

# The Effectiveness of Village Funds Financial Management in Siabu and Bukit Malintang Sub-District Regency of Mandailing Natal

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## ABSTRACT

This research was conducted to determine and analyze the effectiveness of financial management of village funds in Siabu District and Bukit Malintang District, Mandailing Natal Regency. Apart from that, it aims to determine the financial effectiveness of village funds in Siabu District and Bukit Malintang District, Mandailing Natal Regency, as well as to determine the impact of the use of village funds on community welfare in Siabu District and Bukit Malintang District, Mandailing Natal Regency. The method used by the author in analyzing the research results in this paper uses a mixed method. The data used in this research are primary data and secondary data. The research results show that the process of preparing and determining the Village Fund financial management plan in Bukit Malintang District has been carried out and refers to Mandailing Natal Regent Regulation Number 4 of 2021 with the largest budget absorption focused on the Direct Cash Assistance (BLT) program. The effectiveness of Village Fund budget absorption obtained from the results of this research shows the level of achievement of very effective financial performance or that all Village Funds that have been budgeted by the government have been spent entirely

by the Village Government. Based on research and discussions conducted using statistical tests and surveys, it can be concluded that there are differences in people's consumption patterns in Siabu District and Bukit Malintang District before and after receiving BLT.

**Keywords:** Village Funds, Effectiveness, Budget Realization, Financial Management.

## INTRODUCTION

Rural development is the concept of rural-based development (rural) with regard to the social and cultural characteristics of people living in rural areas. Rural communities in general still have and preserve the local wisdom of rural areas that are strongly related to the social, cultural and geographical characteristics, demographic structure, and village institutions. Rural communities in general still face the problem of poverty, as well as the lack of availability and access to basic service infrastructure (Barokah, et al., 2015).

According to Law No. 6 of 2014 on villages, it is explained that a village or customary village is a legal community unit that has territorial boundaries authorized to regulate and manage government affairs, local community interests based on community initiatives, rights of origin, and/or traditional rights that are recognized

and respected in the government system of the Unitary State of the Republic of Indonesia (NKRI). Meanwhile, village administration is the administration of government affairs and the interests of local communities in the NKRI government system.

At present, the allocation of village funds is very intense by the central and local governments to serve as an initial source of village income. This is related to the policy taken by the village government to utilize village funds. Priority use of village funds is regulated and managed by the village based on Village Authority. The priority for the use of village funds as referred to by Permendes PDTT number 7 of 2021 is directed to programs and/or activities to accelerate the achievement of the village Sustainable Development Goals (SDGs). SDGs is a sustainable development program drawn up by the United Nations- The United Nations (UN) and agreed member states by containing 17 goals for 2030 and declared by the heads of State, both developed and developing countries, namely Without Poverty (no poverty), without Hunger (zero hunger), healthy and prosperous life (good health and well-being), quality education (quality education), gender equality (gender equality), clean water and sanitation (clean water and sanitation), clean and affordable energy (affordable and clean energy), decent work and economic growth (decent work and economic growth), industry, innovation, industry, innovation and infrastructure, reduced inequality, sustainable cities and communities, responsible consumption and production, climate action, Life below water, life on land, peace, justice and strong institutions, and partnerships for the goals.

The priority use of village funds referred to in the Permendes is directed to national economic recovery programs in accordance with Village Authority, national priority programs in accordance with village authority, as well as mitigation and handling of natural and non-natural disasters in accordance with village authority. This is

done through various processes so that the utilization of village funds is in accordance with local and central governments. This fulfillment has an impact on the economic sector, such as the direct cash assistance (BLT) program during the Covid-19 pandemic for the benefit of the community itself. This certainly has an impact on the economic sector and makes people feel more helped in meeting their needs.

Village development must start from a good village planning process, and followed by Good program Governance. Effective village development is not solely due to opportunity, but is the result of determining the priority choices of activities. To implement local authority on a village scale, the village government needs to develop village planning involving all components of the village community.

Village income as contained in Law No. 6 of 2014 article 71 comes from several things, namely the first village original income consists of business results, asset results, self-help and participation, mutual aid, and other village income; second, the allocation of the state budget; third, part of the results of local taxes and levies District/City; Fourth, village funds that are part of the balance of funds received District/City, and fifth, financial assistance from the provincial budget.

Village funds are funds sourced from the state budget intended for villages that are transferred through the district/city budget and are used to finance government administration, development implementation, Community Development and Community Empowerment (PP No. 8 of 2016). According to the regulation of the Minister of Finance of the Republic of Indonesia (PMK) number 49 of 2016, the details of village funds for each village are allocated evenly and fairly based on basic allocation and Formula allocation.

Before the village fund policy was established, there was a policy that was essentially to finance the field of government, development and village communities, such as the allocation of

village funds (ADD). The ADD Program emerged since the issuance of Law No. 32 of 2004, where ADD is allocated from the regional budget. Before the ADD program there has been a rolling Village Assistance Fund program since 1969 provided by the central government in the form of Village Development instruction (Solekhan, 2014). Thus, The Village Fund policy is a new policy resulting from the development of previous policies that are directed to improving the welfare of village communities, human quality of life, and poverty reduction (Jamaluddin, 2018). Village funds transferred through the regional budget are used to finance government administration, community activities in the village, including to finance priority programs in accordance with the Pdt Permendes. Village funds that have been budgeted will then be measured the effectiveness of their use based on a comparison between the amount of the budget and the realization of the use of the budget. Effective financial management must be done optimally, because it is related to the target and the realization of regional revenues and development funds. If the financial management has been used effectively, it means that there is a guarantee

of the availability of development funds, while if the management has not been effective then it needs to be encouraged again so that the management will be better and ensure the availability of funds for development, as well as ensuring the financial independence of the region so that the longer the better. As one of the districts at the end of North Sumatra province, Mandailing Natal Regency occupies the 4th position with the largest village fund budget out of 33 districts/cities in North Sumatra, amounting to IDR 285.3 billion in December 2022 with a realization of its use of 99.79% (BPS North Sumatra, 2022). Furthermore, it is important to measure the realization and effectiveness of the use of village funds at the sub-district level, especially for Bukit Malintang and Siabu sub-districts which have the characteristics of villages consisting of disadvantaged and developing villages, besides that these two sub-districts are far from the central government of North Sumatra province. So that in the framework of monitoring, supervision and evaluation of the use of village funds since the process of planning, implementation, accountability and utilization can be in accordance with the needs and the budget can be fully realized.

**Table 1 Village fund budget Siabu and Bukit Malintang District Year 2019-2021**

Sub-District	2019	2020	2021
Siabu	19.450.533.000	19.459.424.000	20.479.004.000
Bukit Malintang	8.113.882.000	8.614.610.239	8.100.265.400

Source: Siabu and Bukit Malintang District Office

**Table 2 Realization of village funds Siabu District and Bukit Malintang District Year 2019-2021**

Sub-District	2019	2020	2021
Siabu	19.450.533.000	19.459.424.000	20.479.004.000
Bukit Malintang	8.113.882.000	8.614.610.239	8.100.265.400

Source: Siabu and Bukit Malintang District Office

The budget for 2019-2021 fluctuated with the highest budget in 2020 at Rp8.6 billion and the lowest in 2021 at Rp8. 1 billion. Historically, the budget for the village fund in Siabu District during 2019 - 2021 continued to increase from year to year and the realization of the Village Fund has been used in full accordance with what was

budgeted in the village fund budget. The same is true for Bukit Malintang district, The Village Fund budget has been fully realized with the same amount as budgeted. However, on the other hand, it still needs to be ascertained whether the realization of the village fund has been used in accordance with the priority programs that have been

formulated and have been targeted and used evenly.

