

The Role of Village Financial Literacy in Village Fund Management in Pringapus Village, Semarang District

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Abstract. It is planned that the village fund figures will continue to increase so that all eyes will be focused on this issue. Currently the government is focusing on Indonesia's development starting from the periphery, namely the villages, as a development priority. This discourse is relatively new because previously the village was only considered as part of the structure above it. Financial report analysis is very important because it is a form of transparency in the form of village government openness regarding the management of village funds which aims to improve community welfare and can also provide very useful financial information for the village government. in the context of decision making. This type of research is Normative research. The approach used is a statutory approach and a conceptual approach. The data source used is secondary data. Data analysis was carried out descriptively qualitatively. Conclusions were drawn using a deductive method, namely concluding from general to specific matters, especially those related to the research topic, namely the Role of Village Financial Literacy in Village Fund Management in Pringapus Village, Semarang Regency.

Keywords: Village Financial Literacy; Village Fund Management; Pringapus Village; Semarang Regency

1 Background

Various Government Regulations were made to serve as a reference in its management. The regional government in this case states that government regulations related to regional financial management mandate that the principles of justice, compliance, and benefits for the community must be used as a reference so that regional finances can be managed in an orderly, economical, and efficient manner, in compliance with statutory regulations, and effectively, and transparent. The village government every year receives a very large village budget from the central government through the APBN. This budget is to help villages in physical and non-physical development so that their communities become independent and prosperous. To provide clear and transparent information and accountability reports regarding performance results for stakeholders, namely the community, the Financial and Development Supervisory Agency (BPKP) issued Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management. Based on the Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management article 1 Paragraph 6 states that "village financial management is the entire activity which includes planning, implementation, administration, reporting and forms of village financial accountability[1].

In financial literacy, there are also levels to measure how good a person's financial literacy is, including Well Literate, Sufficient Literate, Less Literate, and Not Literate. In Semarang Regency, especially among residents in Pringapus village, the average level of financial literacy is still at the middle level or sufficiently literate where residents only know about savings and loans. Village officials who have an important role in managing Village Funds (DD) must have the maximum level of financial literacy so that Village Fund management runs effectively and can bring prosperity to the village itself. Education and Financial Literacy factors greatly influence the Village Financial System (SISKEUDES) where by having maximum quality education and a high understanding of Financial Literacy village officials can manage Village Funds effectively and can manage SISKEUDES effectively [2].

Providing Village Funds to each village is a form of decentralization so that each village can use funds according to the village's own needs and provide a direct positive impact. Financial reports are a form of accountability for funds that have been used. Budget Realization Reports for village funds that have been provided are one of the outputs that must be implemented by every village. The use of technology in accounting is one of the challenges currently faced by Sanrobone village and other villages, especially the village financial apparatus as Human Resources must have both basic accounting skills and the ability to use technology or applications to make financial reports. The facilities in Pringapus Village only have one PC unit where the processor used is so lagging that it cannot be used to run applications. A review of the results of service activities is not optimal due to limited facilities. Another situation that makes the desired results less than optimal is the existence of an accounting application to create Village Fund Financial Reports that has been provided by the inspectorate[3].

The planned village fund figures will continue to increase, making all eyes turn to this issue. Currently, the government is focusing on Indonesia's development starting from the outskirts and that means villages, as a development priority. This is a fairly new discourse because previously, villages were considered only part of the structure above them. However, currently, villages have authority over their areas to create prosperity for their residents. Nowadays, it is suspected that there is often a feeling of dissatisfaction and distrust among the community towards the village government in managing village finances, due to the relatively large amount of village funds and the lack of transparency in the management of village finances which will be used for the development of village facilities and infrastructure so that community trust begins to decline due to found that the number of development cases carried out was not commensurate with the size of the budget.

Misuse of village funds can be carried out by the village government at any time due to a lack of supervision and evaluation of the allocation of village funds. Therefore, the village government must pay attention to its use so that it can be right on target so that it provides positive benefits for the village and also brings prosperity to the people in the village itself. To find out how efficient the management of village funds is, the village government needs to make a financial report analysis. Analysis of financial reports is very important because it is a form of transparency in the form of village government openness regarding the management of village funds which aims to improve the welfare of the community and can also provide financial information that is very useful for the village government in the context of decision making [4].

