



## Effectiveness of Village Funds on Rural Development in Indonesia 2017 – 2021

Fitri Nur Fajri 1, Rista Ayu Ningtias2 \*, Art Bestia Marla 3

<sup>1,2,3</sup> Development Economics Department, Faculty of Economics and Business, Bandung Islamic University

\* Corresponding Author Email: [ristaayuningtias23@gmail.com](mailto:ristaayuningtias23@gmail.com)

### ABSTRACT

The village is the smallest unit expected from a country that has an important role in the development of the center of community economic growth. The purpose of this study is to see the extent to which the effectiveness of village funds on village development. This study uses descriptive quantitative methods with calculations using the effectiveness ratio. The data obtained is secondary data sourced from intermediary media or obtained indirectly. The conclusion obtained is that the results of the calculation of the effectiveness ratio of village financial management during 2019 - 2021 are ineffective because the results of the 2019 effectiveness ratio are 60.38%, in 2020 the effectiveness ratio is 65.52% and in 2021 the effectiveness ratio is 15.22%. Thus, for now, village funds are not effective for village development.

**Received: 01/09/2021**

**Accepted: 30/09/2021**

**Keywords:** *Rural Development, Village Funds, Effectiveness*

## 1. INTRODUCTION

The village as the smallest government administrative unit of a country has an important role which is expected to be the beginning of the development of the center of community economic growth (Tambunan et al., 2020). To support village development, the government issued a law. No. 6 of 2014 concerning villages. The law becomes the legal basis for the village, because it regulates the implementation of Village Government, implementation of development, community development, and community empowerment. In addition, Law No. 6 of 2014 also regulates management and village issues that regulate village funds based on the State Revenue and Expenditure Budget (Sukarno et al., 2020). After the law was passed, the village government was given more room in making decisions for village development. Village development is a strategy of the government in creating equitable national development and reducing the level of progress gap between urban and rural areas as a result of the previous government focusing on urban area development (Tambunan et al., 2020). Each village will receive funds to meet village needs such as financing for village development, community development and community empowerment. The amount of funds received by the village makes the central government need to make measurements so that it is allocated properly. Achievement of village development and finance as a measure of village performance is not enough because village performance has various indicators The amount of funds received by the village makes the central government need to make measurements so that it is allocated properly. Achievement of village development and finance as a measure of village performance is not enough because village performance has various indicators The amount of funds received by the village makes the central government need to make measurements so that it is allocated properly. Achievement of village development and finance as a measure of village performance is not enough because village performance has various indicators (Hajratul et al., 2020). Thus, the Ministry of Villages (Kemendes) issued a regulation in Permendesa PDTTrans Number 2 of 2016 concerning the Development Village Index (DVI). From the measurement of the Development Village Index (DVI) it produces village categories that can be analogized to village rankings. There are three elements that become the benchmark for the Development Village Index (DVI), namely social resilience, economic resilience and ecological resilience. From these benchmarks, it is known the classification of very underdeveloped villages, underdeveloped villages, developing villages, developed villages, and independent villages (KEMENDES RI., 2015). With the measurements and achievements that have been made, it will be a determinant of the next village funds given. In 2020 the amount of village funds allocated is Rp. 72 trillion which is intended for 74,953 villages and will be distributed by the Office of the State Treasury Service (OSTS). In addition to the funds provided by the central government, there is also Village Fund Allocation (VFA) from the district and Village Original Income (ROI) resulting from processing village potential. The Village Development Index (DVI) not only serves to understand the status of village development, but also functions as a tool to achieve the objectives of the Regional Medium-Term Development Plan (RPJMD) (Yulistari et al., 2020). With the allocation of sufficient funds and measuring tools for the Village Development Index (DVI), it is hoped that the status of very underdeveloped villages will decrease and the status of

independent villages will continue to increase). In addition, village finances must be managed based on transparent, accountable, participatory principles, and carried out in an orderly and budget-disciplined manner.