According to the Great Dictionary of the Indonesian language, the word effective means that it can produce results, come into force, have influence, effect or effectiveness. Effectiveness can also be interpreted as a measurement of success in achieving goals. According to (Rosmiyani, 2018) effectiveness is a program of activities that can basically be done by comparing the goals and objectives of the program that have been formulated with real results that can be achieved.

Sagittariani, et al (2022) discussed the effectiveness of Village Fund Management in terms of the quality of Village Financial Reporting in Sumbersekar Village, the results showed that the effectiveness of Village Fund Management in terms of the quality of Village Financial Reporting in Sumbersekar village was declared effective, because financial management through village spending targets was higher than spending realization, the effectiveness of Village Fund Management in 2017 was 96.92%, in 2018 it was 98.04% while in 2019%, as well as the effectiveness of village fund management if the village expenditure is higher than the realization of village expenditure, it is said to be effective. Meanwhile, if the management of village funds in the realization of village spending is higher than the village spending target, it is said to be quite effective.

The Regency/City Government must carry out the functions of coaching, monitoring, supervision and evaluation of the use of village funds since the planning, implementation, accountability and utilization process and regulated in Permendes PDTT number 7 of 2021. Reporting the realization of the use of village funds is carried out by the village head to the Regent/mayor and the Regent/mayor then submit a report on the realization of the distribution and consolidation of the use of village funds to the Minister related to other copies have been published in Government Regulation

No. 6 of 2014. However, the risk of violations is still frequent due to the lack of supervision and the possibility of geographical location of the village is quite far from the center of the Capital District/City and the provincial capital.

At the time of the establishment of the policy for the management of village funds directly by the village government, many people doubted the success of this policy because of the unpreparedness of the village government apparatus itself, especially in financial management whose business process is almost the same as the Local Government level. In fact, according to Edward III (in Nugroho, 2014) that the availability of supporting resources, especially Human Resources (HR) capable of being a factor to bring effective public policy. John P (2015) also argues that weak resources become one of the factors of ineffective policy implementation and not right on target which resulted in the implementation of development is not running properly. Utilization basically refers to a measure of the level of conformity between the results achieved and the expected results as previously determined.

According to Aras (2018) in his research entitled "analysis of the implementation of Village Fund policies in Central Mamuju Regency", it is known that there are still various problems in the use of village funds. This shows that various development policies and programs that are well designed by the government when implemented sometimes achieve far from what is expected. The facts show that various ideal conditions listed in policy documents such as those manifested in the form of laws, government regulations, ministerial-level regulations and routine annual development programs turned out when having to deal with various field realities become "stagnant" or difficult to realize, so that the policy becomes less effective to improve public welfare.

Since the beginning of 2020, the Covid-19 pandemic has become a problem for the world, including indonesia. The government



continues to work to overcome the spread of this virus although not a few are overwhelmed in dealing with and overcoming its various effects. The covid-19 outbreak, making some economic and Village development seem not to be running optimally. The fundamental issue about the economy is how to fulfill basic human needs in order to carry out activities in the world in order to meet the welfare, safety, and prosperity of life for many people (Haerisma, 2019). One of the impacts caused by the Covid-19 pandemic is the economic factor.

The economy of the community in the village has declined, due to a decrease in income due to the imposition of restrictions on community activities (PPKM) by the government. This restriction Program also has an impact on education, namely the restriction of the teaching and learning process to distance (online), even at the beginning of the pandemic schools and campuses were closed. The biggest impact felt during a pandemic is that public health has decreased. This is characterized by the number of people who have tested positive for covid-19 infection, and to the point of causing death. Due to the pandemic, the community admitted that it was difficult to meet all daily needs. This causes people's purchasing power and household consumption to decrease so that people's welfare also decreases.

The village fund, which was previously allocated for Village development and development, was transferred to a cash assistance fund called The Village Fund Direct Cash Assistance (BLT Dana Desa). Village Fund Direct cash assistance (BLT) village funds are monetary assistance to poor families in villages sourced from village funds to reduce the impact of the Covid-19 pandemic. The value of BLT Dana Desa is Rp300.000,- every month given for a year. The main Target of this BLT is rural communities who are included in the category of poor and underprivileged families, have lost their jobs due to the covid-19 pandemic, and have not received

other government assistance. However, in the implementation of this program in terms of its effectiveness, there are still many questions.

Furthermore, there are still many issues that will be faced in the financial management of village funds in the future, such as whether the realization of the use of village funds has been on target in accordance with the priority program mandated in Pdt Permendes number 7 of 2021? Is the National Economic Recovery program, national priority program, and natural and non-natural disaster mitigation and management program in accordance with village authority such as poverty management through BLT has been effective and on target? Can the realization of the use of village funds in priority programs improve the welfare of the community?

## **LITERATURE REVIEW**

### **Village**

According to Law No. 6 of 2014, villages and customary villages or referred to by other names, are interpreted as a legal community unit that has territorial boundaries authorized to regulate and manage government affairs, local community interests based on community initiatives, rights of origin, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. The village is a government that is given the right of customary autonomy, so that it is a legal entity and occupies an area with certain boundaries as a legal community unit that has the right to regulate and manage local community affairs based on its origins (Nurcholis, 2011). Village communities have strong ties both because of descent and because they both have political, economic, social and security interests, have a jointly owned management structure, have a certain amount of wealth, and are entitled to conduct their own household affairs (Wida, 2016).

### **Effectiveness**

Effectiveness in a general sense indicates the level of achievement of results, in simple language it can be explained that the effectiveness of local government is when the goals of local government can be achieved in accordance with the planned needs. In accordance with Permendagri No. 13 of 2006, effectively defined as the achievement of program results with a predetermined target that is by comparing the output with the results (Santoso, 2011).

### **Village Fund**

Government Regulation No. 60 of 2014 defines village funds as funds sourced from the state budget intended for villages that are transferred through the district/city budget and used to finance government administration, development implementation, Community Development and Community Empowerment. Village Fund Management is an integral part of Village Financial Management in the APBDesa. Village funds are managed based on the principles of transparent, accountable, participatory and conducted in an orderly budget and managed within 1 (one) fiscal year from January 1 to December 31.

### **Welfare**

Welfare is a system of social, material and spiritual life followed by a sense of safety, decency and peace of mind, every citizen can make efforts to meet the physical, spiritual and social needs of the best for themselves, households, and society by upholding human rights. Welfare according to the Central Bureau of Statistics (2007) is a condition in which all the physical and

spiritual needs of the household can be met in accordance with the level of life. Bentham's Grand theory Of Welfare State (1748-1832) promoted the idea that governments had a responsibility to ensure the greatest happiness (or welfare) of the greatest number of their citizens. Bentham used the term "utility " to describe the concept of happiness or well-being. Based on the principles of utilitarianism that he developed, Bentham argued that something that can generate extra happiness is something good. On the other hand, something that causes pain is bad (Sukmana, 2016).

### **Consumption**

Keynes ' theory of consumption explains the relationship between the income received at the moment (disposable income) and the consumption made at the moment. In other words, the income owned in a certain time will affect the consumption made by humans in that time as well. When income increases, consumption will also increase, and vice versa. Keynes emphasized that for an economy the level of consumption expenditure by a household varies directly with the level of disposable income of that household. (Nanga, 2001).

### **Hypothesis**

Based on background research and the relationship between variables, the research

#### **hypothesis:**

H0: there is no difference in consumption expenditure before and after obtaining BLT.

Ha: there are differences in consumption expenditure before and after obtaining BLT.