The Financial Services Authority (OJK) continues to increase community financial literacy and inclusion, especially in the 3 T (Frontier, Outermost, and Disadvantaged) areas through implementing a series of financial education programs in Balongsari Village, Semarang Regency. Central Java was chosen as the activity location because based on the 2022 National

Survey of Financial Literacy and Inclusion (SNLIK), the financial literacy level of its people is still below the average national financial literacy level, namely 49.35 percent (national: 49.68 percent). The series of educational activities include Training of Trainers (ToT) for Elementary/MI Teachers in Semarang Regency, My Financial Capability Village Program in Semarang Regency, and Financial Education for 3T Communities in Semarang Regency. The material presented at the ToT activity includes increasing understanding regarding financial products and services such as banking, financing, capital markets, pension funds, insurance, sharia finance, pawnshops, introduction to the OJK, and investment alerts as well as illegal borrowing.

Considering that recently there are more and more financial service providers in the form of online and offline loans operating in Indonesia. For this reason, the presence of OJK can increase insight and equip Village Officials with institutions, products, services, and conventional financial sharia through the My Village CakapFinancial program, with the hope that this education will be continued by village officials to the community through Training of Community. The My Village Cakap Finance program aims to empower village officials by increasing their understanding regarding financial products and services, financial planning, and information on investment alerts and illegal loans. In this way, village officials can make decisions based on information that can have a positive impact on the financial welfare of the community[5]. The program helps village officials to empower local governance, encourage financial inclusion, and increase community resilience. By providing financial planning, village officials can educate the community regarding emergency funds, insurance protection, and even investment.

Financial literacy is very important to support economic functions. The more people know about the benefits of financial products and services, the greater the financial transactions that can be created and ultimately will move the wheels of the economy. An increase in the number of people who understand financial products and services will be accompanied by an increase in the use of financial products and services, thereby moving the wheels of the economy faster. Financial literacy is a series of processes or activities to increase consumer knowledge, skills, and confidence of consumers and the public so that they can manage their finances better. The community is provided with adequate education to make better financial decisions, according to their needs and provide greater benefits. The details of the material presented include managing cash, fixed assets, and millions as well as delivering material about types of financial service institutions and financial service institution products, including material about capital markets [6]. With this knowledge, people will have the ability to carry out better financial planning, be able to determine financial products and services that suit their needs, understand the benefits and risks correctly, know their rights and obligations, and believe that the financial products and services they choose can be used. improve community welfare, as well as avoid investment activities in unclear financial instruments.

2 Methodology

This type of research is Normative research. The approaches used are a statutory approach and a conceptual approach. The data source used is secondary data. Data analysis was carried out descriptively qualitatively[7]. Concluding is carried out using a deductive method from general to specific, especially those related to the research topic, namely the Role of Village Financial Literacy in Village Fund Management in Pringapus Village, Semarang Regency.

Qualitative data analysis is carried out if the empirical data obtained is in the form of a collection of words and not in the form of a series of numbers and cannot be arranged into categories. Data can be collected in various ways (interview observations, document instances, and recording tapes). It is processed first before being used in qualitative research, including the results of interview transcripts, data reduction, analysis, data interpretation, and triangulation [8].

3 Results and Discussion

3.1 Implications of the Role of Village Financial Literacy on Village Fund Management in Pringapus Village, Semarang Regency

In the planning and budgeting stages, the village government must involve the village community, represented by the Village Consultative Body (BPD), so that the work programs and activities prepared can accommodate the interests and needs of the village community and are by the capabilities of the village. Apart from that, the village government must be able to maintain records, or at least keep books of its financial transactions as a form of financial accountability. However, the roles and responsibilities received by villages have not been balanced with adequate human resources (HR) both in terms of quantity and quality. Another common obstacle is that the village does not yet have procedures and support for facilities and infrastructure in managing its finances and the community is not yet critical of the management of the village income and expenditure budget. The large amount of funds that must be managed by the village government carries quite high risks in its management, especially for village government officials [9].

