offices, and the opening of Tani roads. According to the Treasurer, Ibu Hatija, development has been focused on infrastructure development because there is not much infrastructure in Lamantu village. Ibu Hatija added that for the last four years, the village office has been using the old court office as the village office so that the village bureaucracy runs well, and it was only in 2016 that a new village office was built from the Village Fund Allocation (ADD) funds. From the explanations of several residents who have been interviewed about the Village Fund Allocation, it can be concluded that development originating from village funds has built several buildings that are strategic and needed by the community of Lamantu Village, Pasimarannu Sub-district, Selayar Islands Regency. Although there are more physical buildings, this development is carried out in accordance with the needs of the community such as toilets, road improvements, and others..

In 2016, development prioritised the physical construction of several buildings for the needs of the village bureaucracy, such as the construction of the Village Office, Posyandu, Kindergarten/Paud and the BPD Office fence. This development aims to expedite the village bureaucracy due to the tight schedule of village fund accountability reports that must be completed on time. According to one of the villagers, Ridwan stated that the construction of the building infrastructure was necessary because Lamantu Village did not have a permanent building for the village office, so it used to be chaotic.

This development has a good impact on people who want to take care of various needs. The author sees that this had a good impact because the community was involved in the development planning up to the development process. In relation to community involvement in the process of using the village fund budget, the author also conducted detailed research in order to determine the level of community involvement in village development.

According to Lamantu Village secretary H.Tamsil. Villagers are involved all the way up to the implementation process where the community is also labourers in every item of work sourced from Village funds. This is a field of work for the village community because it is dominated by farmers whose work is seasonal. From the results of the interview above, it can be understood that in the planning and work stages the community is involved as a whole and those who have skills in the building section will be used as foremen for the construction of community funds to help. The



description of the results of the author's interviews and observations related to the effectiveness of village funds above can be concluded that the village funds disbursed by the government each year for Lamantu village are used in accordance with community expectations and are effective in developing village infrastructure..

## **B. Strengths and weaknesses of village fund management in Selayar district**

Selayar Regency is a regency located in South Sulawesi Province. The capital of the Selayar Islands district is Benteng City. tertiary institutions (colleges/universities) 17.22%. Bontomanai sub-district is one of the sub-districts in Selayar Islands Regency, with an area of 115.56 km<sup>2</sup>. Administratively, Bontomanai sub-district is directly bordered by Buki sub-district (north); Benteng and Bontoharu sub-districts (south); the Flores Sea (east); and the Makassar Strait (west). Bontomanai sub-district consists of 10 villages, namely Parak Village, Barugaiya Village, Polebunging Village, Maremare Village, Jambuiya Village, Kaburu Village, Bonto Koraang Village, Bonto Marannu Village, East Bonea Village, and Bonea Makmur Village..

Population growth in Bontomanai Sub-district in 2018-2019 was not high as seen from the annual population growth rate, which was only around 0.48%. Meanwhile, the level of education of the community in Bontomanai Sub-district is quite high where the average community is at the SMA/MA/SMK level. This is also supported by the school facilities that exist in each village in Bontomanai Sub-district, although many of the officials in each village are university graduates. Based on the data that has been found, the sources of community income in Bontomanai Sub-district generally come from agriculture, plantations, livestock, and also independent community businesses in each village such as the existence of SMEs, the establishment of cooperatives, and the utilisation of village resources through BUMDes. There are 9 BUMDes in Bontomanai Sub-district. These BUMDes are the object of research into village fund management for Selayar District.

Village fund management through Village-Owned Enterprises (BUMDes) is a strategic step in efforts to develop the economy and community welfare at the village level. Village funds are an important resource to advance local potential and improve people's living standards. On this occasion, we will discuss the advantages and disadvantages of village fund management, especially through BUMDes in Selayar Regency, focusing on Bontomanai District.

The advantages and disadvantages contained in village fund management through BUMDes are important to be evaluated in order to increase effectiveness and positive impacts that can be generated. Through an in-depth analysis of village fund management in Bontomanai District, we can understand the dynamics and challenges faced in an effort to improve the welfare of rural communities.