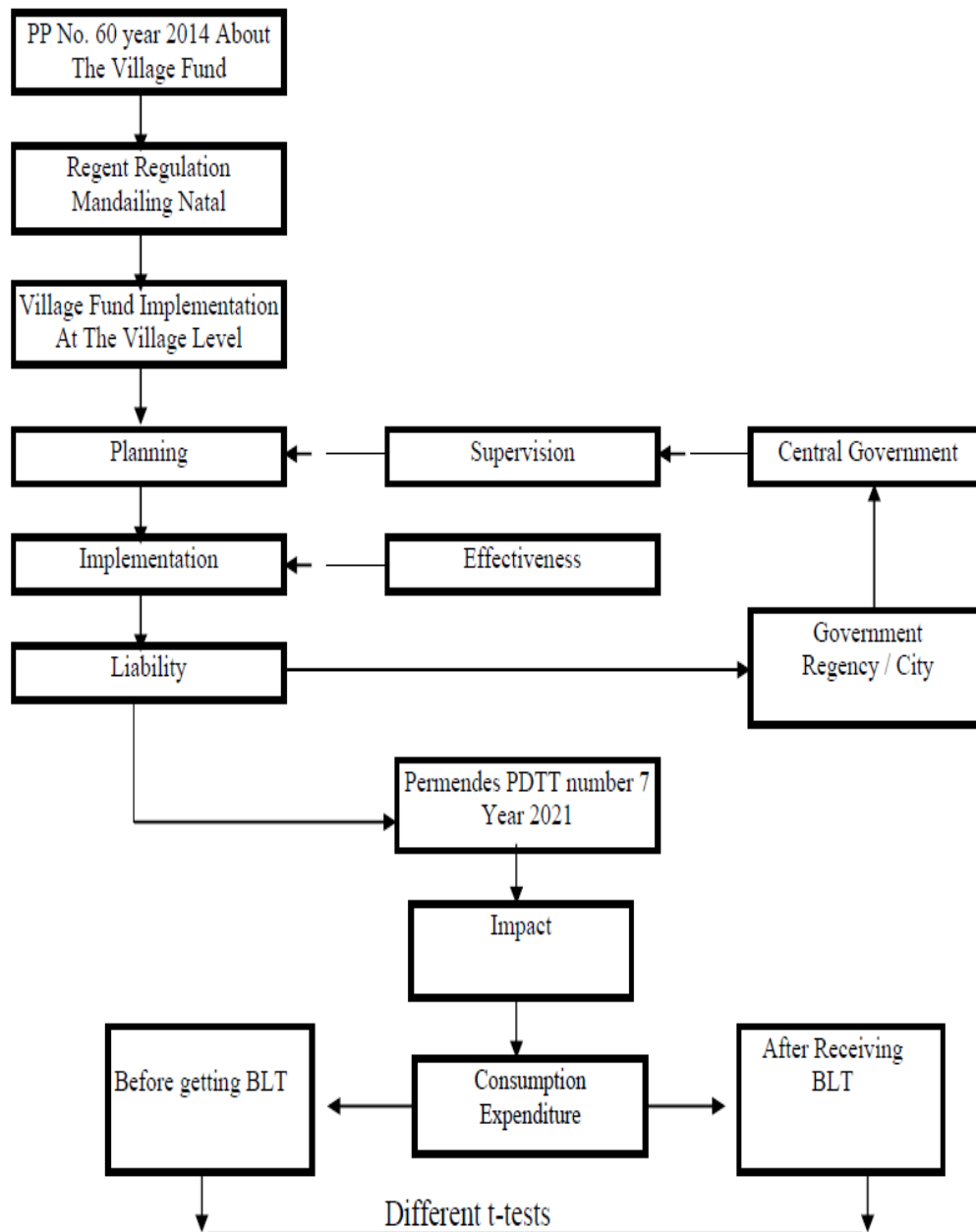


Figure 1. Conceptual Framework

## MATERIAL AND METHODS

Research conducted is a method of mixed methods. This research is a research step by combining two forms of research that have existed before, namely qualitative research and quantitative research. According to Creswell (2010), blended research is a research approach that combines qualitative research with quantitative research. Combination research method (mixed methods) is a research method between quantitative methods with qualitative methods to be used together in a research

activity, so as to obtain more comprehensive data, valid, reliable, and objective (Sugiyono, 2012). In this study using a strategy of sequential mixed methods, especially sequential explanatory strategies. In this study at the first stage of collecting and analyzing qualitative data, in this case to answer the formulation of Problem 1, namely how the financial management of village funds and how the financial effectiveness of village funds. Then the second stage collects and analyzes quantitative data in answering the

formulation of problems 2 and 3, namely how the impact of the use of village funds for the community in Siabu District and Bukit Malintang District, Mandailing Natal Regency.

The location of the study on the effectiveness of financial management of village funds was carried out in Siabu District and Bukit Malintang District, Mandailing Natal Regency. The selection of the location of this study was carried out on the consideration of the importance of improving the effectiveness of financial management of village funds implemented by village fund managers in Siabu District and Bukit Malintang District, Mandailing Natal Regency and consideration of the location of the study which is quite far from the provincial capital. So that the village distance is far enough to be at risk of abuse of power due to the lack of transparency, accountability and low value of money. Such misappropriation may result from low supervision from authorized government officials/bodies. In order for the next village fund financial management effectiveness can be improved to support the realization of good governance. The research was carried out for three months, from August to November 2023.

Population and research samples, based on the population indicator of Siabu District, the number of residents in 2021 was 53,286 people and the number of residents in Bukit Malintang District in 2021 was 12,771 people. Of the existing population, the respondents to be used consist of village heads/village officials, as well as local villagers who are at least 18 years old and have the last level of education at least high school / equivalent. The determination of the sampling method in this study was carried out using purposive random sampling method, namely the selection of respondents based on predetermined criteria. Criteria for respondents include respondents are government officials in the village and sub-district or community leaders and parties who understand/understand about village funds

in the relevant area. From the number of people who became the study population, the number of samples/ respondents was determined using the Slovin formula. From the calculation above, it is obtained that the number of samples / respondents to be used in this study as many as 100 people in Siabu District and 99 people in Bukit Malintang District. The number of villages in Siabu district amounted to 28 villages. Of the 28 villages, 4 different respondents will be interviewed and asked for information about village funds, including 1 Village Head/Village apparatus, 1 Head/member of the village consultative body or village companion, 1 community leader and 1 Chairman/member of naposo nauli bulung (persatuan pemuda / I) or the local village community. Furthermore, for Bukit Malintang subdistrict, which consists of 11 villages, 9 different respondents will be interviewed and asked for information about village funds. The nine respondents were 2 village heads/village officials, 2 Heads/members of the village consultative body, 1 village companion, 1 Chairman/member of naposo nauli bulung (persatuan pemuda / i) Village, 1 community leader and 2 local villagers .

Types and sources of research Data, Data used in this study include: Primary Data and secondary data. Primary Data is data that was first recorded and collected by researchers. Researchers can control the quality of the data, overcome the time gap between the available data and the needs and researchers are more free in connecting research problems with the possibility of availability of data in the field (Sanusi, 2005). Primary Data is data obtained directly from the respondents desired researchers. In this case, the primary data was obtained through direct interviews with respondents who are directly related to the management of village funds in Siabu District and Bukit Malintang District. Secondary Data, according to Sanusi (2005), secondary data is data that is already available and collected by other parties. Researchers only use the data according to



their needs. Secondary Data are obtained indirectly from the object under study. In this study, the secondary data include data on official documents or archives related to village funds issued by the Central Bureau of Statistics/district, data on relevant ministries and institutions, the Mandailing Natal Regency government and data on the budget and realization of village funds in the village government in Siabu District and Bukit Malintang District.

Data collection methods, data collection processes and information are carried out to obtain relevant, valid and accurate data and information. The data obtained is then triangulated method to observe and read the validity of the data. As for some research data collection methods according to Suryana (2010) are as follows: 1. Questionnaire / questionnaire, the data obtained by distributing questions in the form of questionnaires to respondents determined based on relevance to the topic of research conducted. So that the data and information needed will be used to develop and describe the problem observed. 2. Interview, for the collection of primary data (as a primary data source), the researcher will conduct in-depth direct interviews with competent informants and directly related to the management of village funds assisted by recording devices as a cross-check of the data and information recorded. 3. Library studies, data collection is also carried out

through library studies, namely through written data obtained from various archival documents and official reports issued by relevant government agencies such as the Central Statistics Agency, Ministry agencies and other relevant agencies. Data and information also obtained by reviewing books and other literature used as a reference. 4. Observation and documentation, data collection carried out through targeted, planned and systematic observations. Observations made aim to observe the problems and phenomena in the community, then understand the phenomenon/problem and then seek answers through facts and events in the field which is the object of research. The results obtained are then photographed, recorded and recorded for analytical consideration.