The Central Government must allocate Village Funds to the APBN. The Central Government, in this case implemented by the Ministry of Finance, has the authority to allocate, distribute, use, as well as monitor and evaluate funds allocated in the APBN (Village Funds). Regulations related to Village Funds are further regulated in PP Number 60 of 2014 concerning Village Funds Sourced from the APBN. The Central Government allocates Village Funds nationally in the APBN each fiscal year which are transferred through the district/city APBD. Village funds are transferred through the district/city APBD and then transferred to the Village APB. The distribution of village funds is carried out by transferring from RKUN to RKUD, then from RKUD to the Village Cash Account, and is carried out in stages over the current year.

Village Fund Management in Balongsari Village, Semarang Regency includes all activities starting from planning, implementation, supervision, and accountability which must be carried out in an orderly manner and compliance with legislation, effectively, transparently, efficiently, economically, and responsibly by paying attention to decency and a sense of justice. Balongsari Village, Semarang Regency has implemented management by statutory regulations, especially the regulations of the Regent of Semarang Regency regarding Village Financial Management which have been given from the district to the village. Balongsari Village, Semarang Regency, but in its management there are still several obstacles encountered. In managing this matter, village officials form a committee consisting of the officials themselves whose aim is to manage and facilitate the management of the Village Fund. For the allocation of village funds to be carried out optimally, the Balongsari Village Government, Semarang

Regency must carry out management well. Village fund allocation management is a series of activities carried out systematically to produce effective and efficient allocation policies. Village fund allocation management consists of planning, organizing, mobilizing, and responsible supervision. All of these activities are an interrelated and continuous unit [1].

In terms of financial literacy, the work program established by the Government. Balongsari Village, Semarang Regency, about the Allocation of Village Funds, it is not impossible that there will be irregularities in the field, or other words when the work program is implemented, there are many obstacles that hinder it so that a program cannot be carried out optimally. For this reason, a comprehensive monitoring and evaluation function is needed regarding the implementation of the work program. Implementation of fund allocation policies. Balongsari Village, Semarang Regency also needs supervision, both from the village, sub-district, and district levels. Supervisory function in Balongsari Village, Semarang Regency, was carried out by a team of supervisors from sub-districts and villages. Because the community has never seen a supervisory team from the sub-district or district come to directly observe ADD activities or projects, even when there is an ADD project, I rarely see the Village Head coordinating with the BPD to discuss the ADD project. This was also put forward by the Chairman of the BPD. Balongsari Village, Semarang Regency, so far I have had no coordination with the village head regarding ADD programs, apart from never being included in the preparation of work plans. Balongsari Village, Semarang Regency. So it's like BPD. Balongsari Village, Semarang Regency has no function at all. This means a supervisory function on the allocation of Village funds. Balongsari Village, Semarang Regency is not running well. This is because there is no coordination between the Village Head and the BPD and a lack of supervision at the level sub-district and district level[10].

3.2 The Urgency of the Role of Village Financial Literacy in Village Fund Management in Pringapus Village, Semarang Regency

Identification of the causes of the problems above includes the lack of literacy regarding good and accountable village financial management by village officials, including wrong perceptions regarding the allocation of Village Funds. The purpose of Village Funds is for the interests of the Village, not for the interests of village officials. It contributes to the low level of commitment from village officials. Weak Village Fund governance can be seen from the lack of optimal planning and the lack of understanding of the process of implementing work funded by Village Funds, which has an impact on village officials who cannot be accountable for the use of Village Funds. Another thing that is no less important is the lack of knowledge of village officials in using the Village Financial System (Siskeudes) application.

Knowledge sharing on village financial management and the Village Fund Accountability Open Class is important. Village financial governance has a broad scope. The process begins with inclusion in the APBDes of each village. In the Village APBD draft, the income that comes from the Village Fund is stated. In the future, it is hoped that there will be an increase in original village income so that villages are not completely dependent on transfer funds from the central government through the Village Fund. Apart from income, spending in the APBDes must be planned well and not only focus on physical development but also pay attention to human development in the village. To

build a correct paradigm on how to prepare the APBDes, a common understanding, and knowledge of village financial managers is needed[11].