## 2. LITERATURE REVIEW

This section describes the previous researchers who have investigated the relationship between the effectiveness of village funds and village development. Research on the effectiveness of village funds on village development is still rarely carried out by researchers in the world. Previous researchers who have conducted research on the effectiveness of village funds on village development have been carried out by Kembey et al. Kembey et al said that the use of village funds was more effective in making concrete rebate roads in Karegesan Village, Kauditan District, North Minahasa Regency, because they had carried out repeated measurements with the same tool by different gauges, but the size of the concrete rebate road length and depth did not change. clean water wells using the same tools. So the concept of measurement in development must have been carefully planned and must provide class direction to workers so that the results obtained provide benefits for the interests and needs of the community. Irmansyah et al said that the use of village funds in Rompu Village, Masamba District, North Luwu Regency was considered appropriate and effective for infrastructure development in Rompu Village, Masamba District, North Luwu Regency because the results of using village funds were appropriate in implementation, right on target and appropriate in policies and the environment. In its implementation, the government of Rompu Village, Masamba District, North Luwu Regency has succeeded in collaborating with the community, the private sector and the North Luwu Regency Government. Its development has also been on target in accordance with the targets in the Village Revenue and Expenditure Budget. The coordination between the Rompu Village Government, Masamba Subdistrict, North Luwu Regency and North Luwu Regency/City has carried out well. So that the external environment such as mass media policies have provided good information. The benefits of the village funds used by Rompu Village have now been enjoyed, namely the roads are better and can facilitate community access to commute. People's lives have improved better in terms of income, as income has improved because road access to work is smoother and public income has increased. The Village Fund Allocation (VFA) carried out by the village head is 70% for infrastructure development and 30% is allocated for community empowerment. A bigger reason for infrastructure development than being allocated for community empowerment is because the community needs good and good infrastructure development to make it easier for rural communities to work to earn money. However, in the future, if there is a distribution of village funds again, it should be done for community empowerment because the work of the people of Rompu Village, Masamba Subdistrict, North Luwu Regency, the majority work in agriculture by being given funds to support Rompu village farmers, so that in the future the farmers will have their own products resulting from their farm. In addition, in the future the funds will also be used to look for other village potentials to improve the economy of Rompu Village. Meanwhile, according to Mirayanti et al, the use of village funds is considered ineffective for development in Buntuna village, Baolan Regency because there are still many people who do not participate in following each stage of the fund management process. In addition, at the planning stage there was a lack of information transfer from the village government and this resulted in a lack of community participation from both institutions and individuals. According to Fitri (2019), the use of village funds in Madumulyorejo Village, Dukun District, Gresik Regency has been effective even though community participation in the village is still lacking due to lack of knowledge so that the community does not respond. However, this does not hinder development in Madumulyorejo Village because many infrastructures have been successfully built, such as the construction of agricultural irrigation, construction of drainage, construction of village gates, repair of village axis roads, restoration of tombs and construction of volleyball courts. For non-physical development that is tangible, there is a posyandu park for the elderly and toddlers, there is also an intensive provision of Al-qur'an Education Park teachers. The Madumulyorejo Village Government has been able to meet village deficiencies and manage the Village Fund Allocation (VFA) well so that it is considered capable of implementing regional autonomy. There are four stages to carry out development in Madumulyorejo Village, namely the acceptance, planning, implementation and accountability stages. The impact of good village fund management on village development in Madumulyorejo Village is going well and has been effective because it is in accordance with the expectations of the government and village communities and has been adjusted to the vision and mission of Madumulyorejo Village. There is also according to Ashari et al who said that the use of village funds to increase the development of Patilereng Village, Bontosikuyu District, Selayar Islands Regency has been effective because at several points such as being right in policy, right in implementation and right in targeting development in Patilereng village. The community has made it easier for road access to travel in the implementation, and the village community has succeeded in collaborating with the private sector to improve village development. The community of Patilereng Village, Bontosikuyu District, Selayar Islands Regency, plays an active role in the effective management of village funds for village development because from the Development Planning Deliberation (Musrenbang) activity stage, the community of Patilereng Village, Bontosikuyu District, Selayar Islands Regency also supports and participates in these activities. Meanwhile, Islamic village development has also been effective because it is in accordance with Islamic principles, namely monotheism, prophecy, ownership, balance, help and maslahah. All of these developments are in accordance with the development targets planned by Patilereng Village. According to Mingkid et al, village funds are effective for village development in Watutumou Dua Village because the village government and the community support each other in village development. The village government is consistent in deliberation to focus on development so that with the planning that has been planned in such a way as to get development results that are on target and effective. The targeted development was well received by the villagers of Watutumou Dua Village. The government of Watutumou Dua Village has a fairly good integration so that the government is able to socialize