The management of BumDes in Bontomanai District begins with the participation of village capital derived from village funds to each village BumDes concerned. However, some BumDes have not been able to show capital participation documents from their village funds. The following is a brief description of village fund management as capital participation in several BumDes in Bontomani District, Selayar Regency. BUMDes managers in Bontomanai District are 51 people, consisting of the chairman, secretary, treasurer, and division managers according to the type of BUMDes business. The types of BUMDes businesses in Bontomanai District are Buying and Selling Charcoal (Barugaiya Bersatu); Savings and loan cooperatives (Harapan, Bukit Harapan); Tent Rental (East Star); Buying and selling garden products (Marannu, Abadi Jaya, Masagena); Buying and selling copra (Panca Usaha); Carpentry (Mitra Jaya)

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### **1. Barugaiya United**

Barugaiya united BUMDes is a business entity in Barugaiya Village engaged in buying and selling charcoal. This BUMDes business obtained business capital derived from village funds of Rp. 50,000,000 in 2018. However, there is no supporting record of the capital participation of this newly united BUMDes. This BUMDes is managed by 5 people, namely the chairman, secretary, treasurer, and 2 members. This charcoal buying and selling business has been running for approximately one year. Charcoal produced by BUMDes Barugaiya Bersatu is marketed in several stalls in Benteng City, while the raw materials are obtained from the surrounding community who have roasted coconut or copra businesses. However, the results of the documentation study did not find reports related to accountability for the management of BUMDes funds and also operational activities during the BUMDes

### **2. Expectations**

BUMDes harapan is a BUMDes in Bonea Makmur village. This BUMDes is managed by 5 management, consisting of the chairman, secretary, treasurer, and 2 members. The business run by this BUMDes is a savings and loans business or cooperative that has been running for approximately two years. The capital provided by the village government was used for the initial capital for the establishment of this cooperative. This BUMDes obtained an initial capital of Rp. 50,000,000,-. This capital was used to purchase some ATK equipment to support the business of BUMDes Harapan. During this BUMDes operating for approximately 2 years, there were 8 community businesses that were helped in their capital, in addition there were approximately 15 other customers who used savings and loans from this BUMDes Harapan cooperative, with the provision of capital assistance for business units of a maximum of Rp. 5,000,000 and for individuals a maximum of Rp. 3,000,000 in accordance with mutual agreement at the beginning of the formation of this business. However, there are no supporting reports on the funds used during this BUMDes. Meanwhile, in AD / ART it has been agreed that BUMDes operational implementers are required to make accountability reports for BUMDes operational activities, and reported at least once every 1 year

### **3. Eastern Star**

Eastern star BUMDes are BUMDes in East Bonea village. This BUMDes is managed by 7 management, consisting of the chairman, treasurer, secretary, and 4 members. The business run by these BUMDes is a tent rental business. The capital provided by the village government is Rp. 30,000,000,-. This capital is used by BUMDes managers for their business purposes, such as buying tent equipment, iron, and others. The choice of this business itself is based on the needs of people who are difficult to get tent rental services in East Bonea village, while the demand and needs of the community for tent rental services are quite a lot, especially during events such as weddings, deaths, and others. In the middle of BUMDes management, there were several obstacles faced by BUMDes managers, where the rented tents were not well maintained, and some tent installation equipment was missing. Therefore, many people choose to rent tents in the city even though the price is more expensive, so the demand for tent rental

services continues to decrease. This BUMDes has carried out financial management such as a daily cash book related to expenses and income from this BUMDes tent rental business. It was recorded that at the end of the 2018 period BUMDes expenditures amounted to Rp. 31,791,000,-, and income amounted to Rp. 131,810,000,-. There is no record of the distribution of the results of this BUMDes business.

#### 4. Marannu

Marannu is a business entity in Bontomarannu village. This business entity is managed by 6 administrators consisting of the chairman, secretary, treasurer, and 3 members. This business entity is engaged in buying and selling garden products. Owned. The capital provided by the government is in the form of plant seed assistance and funds of Rp. 25,000,000 to buy planting equipment and materials. The harvest is sold to villagers who work as traders but do not have many types of vegetables to sell. However, there were no reports of accountability for the use of BUMDes funds from the beginning of BUMDes operating until this research was conducted. There are no supporting records related to the report on the distribution of business results as agreed in AD / ART.

#### 5. Abadi Jaya

BUMDes abadi jaya is a business entity owned by Jambuiya village. These BUMDes have been formed in 2016. This BUMDes is managed by 8 management, consisting of the chairman, secretary, treasurer, and 5 members. BUMDes abadi jaya ini Village Fund Management | 47 is engaged in the business of buying and selling garden products. During the operation, vegetable crops from this village have harvested two to three times, where the price for each vegetable varies from Rp. 3,000 per bunch to Rp. 25,000 per kilo depending on the type of vegetable. However, there is no accountability report from the operational activities of BUMDes, mainly related to the distribution of business results.

#### 6. Five Businesses

Panca usaha is a business entity owned by Maremare village. This business entity was formed in 2015, and is managed by 6 management consisting of chairman, secretary, treasurer, and 3 members. This BUMDes is engaged in the business of buying and selling roasted coconut or copra. The initial capital of this BUMDes business is Rp. 50,000,000, - which is participation from village funds. The initial capital of this business is used to buy raw materials for the business, namely coconuts for Rp. 1,000, - per seed, and for other purposes that support the production of roasted coconut or copra. Like other BUMDes, during its operation, this BUMDes experienced several obstacles. The obstacle that most impacted the operational activities of BUMDes was the decline in copra prices. This makes these BUMDes have not contributed so much to the village economy. There is no accountability report related to the operational activities of this Abadi Jaya BUMDes.