## RESULTS AND DISCUSSION

### Village Fund Utilization

The village fund budget sourced from the state budget (APBN) is intended for villages and is used to fund governance, development implementation, Community Development and Community Empowerment. The total Village Fund ceiling in 2022 for Siabu District is Rp19,564,875,000.00 and Bukit Malintang in 2022 is Rp7,925,870,470.00. The details of the village fund ceiling in each village can be seen in Table 4.9 and Table 3 below.

**Table 3 Details Of The Siabu Sub-District Village Fund Ceiling In 2022**

No.	Village Name	Number Of Ceiling (Rp)	No.	Village Name	Number Of Ceiling (Rp)
1	Aek Mual	770.618.000	14	Sibaruang	990.181.000
2	Bonan Dolok	754.941.000	15	Sihepeng	681.572.000
3	Huta Raja	1.030.526.000	16	Simaninggir	663.717.000
4	Huta Puli	975.147.000	17	Sinonoan	633.806.000
5	Huta Baringin	636.309.000	18	Tangga Bosi II	717.257.000
6	Huta Godang Muda	873.341.000	19	Tanjung Sialang	679.549.000
7	Huraba I	742.181.000	20	Tangga Bosi I	671.131.000
8	Huraba II	761.109.000	21	Tangga Bosi III	659.122.000
9	Lumban Pinasa	650.034.000	22	Sihepeng Sada	922.458.000
10	Lumban Dolok	995.670.000	23	Sihepeng Dua	652.819.000
11	Muara Btg. Angkola	706.200.000	24	Sihepeng Tolu	657.328.000
12	Pintu Padang Jae	674.314.000	25	Sihepeng Opat	679.445.000
13	Pintu Padang Julu	743.136.000	26	Sihepeng Lima	642.964.000
Total Pagu			19.564.875.000		

**Source: Siabu subdistrict Village Fund report 2022**

**Table 4 Details Of The Village Fund Ceiling Of Bukit Malintang District In 2022**

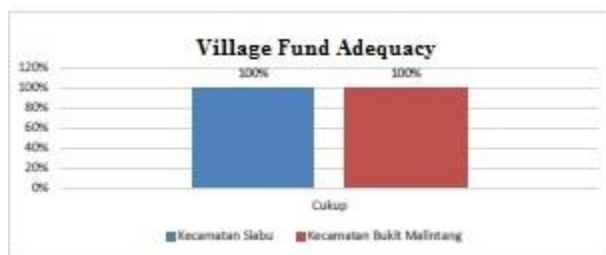
No.	Village Name	Number Of Ceiling (Rp)
1	HutabangunJae	649.816.000
2	Hutabangun	657.845.000
3	Bange Nauli	631.300.000
4	Bange	655.018.000
5	Pasar Baru Malintang	638.768.000
6	Malintang	957.906.000
7	Malintang Julu	1.125.238.470
8	Malintang Jae	729.216.000
9	Sidojadi	647.945.000
10	Lamboi Darul Ihsan	575.744.000
11	Janji Matogu	657.074.000
Total Ceiling		7.925.870.470

Source: Siabu subdistrict Village Fund report 2022

Based on the table above, it is known that Huta Raja Village is the village with the largest village fund ceiling in Siabu District, which is RP1, 030, 526, 000.00, while Sinonoan Village is the smallest at Rp633, 806, 000.00. While Malintang Julu Village is the village with the largest village fund ceiling of Rp1, 125, 238, 470.00 and

Lamboi Darul Ihsan village with the smallest village fund ceiling of Rp575, 744, 000.00.

In Figure 2 below illustrates that all respondents village officials assess the amount of village funds budgeted by the government has been considered sufficient to finance all programs in the village.



Source: Primary Data

**Figure 2 Perception of the village apparatus on the adequacy of village funds**

All community respondents also stated that the Village Fund ceiling budget set by the government has fulfilled all financing for

Village development programs, community empowerment, food security, and BLT. These results can be seen in Figure 3 below.



Source: Primary Data

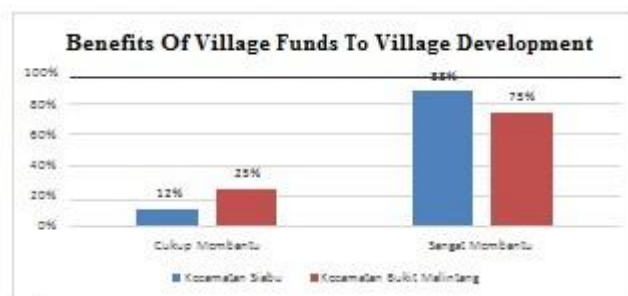
**Figure 3 Public Perception Of The Adequacy Of Village Funds**

Government Regulation No. 60 of 2014 explained that village funds are used to Finance Governance, Development, Community Empowerment and community.

In accordance with the village development goals mandated in Law No. 6 of 2014, The Village Fund aims to improve the welfare of

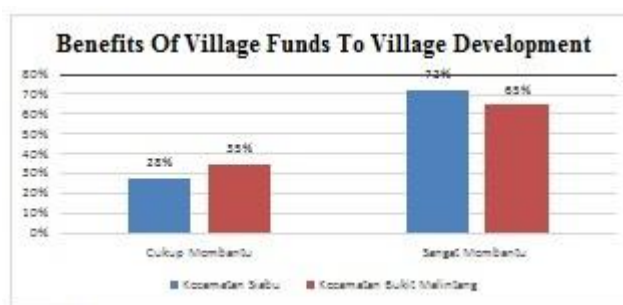
the village community and the quality of human life and poverty reduction. The benefits of the Village Fund as described shown in Figure 4.18 below should provide the greatest benefit to the community. A total of 88 percent of respondents in Siabu Sub-District and 75 percent of respondents in Bukit Malintang sub-district stated that the Village Fund had

a great impact and was very helpful in village and Community Development. The remaining 12 percent of respondents in Siabu Sub-District and 25 percent of respondents in Bukit Malintang sub-district stated that village funds were sufficient to help in Village development programs and provide benefits to the community.



Source: Primary Data

Figure 4 Perception of village officials on the benefits of village funds



Source: Primary Data

Figure 5 Public perception of the benefits of village funds

Community respondents answered that 72 percent of community respondents in Siabu District and 65 percent of people in Bukit Malintang district assessed that the amount of Village funding budget given by the central government to the village is felt to be very helpful in village development.

The village fund ceiling in 2022 for Siabu District is Rp19, 564, 875, 000.00 and Bukit Malintang in 2022, which is Rp7, 925, 870, 470.00, is then used for priority programs in the village. The following is the perception of the community in Siabu District and Bukit Malintang district related to the implementation of village funds that have been carried out by the village government.