and communicate with the village community and finally be able to take the sympathy of the community to take part in the implementation of the development of Watutumou Dua Village. The people of Watutumou Dua Village participate a lot in the development of the infrastructure sector so that when the development is carried out the village government does not need to require external employees. However, The transfer of Watutumou Dua Village is uneven because there are no project boards installed in several places indicating the source of the infrastructure development funds comes from village funds. According to Ulfah et al, the management of the Village Fund Allocation (VFA) for the development of Pamarangan Kiwa Village is effective. The village funds are allocated for the development of village infrastructure such as the construction of roads and bridges. In the management process there are three stages, namely planning, implementation and accountability. Collecting data in his research used questionnaires. The results of the questionnaire will be effective or not by calculating the percentage, namely the frequency divided by the number of respondents multiplied by 100%. The results of the questionnaire are the first indicator showing that the goal to be achieved is 42.22%, meaning that it is effective, then the clarity of strategy is getting 46.66%, which means it is quite good, for a solid formulation analysis process indicator to produce a less effective figure of 50% so that the government villages need to improve the analysis process of formulation. The community's response to village development planning is 50%, so it can be said to be quite effective. From the data recapitulation results obtained 42.38%, it means that the Village Fund Allocation (VFA) for the development of Pamarangan Kiwa Village is quite effective. This literature proves that no one has studied the effectiveness of village funds on village development with a broader object, namely Indonesia. This is because previous research conducted a lot of research with objects with a smaller scope, namely village research. In addition, the average previous research used descriptive qualitative methods with direct interview data collection, while our research used descriptive quantitative methods using the calculation of the effectiveness ratio.

### 3. METHODOLOGY

This study uses a descriptive method with a quantitative approach. This quantitative approach is to explain descriptive data that can describe the results of the analysis clearly and in detail based on actual events in the field (Jalil et al., 2019). This analysis aims to see how far the effectiveness of village funds on village development. The type of data used is secondary data. Secondary data is taken from village fund budget data and data from the 2017-2021 Ministry of Finance village fund realization report. Meanwhile, the analysis in this study using the effectiveness ratio is an illustration of seeing the effectiveness of village funds on village development. If the level of the effectiveness ratio of village funds is higher, it illustrates the ability of the village towards village development to be better.

$$\text{Effectiveness Ratio} = \frac{\text{Realization of village funds}}{\text{Village fund budget}} \times 100\%$$

The effectiveness ratio issued by the Ministry of Home Affairs (Kemendagri) No. 690,900,327 of 1996, namely 1) If the results of the comparison of the ratio of the realization of village funds and the budget of village funds are more than 100%, it can be said that village funds are very effective; 2) If the comparison result of the ratio of the realization of village funds and village fund budgets is 90% - 100%, it can be said that village funds are effective; 3) If the results of the comparison of the ratio of realization of village funds and village fund budgets are 80% - 89%, it can be said that village funds are quite effective; 4) If the results of the comparison of the ratio of realization of village funds and village fund budgets are 60% - 79%, it can be said that village funds are less effective; 5) If the results of the comparison of the ratio of realization of village funds and village fund budgets are <60%, it can be said that village funds are not effective.