#### 7. Mitra Jaya

Mitra jaya is a business entity owned by Parak village, which was established in 2017. This business entity is managed by 4 management, consisting of the chairman, treasurer, and 2 members. This BUMDes is engaged in carpentry business. This business entity itself serves as a foreman, where the handyman is a Parak village community. BUMDes managers provide assistance to village communities who are considered to have skills or abilities in the field of carpentry, such as making chairs, cabinets, and others. However, since its operation, there has been no accountability report for the operational

activities of this BUMDes, including how much revenue is received and the distribution of business results.

### 8. Hill of Hope

Bukit harapan merupakan badan usaha yang ada di desa Kaburu, yang dibentuk pada tahun 2018. Badan usaha ini dikelola 48 | Pengelolaan Dana Desa oleh 5 orang pengurus, yang terdiri dari ketua, sekretaris, bendahara, dan 3 orang anggota. BUMDes ini bergerak dalam bidang usaha simpan pinjam atau koperasi, yang diharapkan dapat membantu masyarakat desa yang membutuhkan. Modal dari koperasi simpan pinjam bukit harapan ini merupakan dana yang diberikan oleh pemerintah desa kurang lebih Rp50.000.000, dana ini kemudian dijadikan modal dalam pemberian pinjaman kredit kepada masyarakat desa yang membutuhkan. Saat ini setidaknya sudah ada beberapa usaha masyarakat desa yang terbantu dengan usaha simpan pinjam bukit harapan ini, seperti kios-kios sembako, petani-petani kebun, dan juga masyarakat lain yang membutuhkan pinjaman. Tidak ada prosedur yang jelas yang dijadikan panduan dalam pemberian pinjaman kepada masyarakat. Tidak terdapat pula pencatatan atas setiap dana yang dikeluarkan oleh BUMDes dalam menjalankan usahanya sebagai koperasi unit desa. Sehingga pada akhir masa kepengurusan pengelola BUMDes diberi kewajiban atas pengembalian modal usaha yang diperuntukkan untuk kepengurusan BUMDes selanjutnya.

### 9. Masagene

Masagene is a business entity in Bonto Koraang village which was formed in 2017. This business entity is managed by 5 management, consisting of the chairman, secretary, treasurer, and 2 members. This BUMDes is engaged in the business of buying and selling garden products. The garden products from BUMDes are intended for the surrounding community in meeting their daily needs, because the location of the village is very far from the market so that these BUMDes are said to be very helpful for the community in fulfilling their needs for vegetables, although it has not yet provided significant results for the village economy. Like other BUMDes in Bontomarannu District, there is no recording of the accountability report from this BUMDes.

From the explanation above, there are several advantages and disadvantages in managing village funds at BUMDes (Village-Owned Enterprises) in Bontomanai District, Selayar Regency:

Excess:

1. **Business Diversification:** The variety of BUMDes business types shows economic diversification in villages, including buying and selling charcoal, savings and loan cooperatives, tent rentals, buying and selling garden products, carpentry, etc. This opens up economic opportunities for the local community.
2. **Community Empowerment:** BUMDes provide loans to small businesses and individuals in villages, helping to boost their capital and economy.
3. **Helping to meet local needs:** Some BUMDes help meet local needs for products such as vegetables, improve market access and availability of goods.

**Deficiency:**

1. **Non-Transparency and Record Keeping:** Most BUMDes do not have clear and detailed reports regarding the use of funds and business income. This includes financial statements, accountability for funds, and distribution of operating results.
2. **Operational Constraints:** Some BUMDes face operational obstacles such as lack of equipment maintenance, lack of record keeping, and problems in business management.
3. **Lack of Financial Management:** The absence of adequate records of expenses and revenues and the absence of documentation on the sharing of business results indicate weaknesses in financial management.

### C. Village fund management strategy to be effective in development in Selayar district

A good management strategy in an organizational management that is carried out is the initial goal to be achieved by every agency, both government, SOEs and the private sector, this wants to state that how important a financial management management in each agency needs to get very serious attention both from the management element and from the community. Good management is to follow management procedures as stated by a management expert, George Terry (2000: 15) who states that, management is a typical process, consisting of planning, organizing, mobilizing and supervising actions carried out to determine and achieve predetermined goals through the use of human resources and other resources

#### 1. Planning

Planning is the entire process of thinking and determining the program carefully of what will be done in the future in order to achieve a desired result and also the process of defining a goal and strategy to achieve that goal and develop it. The process or stages to be carried out include::

##### a. Goal setting

Setting goals in the implementation of village fund management is the main step in making planning so that its implementation can later be directed in accordance with the goals and results to be achieved. Implementing development is one of the village government programs to be achieved, moreover, the program is related to meeting the needs of the community, it will definitely get full support from all elements of society, but if the development program does not touch the interests of the community and only the interests of certain groups, the community will definitely not support it and it will cause problems.