### Implementation Of Village Fund

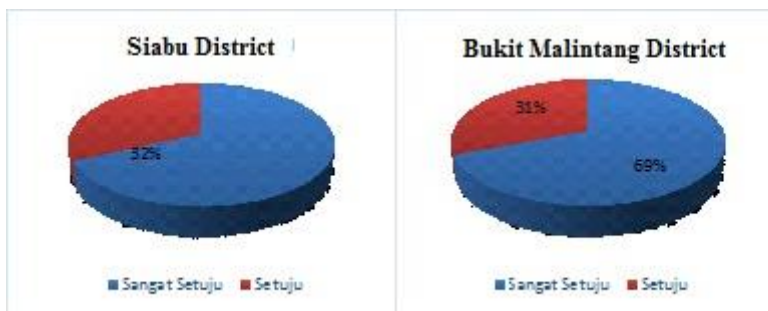


Source: Primary Data

Figure 6 The use of village funds significantly improves Village facilities and infrastructure

As many as 75 percent of community respondents in Siabu district highly agree that the use of village funds has significantly improved village facilities and infrastructure, the remaining 25 percent of respondents agree that the use of village funds has significantly improved village

facilities and infrastructure. While in Bukit Malintang subdistrict, 72 percent of the community strongly agree and 28 percent of the community agree that the use of village funds has significantly improved village facilities and infrastructure.

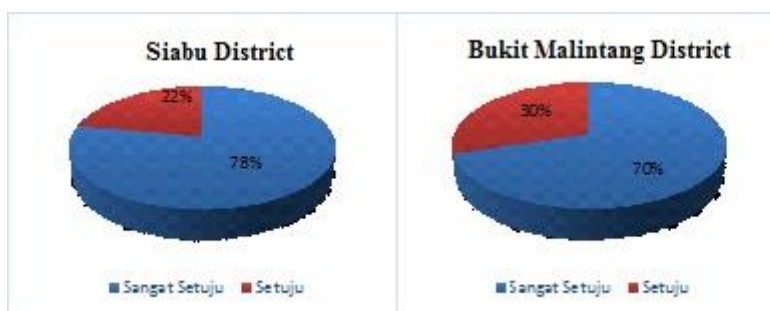


Source: primary Data

Figure 7 Improvement Of Village Facilities And Infrastructure In Accordance With The Needs Of The Village Community

Furthermore, 68 percent of community respondents in Siabu Sub-District highly agree with the improvement of village facilities and infrastructure in accordance with the needs of the village community, while 32 percent of respondents agree with the improvement of village facilities and

infrastructure in accordance with the needs of the village community. Meanwhile, in Bukit Malintang District, 69 percent of the community strongly agreed and 31 percent of the community agreed to improve village facilities and infrastructure in accordance with the needs of the village community.

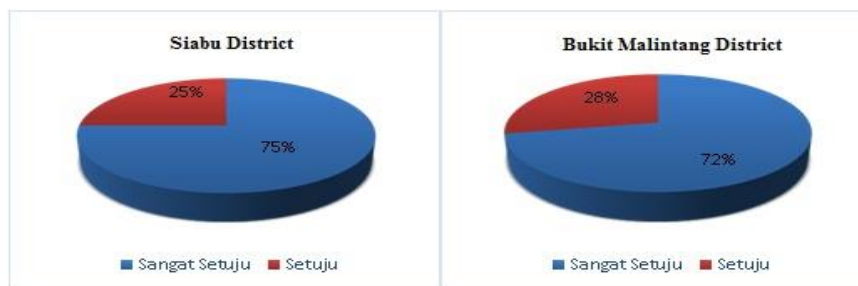


Source: primary Data

Figure 8 Realization Of The Village Fund Budget Has Been In Accordance With The Village Fund Planning That Has Been Prepared Together

Then 78 percent of community respondents in Siabu district considered very much in agreement that the realization of the village fund budget was in accordance with the Village Fund planning that had been compiled together and the remaining 22 percent of community respondents agreed.

While in Bukit Malintang subdistrict, 70 percent of the community strongly agrees and 30 percent of the community agrees that the realization of the village fund budget is in accordance with the Village Fund planning that has been jointly prepared.

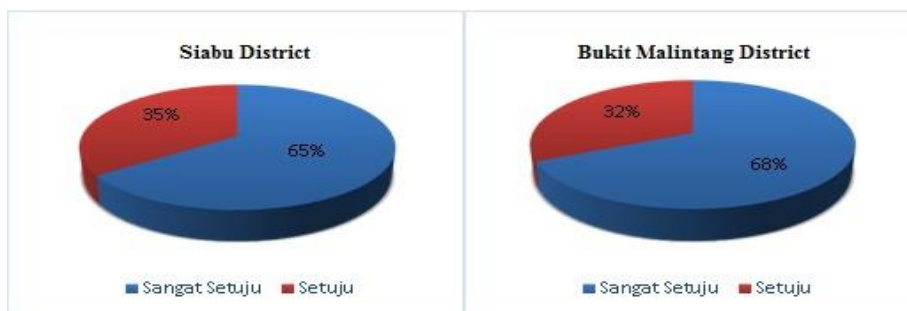


Source: primary Data

Figure 9 The Village Government Has Used Village Funds To Increase The Income Of The Village Community

As many as 75 percent of community respondents in Siabu district highly agree that the village government has used village funds to increase Village Community income, the remaining 25 percent of community respondents agree. While in

Bukit Malintang Sub-District, 72 percent of people strongly agree and 28 percent of people agree that the village government has used village funds to increase Village Community income.

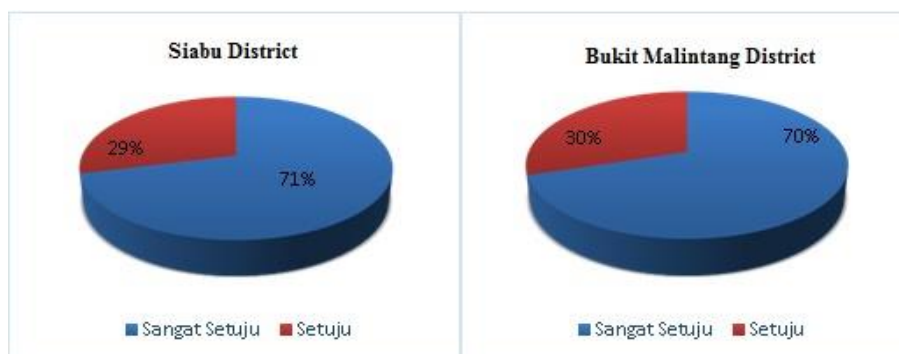


Source: primary Data

Picture 10 The village government provides information to the community regarding the plan and realization of the use of village funds

Furthermore, 65 percent of community respondents in Siabu district highly agreed that the village government had provided information to the community regarding the plan and realization of the use of village funds, while 35 percent of respondents agreed that the village government had provided information to the community

regarding the plan and realization of the use of village funds. Meanwhile, in Bukit Malintang Sub-District, 68 percent of people strongly agree and 32 percent of people agree that the village government has provided information to the community regarding the plan and realization of the use of village funds.



Source: primary Data

Picture 11 The Village Government Uses Village Funds For Community Empowerment Activities



A total of 71 percent of community respondents in Siabu district highly agree that the village government uses village funds for community empowerment activities, the remaining 29 percent of respondents agree that the village government uses village funds for community empowerment activities. While in Bukit Malintang Sub-District, 70 percent of village officials strongly agree and 30 percent of village officials agree that the village government uses village funds for community empowerment activities.

### Effectiveness Of Village Fund Management

Based on the results of research interviews in Siabu District and Bukit Malintang district, it is known that the management of village funds is intended for 4 (four) priority programs, with maximum provisions of 1) development programs of 20 percent, 2) empowerment of 20 percent, 3) Food Security 20 percent, and 4) BLT 40 percent. However, if there are villages that want to use village funds outside the stipulated provisions, the village government can apply to the Local Government in accordance with the needs of each village.