**Table 1.** Village Financial Effectiveness Criteria

<b>Effectiveness Criteria</b>	<b>Effectiveness Percentage (%)</b>
Very Effective	>100%
Effective	90% - 100
Effective enough	80% - 90%
Less effective	60% - 80%
Ineffective	<60%

### 4. RESULTS AND DISCUSSION

Before discussing the level of effectiveness of village finances in Indonesia, it is necessary to know in advance the development of the budget and realization of village funds in Indonesia. Regarding the development of village funds and the realization of village funds for the 2017-2021 period, the village fund budget continues to increase but this budget increase is not proportional to the realization of village funds which continues to decline. For more details regarding the development of village funds and the realization of village funds can be seen in Table 2.

**Table 2.** Village Fund Budget Data and Village Fund Realization for 2017 – 2021 (Trillion Rupiah)

Year	Village Fund Budget	Village Fund Realization
2017	60.00	9.80
2018	60.00	59,90
2019	70.00	42,20
2020	72.00	47.25
2021	72.00	10.96

Source: djpk.kemenkeu.go.id

In 2017-2021 the village fund budget tends to increase. In 2019 the village fund budget increased by Rp. 10 trillion from 60 trillion to 70 trillion. In 2020 also the village budget has increased by Rp. 2 trillion from Rp. 70 trillion to Rp. 72 trillion. The desire to improve people's welfare and in line with President Jokowi's ideals to build Indonesia from the periphery is the reason why the village fund budget tends to increase every year. With the provision of village funds, it is hoped that equitable development will continue and reduce the gap between urban and rural areas so as to create equitable development.

**Table 2.** The Effectiveness of Village Funds in Indonesia, 2017-2021

Year	Village Fund Budget (Trillion Rupiah)	Realization of Village Funds (Trillion Rupiah)	Effectiveness Ratio (Percent)	Conclusions
2017	60.00	9.80	$2017 = \frac{59,8 T}{60 T} \times 100\% = 99,66\%$	Effective
2018	60.00	59,90	$2018 = \frac{59,9 T}{60 T} \times 100\% = 99,83\%$	Effective
2019	70.00	42,20	$2019 = \frac{42,2 T}{70 T} \times 100\% = 60,28\%$	Less effective
2020	72.00	47.25	$2020 = \frac{47,25 T}{72 T} \times 100\% = 65,62\%$	Less effective
2021	72.00	10.96	$2021 = \frac{10,96 T}{72 T} \times 100\% = 15,22\%$	Ineffective

Source: Data Processing (2021)

Based on Table 3. it can be seen that the ratio of the effectiveness of village funds in 2017 – 2018 is 99.66% and 99.83%. This figure shows that the level of effectiveness achieved is included in the effective criteria. This means that the government's performance in realizing village original income based on the village's real potential in 2017 to 2018 has been very good. Meanwhile, in 2019 – 2020 the village fund effectiveness ratio, namely by 60.28% and 65.62%. This figure shows that the level of effectiveness achieved is included in the criteria of being less effective, even in 2021 the level of effectiveness is considered ineffective, which is 15.22%. The condition of the 2019-2021 effectiveness ratio shows that the government's performance in realizing village funds is not optimal. One of the reasons for the ineffectiveness of village funds in 2019-2021 is the Covid-19 pandemic. During the Covid-19 pandemic, there were many areas in Indonesia that needed funds, especially funds to support government policies such as Large-Scale Social Restrictions (LSSR) and the Enforcement of Restrictions on Community Activities (ERCA). With so many rules, the village funds have been changed to the Village Revenue and Expenditure Budget (VREB) and this requires a long process, so the distribution of funds is hampered. The state of the revised Village Revenue and Expenditure Budget (VREB) along with the capacity of the existing Human Resources (HR) in the village is not yet qualified, so this adds to obstacles in the realization of village funds for village development because there are often delays in the issuance and delivery of the Village Revenue and Expenditure Budget (VREB) and delays in the input of the Village Revenue and Expenditure Budget (VREB) into the Village Financial System (Siskeudes). There are three ministries involved in managing village funds, namely the Ministry of Finance (Kemenkeu), the Ministry of Home Affairs (Kemendagri), and the Ministry of Villages (Kemendes) therefore it is difficult to coordinate to find common ground to reach a mutual agreement because there is a lot of overlap between the parties concerned. Each ministry has the authority related to the village, both in terms of the allocation of village funds to issue their respective policies, and from the coaching side they also have the authority to foster the administration of their government and infrastructure development. Because it is very difficult to find a common ground that agrees with all parties, in this case it is also part of the obstacle to the realization of village funds because later the distribution and allocation of village funds must be stated in a Joint Decree (SKB). With this Joint Decree, it is hoped that it will make village development easier because previously the regulations that had been made by the Minister of Finance Regulation (PMK) regarding the procedures for the Allocation, Distribution, Use, Monitoring, and Evaluation of Village Funds did not run smoothly because