##### b. Assignment

Procedure Every organization in carrying out its functions must follow the so-called procedures or rules that have been previously determined so that in carrying out their duties there is regularity as in village financial management in managing village finances rules have been determined that become the basis for implementation so that the village head in managing village finances must follow or based on stages or steps that have been determined even in practice There are still some programs and activities that are carried out without complying with or following established procedures.

##### c. Program

Basically, the program is the result of a plan carried out so that the organization's goals can be achieved, and to be able to implement the program requires a good cooperation from the people involved in implementing the program

## 2. Organizing

An organization is a group of people (two or more) formally united in a cooperation to achieve a predetermined goal. For cooperation between the village government and the community, judging from the description above, the village government does not involve the community in the village development process, this can be seen from the results of interviews with the community, stating that the government does not involve the community in the process of managing development funds. And also every time there is a decision making, the village government does not involve the community and there is only a village apparatus that is included in making a decision, this certainly encourages the village government to be open with the community. So that the community participates in the implementation of development in the village

### 3. Briefing

Direction is a manager's leadership function to improve the quality of an organization or the desire to make others follow his wishes in other words a manager's leadership function to increase work effectiveness and efficiency to the maximum and create a healthy, dynamic work environment, and others.

openness from the village government to the community is still lacking and also funds from the center are still not many who know, especially the village community how much the budget and also expenditure and used for what development is still unknown so this needs to be considered more by the Village Government in order to further increase transparency or openness to the community so that there is no misunderstanding from the village community to the village government regarding management finance.

### 4. Supervision

Supervision is a systematic effort to establish performance standards in planning to design information feedback systems, to compare actual performance with established standards to determine whether there have been deviations, and to take corrective actions necessary to ensure that all company resources are used as effectively and efficiently as possible to achieve a goal. Many communities still do not know how financial income and expenditure are so that the impact of rural communities does not know how the village government performs related to financial management and development because it is not carried out transparently. To create effectiveness and efficiency in Village Financial Management, Village Financial Management Principles are needed which are carried out in a transparent, accountable and participatory manner.

Based on the description above regarding village fund management, several important things can be concluded:

1. **Careful Planning:** The importance of setting clear goals in village fund management. Careful planning is the basis for the success of the programs and activities carried out.
2. **Regularity in Process:** The village financial management process must follow established procedures. This ensures regularity and compliance with the applicable rules.
3. **Community Participation:** Involving community participation is the key to success in village development. Good village fund management takes into account the real interests and needs of the local community.

4. **Effective Supervision:** A good supervision system is needed to ensure the use of village funds in accordance with the objectives set. Transparency and accountability need to be improved to avoid vagueness in the use of funds.
5. **Strengthening Village Financial Management Principles:** The principles of transparency, accountability, and participatory need to be strengthened in village financial management to achieve the desired effectiveness and efficiency.

By taking into account the above aspects, effective and quality village fund management can be the foundation for sustainable development and have a greater positive impact on the welfare of rural communities. Synergy is needed between the village government, the community, and other related parties in ensuring that village fund management runs in accordance with good management principles.

## A. Conclusion

Regarding the effectiveness of village development using village funds, several important aspects were revealed. Village funds are used for the construction of vital infrastructure such as roads, toilets (bathing, washing, latrines), and the construction of village offices. Although physical development is the main focus, community involvement in this process is significant, from the planning stage to implementation, where the community also works as part of the work funded by village funds. In fulfilling infrastructure, especially in villages that previously lacked infrastructure, this development was considered successful in facilitating the needs of the community. However, the sustainability of sustainable development, the sustainability of infrastructure development, and community empowerment are also things that must be considered. Village funds that are effective in their use are seen in accordance with community expectations, especially in building important infrastructure for daily life.

Village fund management has a crucial role in improving the economy and welfare at the village level. However, an evaluation of these management practices reveals several aspects that need serious attention. Community involvement in planning and decision-making is still limited, while transparency in financial management and supervision of the use of village funds has not been optimal. The management process, from planning to supervision, should be more structured and involve active community participation. Greater openness is needed from the village government regarding the use of village funds so that the community can better understand and participate in village development. Through the implementation of transparent, accountable, and participatory financial management principles, as well as involving the community at every stage, it is hoped that village fund management can be more effective, sustainable, and have a significant positive impact on village development and community welfare

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