**Table 5 Details of the village fund budget per Program in Siabu District in 2022**

No.	Village	Village Development Program		Community Empowerment Program		Food Security Program		BLT Program	
		(Rp)	(%)	(Rp)	(%)	(Rp)	(%)	(Rp)	(%)
1	Aek Mual	154.123.600	20%	154.123.600	20%	154.123.600	20%	308.247.200	40%
2	Bonan Dolok	-	0%	150.988.200	20%	188.735.250	25%	415.217.550	55%
3	Huta Raja	206.105.200	20%	206.105.200	20%	206.105.200	20%	412.210.400	40%
4	Huta Puli	185.277.930	19%	87.763.230	9%	195.029.400	20%	507.076.440	52%
5	Huta Baringin	127.261.800	20%	127.261.800	20%	127.261.800	20%	254.523.600	40%
6	Huta Godang Muda	262.002.300	30%	87.334.100	10%	174.668.200	20%	349.336.400	40%
7	Huraba I	222.654.300	30%	74.218.100	10%	148.436.200	20%	296.872.400	40%
8	Huraba II	228.332.700	30%	76.110.900	10%	152.221.800	20%	304.443.600	40%
9	Lumban Pinasa	130.006.800	20%	130.006.800	20%	130.006.800	20%	260.013.600	40%
10	Lumban Dolok	199.134.000	20%	199.134.000	20%	199.134.000	20%	398.268.000	40%
11	Muara Batang Angkola	211.860.000	30%	70.620.000	10%	141.240.000	20%	282.480.000	40%
12	Pintu Padang Jae	134.862.800	20%	134.862.800	20%	134.862.800	20%	269.725.600	40%
13	Pintu Padang Julu	148.627.200	20%	148.627.200	20%	148.627.200	20%	297.254.400	40%
14	Sibaruang	148.527.150	15%	148.527.150	15%	198.036.200	20%	495.090.500	50%
15	Sihepeng	68.157.200	10%	109.051.520	16%	136.314.400	20%	368.048.880	54%
16	Simaninggir	132.743.400	20%	132.743.400	20%	132.743.400	20%	265.486.800	40%
17	Sinonoan	190.141.800	30%	63.380.600	10%	126.761.200	20%	253.522.400	40%
18	Tangga Bosi Iii	215.177.100	30%	71.725.700	10%	143.451.400	20%	286.902.800	40%
19	Tanjung Sialang	203.864.700	30%	67.954.900	10%	135.909.800	20%	271.819.600	40%
20	Tangga Bosi I	201.339.300	30%	67.113.100	10%	134.226.200	20%	268.452.400	40%
21	Tangga Bosi III	197.736.600	30%	65.912.200	10%	131.824.400	20%	263.648.800	40%
22	Sihepeng Sada	184.491.600	20%	184.491.600	20%	184.491.600	20%	368.983.200	40%
23	Sihepeng Dua	130.563.800	20%	130.563.800	20%	130.563.800	20%	261.127.600	40%
24	Sihepeng Tolu	65.732.800	10%	92.025.920	14%	131.465.600	20%	368.103.680	56%
25	Sihepeng Opat	135.889.000	20%	67.944.500	10%	135.889.000	20%	339.722.500	50%
26	Sihepeng Lima	-	0%	154.311.360	24%	128.592.800	20%	360.059.840	56%

Source: Primary Data

The amount of the village fund budget in the Village Development, Community Empowerment, and food security program varies for each village. However, the percentage of budgeting is not too diverse in each village. For Village development programs in Siabu district, it ranges from 10-30 percent, and there are 2 (two) villages that do not budget for Village development programs, namely Bonan Dolok Village and Sihepeng Lima Village. From the results of the study, information was obtained that most of the budget is used for the construction of concrete rabat roads, bridges and toilets, as well as the construction of village halls.

Furthermore, the budget for community empowerment programs ranges from 9-24 percent. Huta Puli village is a village with the smallest village fund budget for community empowerment programs at 9 percent. As based on the results of the study obtained information that most of the budget is used for the socialization of law, national

insight, and the village guard. In addition, most of the budget is also used for teacher salaries, religious activities, cooking and computer training, and village apparatus training (bimtek).

The budget for the food security program almost all villages allocate 20 percent, only Bonan Dolok village allocates 25 percent. Based on the results of the study, information was obtained that most of the budget is used for the construction of agricultural business roads, the rest is intended for the construction of plantation business roads, the procurement of milk and food to reduce stunting.

The largest budget allocated to the BLT program is in the range of 40-56 percent. The villages of Sihepeng Tolu and Sihepeng Lima allocated 56 percent of the village funds for the largest BLT program. Based on the information obtained, all villages in Siabu sub-district allocate BLT program village funds only for giving BLT to the community.

**Table 6 Details of the village fund budget per Program in Bukit Malintang District in 2022**

No.	Village	Village Development Program		Empowerment Program		Resilience Program		BLT Program	
		(Rp)	(%)	(Rp)	(%)	(Rp)	(%)	(Rp)	(%)
1	Hutabangun Jae	129.963.200	20%	129.963.200	20%	129.963.200	20%	259.926.400	40%
2	Hutabangun	217.088.850	33%	46.049.150	7%	131.569.000	20%	263.138.000	40%
3	Bange Nauli	126.260.000	20%	126.260.000	20%	126.260.000	20%	252.520.000	40%
4	Bange	163.754.500	25%	98.252.700	15%	131.003.600	20%	262.007.200	40%
5	Pasar Baru Malintang	127.753.600	20%	127.753.600	20%	127.753.600	20%	255.507.200	40%
6	Malintang	191.581.200	20%	191.581.200	20%	191.581.200	20%	383.162.400	40%
7	Malintang Julu	337.571.541	30%	112.523.847	10%	225.047.694	20%	450.095.388	40%
8	Malintang Jae	145.843.200	20%	145.843.200	20%	145.843.200	20%	291.686.400	40%
9	Sidojadi	129.589.000	20%	129.589.000	20%	129.589.000	20%	259.178.000	40%
10	Lambou Darul Ihsan	115.148.800	20%	115.148.800	20%	115.148.800	20%	230.297.600	40%
11	Janji Matogu	131.414.800	20%	131.414.800	20%	131.414.800	20%	262.829.600	40%

Source: primary Data

From Table 6 data above, the percentage of the village fund budget for Bukit Malintang District in 2022. The budget for Village development programs in Bukit Malintang Sub-District ranges from 20-33 percent. Hutabangun village budgeted the largest village funds for Village development programs, which amounted to 33 percent.

From the results of the study, information was obtained that most of the budget is used for the construction of concrete rebate roads, the construction of plantation and agricultural roads, and the improvement of clean water.

Furthermore, the budget for community empowerment programs ranges from 7-20

percent. Hutabangun village is a village with the smallest village fund budget for community empowerment programs at 7 percent. As based on the results of the study, information was obtained that most of the budget is used for legal socialization, national insight, and village apparatus training (bimtek).

All villages in Bukit Malintang District allocate 20 percent of the budget for food security programs. Based on the results of the study, information was obtained that most of the budget is used for the construction of roads for farming and plantations, the rest is intended for the manufacture of compost and the provision of baby food (nutrition).

All villages in Bukit Malintang sub-district allocated 40 percent of the budget for the BLT program. Based on the information obtained, all villages in Bukit Malintang sub-district allocated BLT program village funds only for giving BLT to the community.

An activity is declared effective if the output (result) carried out can meet the expected target. The Output in this case is the realization of Village Fund spending, while the expected target is the spending plan of all village activities sourced from the village fund ceiling set. Thus, the analysis of the effectiveness of financial management of village funds can be seen based on the comparison between spending realization and spending targets.