the village community and village government were still confused and confused. afraid to manage it therefore the Regulation of the Minister of Finance does not function properly (Pahlevi., 2015). The realization of hampered funds has an impact on efforts to improve village status using the concept of the Developing Village Index (DVI). Village development and empowerment using the concept of the Developing Village Index (DVI) is formed based on three indices, namely 1) Social resilience index which includes education, health, social capital, and settlements; 2) Economic Resilience Index in which there is a diversity of community production, access to trade and market centers, access to logistics, access to banking and credit, as well as regional openness; 3) The index of ecological/environmental resilience includes environmental quality, natural disasters and disaster response. From the three forms of the index, it is known the classification of village status with village status very underdeveloped, underdeveloped village status, developing village status, developed village status and independent village status (KEMENDES RI., 2015). In 2021 the status of very underdeveloped villages will increase. In 2019 the status of very underdeveloped villages in Indonesia was 3,536 villages. In 2020 there was a good change, the status of very underdeveloped villages in 2020 was reduced by 1,070 villages to 2,466 villages. However, when in 2021 the status of underdeveloped villages experienced a significant increase compared to 2019 which was 4,564 villages (KEMENDES RI., 2015). The declining realization of village funds makes village development experience many obstacles because village funds are still less effective for village development. The cause of the ineffectiveness of village funds for village development apart from the Covid-19 pandemic which hampers the effectiveness of village funds for village development, there are also several other problems that can hinder the effectiveness of village funds for village development. According to the State Financial Accountability Agency, the problems that can hinder the effectiveness of village funds are First, There is no one reference for measuring village status, so the results of the examination by the State Financial Accountability Agency (BAKN) reveal that there are two types of approaches used in measuring village status, namely the Developing Village Index (DVI) developed by the Development of Disadvantaged Regions and Transmigration (PDRT) and the Index of Developing Villages. Village Development (IPD) developed by the National Development Planning Agency (Bappenas). The second issue is the welfare of professional assistants, so there is a problem regarding the unmeasured determination of the amount of the cost component for the Professional Assistance Personnel (TPP). In addition, there is also the Development of Disadvantaged Regions and Transmigration (PDRT). The honorarium is not given formal honorarium information and the full work contract is not shown. It was found by the Supreme Audit Agency (BPK) that the amount of honorarium income was lower than the Regency Minimum Wage and Provincial Minimum Wage. Third, the lack of effectiveness of coaching and assisting village officials because after an inspection it turned out that there were several problems, including a) the Ministry of Home Affairs (Kemendagri) had not designed a comprehensive monitoring system for the management of Village Funds; b) The Ministry of Home Affairs (Kemendagri) does not yet have an application system to monitor and evaluate the results of supervision over the management of the Village Fund (DD); c) Regulations related to strengthening the role of the Camat in fostering and supervising have not been established; d) Village financial management regulations have not supported the realization of accountability and transparency in Village financial management; e) The development of the evaluation of the Revenue and Expenditure Budget (VREB) and planning for the use of Village Funds has not fully considered village development planning deliberation and priorities for the use of Village Funds. f) The existence of Village Owned Enterprises (BUMDes) has not been able to make a significant contribution to the village economy (State Financial Accountability Agency., 2019). According to Pahlevi (2015), the guidelines that are packaged are not simple and very complicated to understand if they are to be implemented by the regions. The hope of the village government and village communities is that if they receive village funds from the central government, it will be rushed to be distributed to the villages concerned, not for too long to be kept in the district government. However, it turns out that the reason the district government did not immediately distribute the village funds was because there were no clear rules from the central government. Therefore, the district government has not dared to channel village funds directly to related villages. Provisions for the distribution of the amount of the Village Fund Allocation (VFA) and the sharing of the Regional Tax and Regional Retribution from the Regency/City are sometimes still not fulfilled, this adds to the obstacles to the realization of village funds on village development. Seeing the many obstacles in the realization of village funds, supervision of the village government must be carried out because village development must be carried out immediately so that the welfare of the Indonesian people increases and the poverty level also decreases. The process of submitting reports on the realization of village funds often experiences delays due to the lack of supervision and lack of human resources that are obstacles to the distribution of village funds for village development. Rules that are as simple as the lack of supervision from the local government, human resources that are still lacking and regulations that change frequently do not guarantee an optimal accountability process from the village government (Fahmawati., 2018). In order to realize the effectiveness of village funds on village development, of course what must be done is coaching and mentoring from the beginning of the planning process, implementation to being responsible for its utilization and use. The guidance and assistance is carried out periodically by the Central Government through the Ministry of Home Affairs (Kemendagri) and the Regional Government. Other than that, there are several other things that must be done to realize the effectiveness of village funds on village development, such as 1) The need for optimizing the role of the government such as village apparatuses who are fostered by the Government Internal Supervisory Apparatus; 2) In the synchronization of rules/regulations and their synergies, there must be a strengthening that has been established between the Ministry of Home Affairs (Kemendagri), the Ministry of Finance (Kemenkeu), the National Development Planning Agency (Bappenas), and the Ministry of Villages (Kemendes) and Development of Disadvantaged Regions and Transmigration ( PDRT) through a Joint Decree (SKB); 3) Development of the Village Financial System (Siskeudes) application is needed which is integrated with other village applications; 4) The need for operational funds and