Breakthrough educational methods to strengthen village financial management literacy are the main thing. Knowledge sharing on village financial management and the Open Class Accountability of Village Funds is just one way to make village officials, sub-district heads, village heads, village secretaries, village treasurers, village operators, Village Supervisory Boards, and all village communities aware of the importance of potential village income in addition to transferring village funds for the sake of progress of their village. In planning well, allocating village interests in priority to building infrastructure, paying attention to community empowerment, and properly determining Village BLT for social protection, awareness, and contributions from all village communities, both officials and non-officials, are required. The ultimate goal of all is of course the development of the village economy and the development of human quality in the village which is sure to create prosperity for the village community.

Villages have a unique structure based on certain original rights and are community units recognized by law. The basic principles of village governance include autonomy, democratization, participation, diversity, and community empowerment. Villages are recognized by the government of the Unitary State of the Republic of Indonesia as a formally recognized group of people with territorial boundaries, the power to control and supervise government activities, and respect for local advocates, rights ancestral, and/or traditional rights, according to Law Number 6 of 2014 concerning Village Management. Village governments are always formed by village communities, who elect several individuals who are deemed capable of managing all aspects of their existence, including organization, services, maintenance, and protection. Customary Law both written and unwritten; socio-cultural; agriculture; plantation; fishery; commercial; order; security; and governance is often a central aspect of village community life. The form of village community organization that is formally recognized is the village-level government. The village government aims to serve the needs of the village community and maintain its existence[2].

Meanwhile, the Directorate General of Rural Area Development has the task of carrying out the formulation and implementation of policies in the field of rural area development planning, development of rural area facilities/infrastructure, and rural area economic development by statutory provisions, with the functions of: a. Formulating policies in the field of rural area development planning, development of rural area facilities/infrastructure, and rural area economic development; b. Implementation of policies in the field of rural area development planning, development of rural area facilities/infrastructure, and rural area economic development; c. Preparation of norms, standards, procedures, and criteria in the field of rural area development planning, development of rural area facilities/infrastructure, and rural area economic development; d. Providing technical guidance and supervision in the fields of rural area development planning, development of rural area facilities/infrastructure, and rural area economic development.

The district/city government also allocates a portion of the district/city regional taxes and levies to villages in the APBD each fiscal year, the minimum amount of which is 10% of the realized revenue from the district/city regional taxes and levies. The procedures for allocating part of the proceeds from district/city regional taxes and levies to villages are regulated in regent/mayor regulations. Apart from that, the district/city government can provide financial assistance to villages, which comes from the

district/city APBD. The regent/mayor informs the ADD plan, the revenue sharing portion of district/city taxes and levies for villages, as well as financial assistance sourced from the district/city APBD within 10 days after the KUA and PPAS are agreed upon by the regional head together with the DPRD. For the village government, this information is used as material for preparing the Village APB draft. The distribution of ADD and part of the proceeds from regional taxes and regency/city levies from the regency/city to the village is carried out in stages and is regulated in regent/mayor regulations guided by ministerial regulations. The distribution of financial assistance originating from the district/city APBD to villages is carried out under the provisions of statutory regulations[5].

4 Conclusion

1. Providing Village Funds to each village is a form of decentralization so that each village can use funds according to the village's own needs and provide a direct positive impact.
2. In financial literacy there are also levels to measure how good a person's financial literacy is, including Well Literate, Sufficient Literate, Less Literate, and Not Literate. In Semarang Regency, especially among residents in Pringapus village, the average level of financial literacy is still at the middle level or Sufficient Literate where residents only know about savings and loans.
3. In terms of financial literacy, the work program established by the Government. Balongsari Village, Semarang Regency, about the Allocation of Village Funds, it is not impossible that there will be irregularities in the field. In other words, when the work program is implemented, many obstacles hinder it so that the program cannot be carried out optimally.

5 Suggestion

1. It is hoped that the village will have a unique structure based on certain original rights and be a community unit recognized by law. The basic principles of village government include autonomy, democratization, participation, diversity, and community empowerment.
2. It is hoped that to allocate village funds optimally, the Balongsari Village Government, Semarang Regency must carry out management well. Village fund allocation management is a series of activities carried out systematically to produce effective and efficient allocation policies.
3. It is hoped that financial literacy is crucial to support economic functions. The more people know about the benefits of financial products and services, the greater the financial transactions that can be created and ultimately will move the wheels of the economy. An increase in the number of people who understand financial products and services will be accompanied by an increase in the use of financial products and services, thereby moving the wheels of the economy faster.

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