**Table 7 Financial Management Effectiveness Of Siabu Sub-District Village Funds In 2022**

No.	Village	Village Fund Spending Target (Rp)	Shopping Realization (Rp)	Effectiveness <sup>*)</sup> (%)
1	Aek Mual	770.618.000	770.618.000	100%
2	Bonan Dolok	754.941.000	754.941.000	100%
3	Huta Raja	1.030.526.000	1.030.526.000	100%
4	Huta Puli	975.147.000	975.147.000	100%
5	Huta Baringin	636.309.000	636.309.000	100%
6	Huta Godang Muda	873.341.000	873.341.000	100%
7	Huraba I	742.181.000	742.181.000	100%
8	Huraba II	761.109.000	761.109.000	100%
9	Lumban Pinasa	650.034.000	650.034.000	100%
10	Lumban Dolok	995.670.000	995.670.000	100%
11	Muara Batang Angkola	706.200.000	706.200.000	100%
12	Pintu Padang Jae	674.314.000	674.314.000	100%
13	Pintu Padang Julu	743.136.000	743.136.000	100%
14	Sibaruang	990.181.000	990.181.000	100%
15	Sihepeng	681.572.000	681.572.000	100%
16	Simaninggir	663.717.000	663.717.000	100%
17	Sinonoan	633.806.000	633.806.000	100%
18	Tangga Bosi Iii	717.257.000	717.257.000	100%
19	Tanjung Sialang	679.549.000	679.549.000	100%
20	Tangga Bosi I	671.131.000	671.131.000	100%
21	Tangga Bosi III	659.122.000	659.122.000	100%
22	Sihepeng Sada	922.458.000	922.458.000	100%
23	Sihepeng Dua	652.819.000	652.819.000	100%
24	Sihepeng Tolu	657.328.000	657.328.000	100%
25	Sihepeng Opat	679.445.000	679.445.000	100%
26	Sihepeng Lima	642.964.000	642.964.000	100%

\*) Comparison of village fund expenditure realization to spending Target multiplied by 100%

Source: primary Data

**Table 8 The Effectiveness Of Financial Management Of Village Funds In Bukit Malintang District In 2022**

No.	Village	Village Fund Spending Target (Rp)	Shopping Realization (Rp)	Effectiveness *) (%)
1	Hutabangun Jae	649.816.000	649.816.000	100%
2	Hutabangun	657.845.000	657.845.000	100%
3	Bange Nauli	631.300.000	631.300.000	100%
4	Bange	655.018.000	655.018.000	100%
5	Pasar Baru Malintang	638.768.000	638.768.000	100%
6	Malintang	957.906.000	957.906.000	100%
7	Malintang Julu	1.125.238.470	1.125.238.470	100%
8	Malintang Jae	729.216.000	729.216.000	100%
9	Sidojadi	647.945.000	647.945.000	100%
10	Lambou Darul Ihsan	575.744.000	575.744.000	100%
11	Janji Matogu	657.074.000	657.074.000	100%

\*) Comparison of village fund expenditure realization to spending Target multiplied by 100%  
Source: primary Data

Details of the target Expenditure and budget realization of village funds in each village in the District of Bukit Malintang can be seen in Table 8 above. In the table, the details of the village fund budget that has been set by the government have been spent entirely by the village government. Thus, the value of the effectiveness of financial management of each village as obtained in this study is 100 percent. Based on the effectiveness standards according to the decree of the Minister of Home Affairs No. 690,900-327 of 1996 on financial performance appraisal criteria, comparative results or achievement levels above 100% indicate effective financial management. So it can be concluded that the financial management sourced from village funds of all villages in Siabu District and Bukit Malintang District in 2022 is effectively managed.

Public perception related to the effectiveness of Village Fund Management based on the results of interviews with respondents showed that the construction of concrete rabat roads that have been built by the village government really helps the community become easier and smoother in carrying out activities either driving or walking, facilitating the delivery of production facilities to the village and the delivery of production products both in the village and outside the region. Furthermore, community empowerment programs also provide great benefits for the community

through socialization programs, training, and technical guidance, helping the community to develop potential, share knowledge, which ultimately has an impact on increasing income and a better quality of life. From the food security program, the community assessed that the construction of agricultural and plantation roads could expand the distribution network of farmers and accelerate the work of farmers in pursuing agricultural cultivation, facilitate the transportation of production facilities to agricultural land and transport agricultural production from land to storage warehouses and processing sites or markets. In addition, from the provision of food for the Prevention of stunting people feel the benefits of increased intake of nutrients and protein from food consumed. And the benefits of BLT that are felt by the community are to increase community income for consumption and other needs.

However, some respondents who were interviewed expected that the use of village funds should provide direct benefits in improving community welfare. For example, the provision of agricultural seeds and fertilizers, agricultural medicines, and the provision of livestock and Fisheries seeds. Certain areas of development that are considered important have not been well realized, such as irrigation canal improvements and agricultural counseling conducted to the community which is the

majority of farmers. In this case, it aims to increase the production capacity of community agricultural land. So it is expected to increase the income of the community to improve the welfare of the village itself

From the results of research that has been carried out, most of the village fund budget uptake is used to provide BLT in order to support the community in the midst of the Covid-19 pandemic. The budget has absorbed the budget of 40-56 percent of the total budget of village funds in Siabu District and Bukit Malintang District. Meanwhile, the use of the village fund budget for Development, Community

Empowerment, and food security is used to reach 0-33 percent of the total village fund budget.

**Impact of the use of village funds on Community Welfare data normality test one Sample Kolmogorov Smirnov**

Basic decision - making in the normality test K-S:

1. if the value of significance (Sig.) greater than 0.05 then the normal distribution of research data.
2. conversely, if the value of significance (Sig.) is smaller than 0.05 then the study data is not normally distributed.

**Table 9 Kolmogorov Smirnov test results in Siabu District One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		74
Normal Parameters <sup>a, b</sup>	Mean	.0000000
	Std. Deviation	20.97130267
Most Extreme Differences	Absolute	.095
	Positive	.063
	Negative	-.095
Test Statistic		.095
Asymp. Sig. (2-tailed)		.099 <sup>c</sup>

a. Normal test distribution.

b. Calculated from the data.

c. Correction Of Lilliefors Significance.

Source: Olah Data SPSS

It is known that the value of significance in the District Siabu Asiymp.Sig (2-tailed) of 0.099. Then in accordance with the basis of decision-making in the Kolmogorov-

smirnov normality test above, it can be concluded that the data in this study are normally distributed. Thus, the assumption or requirement of normality is met.

**Table 10 Kolmogorov Smirnov test results in Bukit Malintang District One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		89
Normal Parameters <sup>a, b</sup>	Mean	.0000000
	Std. Deviation	12.44688817
Most Extreme Differences	Absolute	.089
	Positive	.088
	Negative	-.089
Test Statistic		.089
Asymp. Sig. (2-tailed)		.082 <sup>c</sup>

a. Normal test distribution.

b. Calculated from the data.

c. Correction Of Lilliefors Significance.

Source: Olah Data SPSS



Furthermore, the results of asiymp significance value. Sig (2-tailed) in Bukit Malintang district was 0.082. So similar to the results in Siabu district, it can be concluded that the data in this study is

normally distributed. Thus, the assumption or requirement of normality in Bukit Malintang District has also been fulfilled.

### Descriptive Statistical Test

**Table 11 Descriptive Statistics Of Siabu District Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Before Receiving BLT	74	1,100,000	1,400,000	1,238,513.51	80,472.618
After Receiving BLT	74	1,200,000	1,600,000	1,435,135.14	92,429.066
Valid N (listwise)	74				

Source: Data SPSS, 2023

Based on Table 11, it is known that the value of N or the amount of data studied amounted to 74 samples for the community in Siabu District. In the descriptive statistics table, the average value of community consumption before receiving BLT is Rp1,238,513.51 with a maximum value of

Rp1,400,000 and a minimum value of Rp1, 100, 000. While the data after obtaining BLT obtained an average of Rp1,435,135.14 with a maximum value of Rp1,600,000 and a minimum value of Rp1, 200, 000. The amount of BLT received by the community is Rp300, 000.