the welfare of the village assistants must be ensured to be sufficient and the quality and quantity of the village assistants must continue to be improved. It is also necessary to improve and adjust regulations by the Ministry of Home Affairs (Kemendagri), the Ministry of Disadvantaged Regions and Transmigration (PDRT) and the Ministry of Finance (Kemenkeu) in terms of regulations regarding the processing of Revolving Fund Assets of the former National Program for Community Empowerment (NPCE) independently; 5) Intensive socialization to the Regional Government and Village Government regarding the Memorandum Of Understanding (MOU) between the Ministry of Villages for Development of Disadvantaged Regions and Transmigration (PDRT) (State Financial Accountability Agency., 2019). Guidance from the Regional Government is very much needed such as socialization regarding finance, conducting training, and regular monitoring so that the development of all villages in Indonesia is successful. Regarding many who still do not understand about the realization of village funds and the rules because the capacity of Human Resources (HR) in the village needs to be lacking, the active role of village assistants needs to be added so that the realization of village funds for village development is smoother and all village development can be built properly so that the community is helped and the level of community welfare increases. If the realization of village funds is effective, there will be many benefits for the future development of Indonesia. The consequence is that if the effectiveness of village funds on village development does not improve, village development will not increase, the welfare of rural communities will also decrease and rural community poverty will increase. If poverty increases, it will be difficult for Indonesia to progress because as many as 43% of the population live in rural areas. If poverty in the village is left unchecked, the supply of food to be distributed to urban areas decreases because the village functions as a granary for raw food. Thus, for now the effectiveness of village funds on village development is still less effective. It can be said that it is still far from being effective because there are obstacles that come unexpectedly, such as the Covid-19 pandemic. In addition, from the operational side, synchronization, concepts and knowledge still need to be studied and reviewed so that in the future village funds will be much more effective for village development and empowerment. If poverty in the village is left unchecked, the supply of food to be distributed to urban areas decreases because the village functions as a granary for raw food. Thus, for now the effectiveness of village funds for village development is still less effective. It can be said that it is still far from being effective because there are obstacles that come unexpectedly, such as the Covid-19 pandemic. In addition, from the operational side, synchronization, concepts and knowledge still need to be studied and reviewed so that in the future village funds will be much more effective for village development and empowerment. If poverty in the village is left unchecked, the supply of food to be distributed to urban areas decreases because the village functions as a granary for raw food. Thus, for now the effectiveness of village funds on village development is still less effective. It can be said that it is still far from being effective because there are obstacles that come unexpectedly, such as the Covid-19 pandemic. In addition, from the operational side, synchronization, concepts and knowledge still need to be studied and reviewed so that in the future village funds will be much more effective for village development and empowerment. It can be said that it is still far from being effective because there are obstacles that come unexpectedly, such as the Covid-19 pandemic. In addition, from the operational side, synchronization, concepts and knowledge still need to be studied and reviewed so that in the future village funds will be much more effective for village development and empowerment. It can be said that it is still far from being effective because there are obstacles that come unexpectedly, such as the Covid-19 pandemic. In addition, from the operational side, synchronization, concepts and knowledge still need to be studied and reviewed so that in the future village funds will be much more effective for village development and empowerment.

