

Management of Village Fund Distribution to The Community of Lamboya Bawa, Lamboya District, West Sumba Regency

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| INDEXING | ABSTRACT |
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| <p>Keywords: Keyword 1; Village Fund Keyword 2; Law Keyword 3; Community Keyword 4; Government</p> | <p>Lamboya Bawa Village is a village located in Lamboya District, West Sumba Regency. Naturally, the village also manages its village funds. The village finances of Lamboya itself come from several sources: the state budget (APBN), the village's own income (business revenues and rental income from village assets), funds from the province, and funds from the regency. This study uses a descriptive qualitative approach aimed at obtaining a comprehensive and in-depth picture of the process of managing and distributing village fund sources to the community in Lamboya Bawa Village, Lamboya District, West Sumba Regency. Research results and discussion on the Fund Management System in Lamboya Village In managing village funds, a regulation is required that consists of aspects of planning, implementation, administration, reporting, and accountability of village finances. Based on observations and interviews with sources, it was found that the village officials generally understood the management of village finances and prepared financial accountability reports (LPJ) in accordance with the applicable regulations stipulated in the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014. The Head of Lamboya Village, in preparing the Village Budget (APBDes), must refer to the Village Medium-Term Development Plan (RPJM). With the existence of RPJM, the development carried out by the village government aligns with the results of deliberations, so that development can be on target as planned.</p> |

Article History

Received : 07 January 2026 ; Revised : 03 February 2026; Accepted : 04 February 2026

Publish : 10 February 2026

INTRODUCTION

The village government is the smallest scope within a government in Indonesia. The village government is the administration of governmental affairs and community interests within the system of the Unitary State of the Republic of Indonesia. The village government is the village head, or known by other names, assisted by village officials as elements of village government administration (Rumkel *et al*, 2019). The main goal of the village government itself is development, both physical and non-physical development (Andi Nadirah, 2023). The village government has a significant role in development; if development in each village can run well, then the central government's goal of creating equitable welfare and fair development can be achieved. Of course, the village government requires funds to carry out the administration of governance.

Village Fund is a fund sourced from the state revenue and expenditure budget allocated for villages and customary villages, which is transferred through the Regency/City Regional Revenue and Expenditure Budget, used to finance government administration, development, and community empowerment (Amelia, 2021). Village financial management is based on Law No. 113 of 2014 concerning village financial management, which encompasses the entire process of activities starting from planning, implementation, administration, reporting, accountability, as well as guidance and

supervision of village finances (Indriasari *et al*, 2021). Village finances are managed based on the principles of transparency, accountability, participation, and are carried out in an orderly manner and with budget discipline (Mawaddah and Muttaqin, 2025). Transparency is an act of openness carried out by the government to provide convenience to the public and build public trust through easy access to adequate information in order to obtain accurate information. Openness or transparency refers to actions that allow an issue to become clear, easily understood, and no longer questioned in terms of its truth.

The use of village funds is for the benefit of the village community, so carrying out village fund management activities must be in line with the village community itself, starting from planning, organizing, implementation, and supervision (Nurhakim and Yudianto, 2018). Village funds are used to finance programs and areas of Village Community Empowerment aimed at increasing the capacity of the village community in applying the results of development in science and technology. Technology can be used to advance the economy and agriculture of rural communities by utilizing their own potential and resources. Law Number 6 of 2014 along with its implementing regulations has mandated village governments to be more independent in managing governance from various natural resources they possess, including the management of village finances and assets (Temenggung, 2016).

Lamboya Bring Village is a village located in the Lamboya District, West Sumba Regency. Of course, the village also manages village funds. The village finances of Lamboya itself are obtained from several sources: the state budget (APBN), the village's own income (from business activities and rental of village assets), funds provided by the province, and funds provided by the regency. These village funds are distributed for various activities and village development plans under the state budget, which are:

1. For building bridges and roads
2. Funds for cultural activities
3. Funds for youth activities such as volleyball tournaments

Village fund management plays an important role in improving community welfare, especially in rural areas like Lamboya Bawa, Lamboya District, West Sumba Regency. However, in its implementation, various problems are often encountered that hinder the effectiveness and efficiency of the village fund distribution. Some of the identified issues include:

1. Lack of transparency in village fund management to the community.
2. Weak community participation in the planning and oversight of village fund usage.
3. Low capacity of village officials in managing funds according to accountability principles.
4. Delays in the disbursement of village funds from the central government to the village.
5. Lack of socialization regarding programs financed by village funds.