**Table 12 Descriptive Statistics Bukit Malintang District Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Before Receiving BLT	89	1,000,000	1,500,000	1,281,460.67	99,824.284
After Receiving BLT	89	1,300,000	1,700,000	1,502,247.19	103,328.171
Valid N (listwise)	89				

Source: Data SPSS, 2023

While in Bukit Malintang subdistrict, it is known that the value of N or the amount of data studied is 89 community samples. In the descriptive statistics table, the average value of community consumption before receiving BLT is Rp1,281,460.67 with a maximum value of Rp1,500,000 and a minimum value of Rp1,000, 000. While the data after obtaining BLT obtained an average of Rp1,502,247.19 with a maximum value of Rp1,700,000 and a minimum value of Rp1, 300, 000.

\* if GIS:  $p < 0.05$  then there is a difference in the level of GIS 5%

\* if GIS:  $p < 0.01$  then there is a difference in the GIS level of 1%.

**Table 13 Correlations Of Siabu District**

	N	Correlation	Sig.
Pair 1 Before & After	74	.786	.000

Source: Data SPSS, 2023

### Different Tests

This test uses a two-sided Test with a significance level of  $\alpha = 5\%$ . The significance level in this case means that we take the risk of being wrong in making the decision to reject the correct hypothesis by as much as 5% (5% or 0.05% significance is a standard measure often used in research). The benchmark for assessing the t-test is as follows:

\* if sig:  $p > 0.05$  then there is no difference.

Based on the results of the difference test using the "T paired samples" method, it shows that the correlation between the consumption expenditure of the community before and after getting BLT produces 0.786 with a probability value (GIS.) by 0.00. Because the sig value of 0.00 is smaller than the value of @ to test the hypothesis of 0.05 or  $0.00 < 0.05$ , it can be said that there is a relationship between the consumption expenditure of the community in Siabu subdistrict before and after getting BLT significantly or very strongly.

**Table 14 Correlations Of Bukit Malintang District**

	N	Correlation	Sig.
Pair 1 Before & After	89	.833	.000

Source: Data SPSS, 2023

In Bukit Malintang subdistrict, the results of the difference test using the "T paired samples " method showed that the correlation between community

consumption expenditure before and after getting BLT resulted in 0.833 with a probability value (GIS.) by 0.00. So it can be said that there is a relationship between the consumption expenditure of the community in Bukit Malintang subdistrict before and after getting BLT significantly or very strongly.

**Table 15 Paired Samples Test Siabu District Paired Samples Test**

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1								
Before Receiving BLT	-196,621	54,478	6,332.	-209,243	-184,000	-31.047	73	.000
After Receiving BLT	.622	.273	.971	.214	.029			

Source: Data SPSS, 2023

Then the results of the difference Test in Siabu district using the method" t paired samples " showed that the significant level of hypothesis testing results is equal to 0.000. The significant value was smaller than the level of @ to test the hypothesis of 0.05 @=0.05) or 0.001 < 0.05, thus H0 was rejected and Ha was accepted. So it can be concluded that there is an average difference between the consumption expenditure of the community before and after obtaining BLT. This means that after obtaining BLT, it has an influence on the consumption

expenditure of the community in Siabu District. The effect can also be seen in the difference between the average value of community consumption expenditure before receiving BLT of Rp1,238,513.51 and the average value of community consumption expenditure after receiving Rp1,435,135.14 with the difference in consumption expenditure before and after receiving BLT of Rp196,621.63 where consumption expenditure after receiving BLT is greater than consumption expenditure before receiving BLT.

**Table 16 Paired Samples Test Bukit Malintang District Paired Samples Test**

	Paired Differences					t	df	Sig.(2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1								
Before Receiving BLT	-220,786.	59,261	6,281.	-233,269	-208,30	-35.148	88	.000
After Receiving BLT	.517	.070	.661	.998	3.036			

Source: Data SPSS, 2023

Different test results in Bukit Malintang subdistrict using the method of "T paired samples" showed that the significant level of hypothesis testing results amounted to 0.000. The significant value was smaller than the level of  $\alpha$  to test the hypothesis of 0.05 ( $\alpha=0.05$ ) or  $0.001 < 0.05$ , thus  $H_0$  was rejected and  $H_a$  was accepted. So it can be concluded that there is an average difference between the consumption expenditure of the community before and after obtaining BLT. This means that after obtaining BLT, it has an influence on the consumption expenditure of the community in Bukit Malintang District. The effect can also be seen in the difference between the average value of community consumption expenditure before receiving BLT of Rp1,281,460.67 and the average value of community consumption expenditure after receiving Rp1,502,247.19 with the difference in consumption expenditure before and after receiving BLT of Rp220,786.52 where consumption expenditure after receiving BLT is greater than consumption expenditure before receiving BLT.

Consumption is strongly related to income and consumption cannot be separated from human daily life, because without consumption humans cannot survive. It also ultimately makes people work harder to be able to meet their needs. However, since 2020 the Covid-19 virus has emerged and gradually continues to worsen along with the widespread transmission of the virus, the government has made efforts to suppress the spread of Covid-19 including restrictions in every aspect of community activities.

During the Covid-19 pandemic, the government also distributed assistance to the affected communities. One of the assistance is in the form of direct cash assistance (BLT) given to the community according to the criteria of poor/underprivileged families residing in the village concerned and prioritized for poor families who are included in the category of extreme poverty, loss of livelihood, or have

family members who are chronically/chronically ill.

Based on the results of the analysis carried out on the community, it is known that the community feels very helped by the BLT provided through the Village Fund. The community uses the BLT for consumption needs, namely in addition to buying rice, side dishes, basic necessities, the community also uses it to buy credit, electronic devices, and clothing.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **CONCLUSIONS**

Based on the results of the study, it can be concluded as follows:

1. The process of preparing and determining the financial management plan for village funds in Bukit Malintang District has been carried out and refers to Mandailing Natal Regent Regulation Number 4 of 2021 on procedures for distributing and determining Village Fund details for each village in Mandailing Natal Regency for fiscal year 2021. The majority of the activities with the largest budget focused on the BLT program to provide BLT to the community, followed by The Village Development program, which most of the budget was used for the construction of concrete rabat roads, clean water supply and sertu construction. While in other sectors the minimum budget allocation is a community empowerment program.
2. The effectiveness of village fund budget uptake obtained from research results in all villages in Siabu District and Bukit Malintang District for fiscal year 2021-2022 shows high achievements. This can be seen from the comparison of budget realization to spending targets that reach 100%. Based On The Decision Of The Minister Of Home Affairs No. 13 of 2006 on financial performance appraisal criteria, the level of

achievement of financial performance between 90-100% indicates the level of effective financial performance management. The results showed that all village funds that had been budgeted by the government had been spent entirely by the village government for Village development programs, community empowerment, food security, and the provision of BLT. However, the village fund budget that has been realized has not fully met the expectations of the community. The community assesses that the utilization of village funds should provide direct benefits to the community for productive activities such as the provision of fertilizers, seeds, and agricultural, plantation, and Fisheries medicines.

3. Based on research and discussion conducted using statistical tests and surveys, it can be concluded that there are differences in consumption patterns of people in Siabu District and Bukit Malintang District before and after getting BLT.

## RECOMMENDATIONS

Suggestions researchers from research that has been done are as follows:

1. Advice to the village government  
The village government as the holder of responsibility in managing the Village Fund is expected to improve the quality of Village Fund implementation activities by considering the potential of the village and making planning priorities. The village government should also conduct massive socialization by involving all communities in the preparation of Village Fund plans and providing access to transparent information to the community regarding the planning, implementation and accountability of all village fund implementation activities.
2. Suggestions for the community  
The community is expected to have an active role in the preparation of the Village Fund Plan and provide inputs that

provide maximum benefits to the community. The community must also increase supervision of the performance of village governments related to the entire process of implementing village funds for the realization of transparent and accountable Village Fund Management.

3. Advice for the next researcher  
For further research, it is recommended to conduct research on the influence of village potential and Village development priorities on the level of community welfare and village economic improvement related to the management of the village fund budget. It aims to see the level of effectiveness of Village Fund Management based on appropriate and targeted implementation.

## Declaration by Authors

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