## 5. CONCLUSION

Effectiveness ratio calculation results village financial management during 2017 to 2018 tends to be stable, with an average effectiveness level of 99%, it can be said that the financial management of village funds has been effective. Thus the level of effectiveness of village financial management is already effective. This shows that the government's performance in realizing village original income based on the village's real potential is very good. Meanwhile, the level of effectiveness of village financial management during 2019 to 2021 is considered less effective because the results of the 2019 effectiveness ratio are 60.38%, in 2020 the effectiveness ratio is 65.52% and in 2021 the effectiveness ratio is 15.22%. This shows that the government's performance in realizing village original income based on the village's real potential in 2019 to 2021 is less than optimal. The ineffectiveness of managing these funds is because the realization of village funds has not been fully distributed. One of the causes of the ineffectiveness of village fund management is the Covid-19 pandemic. In addition, there are also several obstacles in the realization of village funds including: first, the absence of a reference for measuring village status; second, the issue of the welfare of professional assistants; third, the ineffectiveness of coaching and assisting village officials. In addition, there are three ministries involved in the management of village funds, namely the Ministry of Finance (Kemenkeu), the Ministry of Home Affairs (Kemendagri), and the Village Ministry (Kemendes) therefore it is difficult to coordinate to find common ground for mutual agreement because later the distribution and allocation of village funds must be stated in a Joint Decree (SKB). Therefore, It can be said that the progress of the realization of village funds for village development in Indonesia is still far from being effective. Because there are still many obstacles to the realization of village funds. Thus, to optimize this village fund, there are five things that need to be done. First, the need to optimize the role of the government; second, synchronizing and strengthening synergies; third, it is necessary to develop an application for the Village Financial System (SISKEUDES); fourth, the need for operational funds and the welfare of village assistants must be ensured to be sufficient; fifth, the need for intense socialization from the Regional Government to the Village Government. In addition, in the future, village development will certainly require

guidance and assistance from the beginning of the planning process, implementation to being responsible for its utilization and use. In assessing performance, the Village Government should always pay attention to the level of effectiveness of its acceptances so that it can be seen whether the targets that have been set have been realized properly and whether the costs incurred are in accordance with those that have been set without exceeding the budget. And it is better for the Village Government to approach more socialization regarding village development so that the implementation of village development is welcomed by the community and village development runs more smoothly because it gets help and support from the community. For further researchers, the results of this study can be used as material for comparison and research references, and further researchers are also expected to examine more sources and references. For further researchers, there are suggestions related to this research, we hope that further researchers will pay attention to the level of effectiveness of village fund receipts so that the targets that have been set are realized properly and expenditures do not exceed the budget given. In further research, it is also expected that researchers can add factors that are considered to be able to increase the distribution of the effectiveness of village funds, both in the form of an accounting information system, because currently every village has implemented an accounting information system called the Village Financial System (SISKEUDES). It is also expected to provide a distinction before the implementation of the Village Financial System (SISKEUDES) and after the implementation of the Village Financial System (SISKEUDES).

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