The purpose of the researcher conducting this study is to find out the report on the management of the distribution of village fund sources to the Lamboya Bawa community in the Lamboya District, West Sumba Regency.

LITERATURE REVIEW

The Definition of Village Fund

Village funds are funds sourced from the State Budget (APBN) allocated for villages and transferred through the Regional Revenue and Expenditure Budget (APBD) of regencies/cities to finance the administration of government, implementation of

development, community development, and community empowerment. This is as stipulated in Law Number 6 of 2014 concerning Villages and reinforced in Government Regulation Number 60 of 2014 concerning Village Funds sourced from the APBN. Village funds are budget allocations provided by the central government to village governments aimed at financing development, governance, and community empowerment at the village level independently (Nadyastika and Siswantoro, 2019 ; Ardiputra *et al*, 2025). Furthermore, Mardiasmo (2021) stated that village funds are a form of fiscal decentralization that grants financial authority to village governments to manage and handle their own households according to local potential and needs.

Then, Halim (2022) stated that village funds are a source of funding used to finance village development programs that are designed through village deliberation in a participatory manner, so that the results are targeted and useful for the community. Government Regulation No. 60 of 2014 explains that village funds are funds sourced from the State Budget (APBN) allocated for villages, transferred through the district/city budget (APBD), and used to finance the administration of governance, development, community guidance, and community empowerment. Village funds are considered one of the state financial instruments provided to enhance village independence through various physical and non-physical development programs, managed transparently and accountably by the village government together with the community.

The Goal of Village Fund

The purpose of village funds is to improve the welfare and quality of life of village communities through participatory, transparent, and sustainable village development. Village funds are directed to support the administration of village governance, the implementation of village development, community guidance, and the empowerment of village communities. According to Article 4 of Law Number 6 of 2014 concerning Villages, the main objectives of allocating village funds are: To give authority to villages to manage and take care of their own community interests, To encourage villages to be economically and socially independent, To reduce the gap between villages and cities, and To improve the quality of public services in villages. Furthermore, Mardiasmo (2021) states that village funds aim to encourage fiscal independence of villages, strengthen the capacity of village financial management, and accelerate the equitable development and poverty alleviation.

The strategic goal of village funds is to strengthen the village's economic structure, create job opportunities, and improve community access to basic services, such as education, health, and infrastructure. The objectives of village funds are: a) Alleviate poverty and reduce regional disparities. b) Enhance village development and community empowerment. c) Increase the income of village communities. d) Encourage independent and sustainable village economic growth.

Mechanism For The Distribution Of Village Funds

Mechanism according to the Big Indonesian Dictionary is the way an organization (association, and so on) works. A mechanism is a process of carrying out an activity that is carried out by one or several people using order and rules as well as the flow of communication and division of tasks according to professionalism. Each regency has a detailed distribution of village funds every year according to the amount of allocation calculated based on the population, poverty rate, area size, and geographic difficulty level of the villages in each regency/city. The distribution weight is calculated based on Government Regulation Number 60 of 2014 Article 2 Paragraph 3 letter b, which

includes: village population at 30%, village poverty rate at 50%, and village area size at 20%. According to Government Regulation Number 60 of 2014 Article 15 Paragraph 1, the distribution of village funds is carried out not by directly transferring the funds, but through the State General Cash Account (RKUN) to the Regional General Cash Account (RKUD), and then transferred to the Village Cash Account (RKD), which serves as the account for storing village government funds that accommodates all village revenues used to pay for all 12 village expenditures.

Village funds will be disbursed gradually by the government, after the minister receives the following documents: the regency/city budget (APBD) based on regional regulations, the procedures for allocation and determination of village fund details for each village based on the regent/mayor's regulations, and the report on the realization of disbursement and consolidation of the use of the previous stage of Village Funds. Article 1, letter 1 of the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 19 of 2017 states that Village Funds are funds sourced from the State Revenue and Expenditure Budget intended for villages, transferred through the regency/city Revenue and Expenditure Budget, and used to finance governance, development implementation, community development, and community empowerment.

As we previously know, Village Funds are part of village revenue under the transfer group, and thus are included in the Village Budget (APB Desa). Management of Village Funds must be carried out based on principles such as fairness, priority needs, village authority, participatory approach, good governance, resource-based management, and village typology. The priority use of village funds is to finance the implementation of programs and activities in the fields of Village development and community empowerment, as well as to finance programs and activities that are cross-sectoral.

Fund Management

Village Management is a series of activities aimed at achieving specific objectives by utilizing people as its executors (according to Azwar, 2020). According to Government Regulation Number 60 of 2014, the management of Village Funds can be described as follows: The implementation of activities funded by Village Funds is the responsibility of the Technical Activity Implementing Officer (PPTK) appointed by the Village Head as the Budget User Authority. The administration and financial accountability are the responsibility of the Village Head as the Budget User Authority and Treasurer. The accountability for Village Funds is integrated with the accountability of the Budget.

RESEARCH METHOD

Research Approaches and Types

This study uses a descriptive qualitative approach aimed at obtaining a deep and comprehensive understanding of the management and distribution process of village funding to the community in Lamboya Bawa Village, Lamboya District, West Sumba Regency. Descriptive qualitative research focuses on depicting complex and dynamic social realities, particularly in terms of transparency, accountability, and community participation in village funds.

The Location of the Research

This research was conducted in Lamboya Bawa Village, Lamboya District, West Sumba Regency. This location was chosen because it is one of the villages receiving

village funds and has various dynamics in fund management, from distribution, usage, to reporting to the community.

Subject of the Research

The subjects in this study are individuals who have direct or indirect involvement in the process of managing and distributing village funds in Lamboya Bawa Village, Lamboya District, West Sumba Regency. The researcher selected the subjects based on their roles and functions in the village financial management cycle. The research subjects include:

1. Village Government Officials, which include:

- Village Head
- Village Secretary
- Village Treasurer
- Technical Activity Implementing Officer (PPTK)

2. Village Consultative Body (BPD)

As an institution that plays a role in supervision and conveying community aspirations.

3. Community Leaders

Including religious leaders, traditional leaders, and youth leaders who have social influence and knowledge of village activities.

4. Beneficiary Community

Village residents who directly receive benefits from activities or programs funded by village funds. The selection of this subject aims to ensure that the data obtained is comprehensive, represents views from various parties, and reflects the objective reality of village fund management, both from the administrative side and the beneficiary community.

Data Collection Method

Some data collection techniques used in this study include:

1) Interview

In-depth interviews were conducted with informants who were considered to have knowledge and direct experience in managing village funds, including:

- Village Head
- Village Secretary
- Village Treasurer
- Head of the Village Consultative Body (BPD)
- Community leaders (religious leaders, customary leaders, youth leaders)
- Representatives of beneficiary community members

2) Observation

Observation was conducted directly in the field to see the reality of village fund management implementation. The observed aspects included:

- Implementation of village deliberations
- Village fund information boards
- Development activities financed by village funds
- Community response and involvement

3) Documentation

Documentation is carried out by collecting official documents such as:

- Current year's regional budget (APBD)
- Accountability report for village funds
- Minutes of meetings
- Planning and evaluation documents of village activities

Analysis Data Method

Data analysis in this study uses the interactive model by Miles and Huberman (1994), which consists of three stages:

1. Data Reduction

The process of filtering data by selecting, focusing, simplifying, and abstracting raw field data to align with the research objectives.

2. Data Presentation

The data that has been reduced is organized in the form of descriptive narratives, tables, and interview quotes to make it easy to understand and to illustrate the relationships between the data.

3. Drawing Conclusions and Verification

After the data is presented, the researcher interprets and draws conclusions based on patterns or themes found during the research process. These conclusions are also continuously verified through data triangulation.

RESULT AND DISCUSSION

In the management of village funds, it is necessary to have regulations that consist of the planning aspect, the implementation aspect, the administration aspect, the reporting aspect, and the accountability aspect of village finances. Based on observations and interviews with sources, it was found that village officials have a general understanding of village financial management and prepare accountability reports in accordance with applicable regulations as stipulated in the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014. The Head of Lamboya Village, in preparing the Village Budget (APBDes), must be guided by the Village Medium-Term Development Plan (RPJM). With the RPJM in place, the development carried out by the village government follows the results of deliberations, so the development can be targeted accurately according to the plan.

Village financial management is an important aspect in a village as it drives the development of the village itself. It includes the processes of Planning, Implementation, Administration, Reporting, and Accountability. This management is determined based on the amount of village funds received in each regency, especially in accordance with local government regulations and the rules in Law No. 6 of 2014 concerning Villages. All processes carried out by the Village Government are assisted by the District Assistance Team in performing their duties properly. Moreover, the community is also involved in overseeing the allocation of village funds. The management is carried out by the village financial management team.

Based on the results of an interview with the Village Secretary regarding the management of village funds in Lamboya Bawa Village, Lamboya District, West Sumba Regency, it was revealed that:

“ The management of village funds in 2021 began with planning carried out in 2020 during the preparation of the Village Government Work Plan (RPKDes). Subsequently, in December 2020, it was followed up with the drafting of the Village Revenue and Expenditure Budget (APBDes), which was implemented at

the end of December. Afterwards, administrative activities, accountability, and reporting were carried out monthly throughout 2021 (no later than the 10th of each month)."

There are many work programs that have been established in the RKPDes, but some work programs have not been implemented. From the results of an interview with the Head of Lamboya Bawa Village, Lamboya District, West Sumba Regency, it was stated that:

"From several work programs listed in the RKPDes, there are some work programs that were not implemented. This is because we adjust according to financial conditions; if the funds are insufficient, then the work program certainly cannot be carried out. Regarding the work programs that are a priority, those are the ones that are realized first based on the results of deliberations with the community."

The formulation of the Village Government Work Plan (RKP Desa) must go through several stages, which have specific purposes and objectives, as mentioned in the Village Government Work Plan (RKPDes). The objectives of its preparation are: a. To elaborate the Village Medium-Term Development Plan (RPJM Desa) into planning for a 1-year period b. To determine priority programs and activities c. To establish the funding framework d. To ensure the village has an annual development planning document with permanent legal force e. To serve as a basis or guideline for activities or the implementation of development in the village f. To serve as a basis for the preparation of the Village Regulation concerning the Village Revenue and Expenditure Budget. Based on the results of interviews conducted by the researcher with the Secretary of Lamboya Bawa Village, Lamboya District, West Sumba Regency, regarding village fund management in the planning stage to ensure it is carried out properly, it was stated that:

"The planning process starts with the implementation of the Village Meeting for the Preparation of the Village Government Work Plan (RKPDes), which is held annually from July to September, specifically for village fund budgets sourced from the State Budget (DDS). The planning process is carried out by the Ministry of Villages by creating priority-scale activities for the Village Fund for that year, along with some proposals resulting from the Village Meeting."

As for what was conveyed by the Head of Finance regarding Village Fund Management at the planning stage:

"Planning is based on the problems existing within the community, where the needs in the development process of a village are identified by holding a deliberation forum involving the community. Because the planning starts from the bottom, from the hamlet level. From the hamlet to the village level, and likewise, village development planning based on the Village Medium-Term Development Plan (RPJM Desa) determines the Village Government Work Plan (RKPDes)."

CONCLUSION

With the existence of RPJM, the development carried out by the village government aligns with the results of deliberations, so that development can be on target as planned. The management of village finances is important in a village as a driver for improving the development of the village itself. This includes the processes of Planning, Implementation, Administration, Reporting, and Accountability. The management is determined based on the amount of village funds received in each Regency, particularly in accordance with local government regulations and the provisions of Law No. 6 of 2014 concerning Villages. All processes carried out by the Village Government are

assisted by the Subdistrict Assistance Team in performing their duties properly. Moreover, the community is also involved in overseeing the allocation of village funds.

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