

ANALYSIS OF THE IMPLEMENTATION OF ACCOUNTING PRACTICES AND UNDERSTANDING OF VILLAGE FUND ALLOCATION AT BUMDES "MULTI GUNA" SIDOMULYO VILLAGE, MADIUN REGENCY

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Abstract: *The application of accounting is one of the important factors in preparing financial reports. Financial reports are prepared based on applicable financial accounting standards with the aim of providing convenience in decision making, such as in the BUMDes Multi Guna Desa Sidomulyo where the application of accounting in presenting financial reports is very important, but in its presentation it still does not present cash flow reports and notes to financial reports this is due to (1) Understanding the Application of Accounting in presenting Financial Reports that are not in accordance with applicable standards, (2) Village funds are allocated based on priorities set by the village government, but transparency and accountability in the allocation process are still limited (3) Human Resources (HR) are inadequate. This study aims to determine the obstacles in the application of accounting & management of village fund allocations at BUMDes Multi Guna Desa Sidomulyo. The research method used is a descriptive method, namely describing, describing, and comparing data. Data collection techniques are qualitative through secondary and primary data. After the data is collected, an analysis is carried out using SWOT. The results of this study indicate that the understanding and education factors that are the background for the application of accounting and the allocation of village funds are not correct and appropriate.*

Keyword: *Implementation of Accounting, Financial Reports, Village Fund Allocation, SAK-ETAP*

1. Introduction

Village Fund Allocation (ADD) in Indonesia has experienced significant development since it was first initiated in 2015. This fund is intended to support development and empowerment of village communities, with the aim of reducing the development gap between villages and cities. Village Funds have become an important instrument in accelerating village development, community empowerment, and poverty reduction in remote areas. However, good management, effective supervision, and increasing the capacity of village human resources are the main challenges so that Village Funds can be used optimally for the progress of villages throughout Indonesia. One effort to improve the village economy is to establish a Village-Owned Enterprise (BUMDes).

BUMDES (Village-Owned Enterprises) is a type of cooperative owned by the village government that aims to improve the economy and welfare of the community. In Madiun, BUMDes Multiguna Desa Sidomulyo is one of the BUMDes that is included in the Developing

and Advanced category. This is indicated by the existence of creative economic businesses that have great potential, including ATK shop units, photocopying units, parking units, cement mixer rental units, and scaffolding rental units. BUMDes Multiguna Desa Sidomulyo with its 5 units plays an important role in encouraging economic development and improving the quality of life of its citizens. As a financial institution, BUMDes Multiguna Desa Sidomulyo is responsible for managing its finances effectively to achieve its goals. As a means of accountability, BUMDes Multiguna needs to prepare financial reports which are one of the relevant and reliable sources of information for decision making (Efendi, 2020). In practice, BUMDes Multiguna in preparing financial reports does not comply with the SAK-ETAP standards referring to the standards set by the Indonesian Accountants Association (IAI). This in SAK-ETAP consists of Financial Position Report, Profit and Loss Report, Capital Change Report, Cash Flow Report and Notes to Financial Statements. However, of the 7 reports, BUMDes Multi Guna is still constrained by the Cash Flow Report and Notes to Financial Statements, this is due to inadequate human resources. So that it becomes an obstacle in the implementation of accounting in BUMDes Multi Guna Sidomulyo Village. Metode Penelitian.

2. Research Method

2.1 Activity Plan

In this study, the researcher made a research activity plan in the form of several relevant activities that can encourage the success of this study. Among these plans is to conduct field observations by coming directly to the location of the BUMDes Multi Guna Desa Sidomulyo. In this observation activity, the researcher can directly observe the activities of the BUMDes Multi Guna Desa Sidomulyo, especially in terms of recording financial reports.

2.2 Research Objects

The object of this research is the Management of BUMDes Multi Guna of Sidomulyo Village which is located in Sidomulyo, Wonoasri District, Madiun Regency, East Java 63157. BUMDes Multi Guna of Sidomulyo Village is the object of this research because in the application of accounting and understanding of Village Fund Allocation (ADD) it is not in accordance with the established accounting standards where it cannot present cash flow reports and notes on financial statements.

2.3 Research Tools and Materials

In conducting this research, there are several tools and materials needed by researchers to help the success of this research. These tools and materials include cameras, smartphones, and office stationery used for primary data collection. Tools and materials for secondary data collection require smartphones, books, journals and so on that are relevant to this research.

2.4 Research Locations

BUMDes Multi Purpose Village of Sidomulyo Village is located in Sidomulyo, Wonoasri District, Madiun Regency, East Java 63157.

2.5 Data Collection Techniques

Data collection in this study was carried out in two ways, namely secondary and primary. Secondary data mining was obtained through library studies or literature studies to find and obtain data that is theoretical and related to the research being conducted. Library data collection was carried out on data and information in the form of books, using books as a form of reference as well as articles and research journals related to the research. Secondary data is needed to build the initial construction of the research and is further needed to assist interpretation in order to obtain a comprehensive and in-depth understanding.

Furthermore, primary data collection was obtained through observation, documentation, and in-depth interviews. Observations were made by directly observing the process of recording financial reports of BUMDes Multi Guna Desa Sidomulyo where during the observation it was documented in the form of videos and photos.

Next, in-depth interviews were conducted, and primary data collection, namely in-depth interviews, which in this case were conducted first by interacting with informants and then continued in depth based on interview instruments or guidelines that had been previously designed to obtain data or information about recording the financial reports of the Multi-Purpose BUMDes of Sidomulyo Village.

2.6 Definisi Operasional Variabel Penelitian

The operational definition of research variables according to (Sugiyono, 2015) is an attribute or characteristic, or value of an object or activity that has a certain variation that has been determined by the researcher to be studied and then conclusions drawn. The definition of research variables must be formulated so that there are no errors in data collection. In this study, the operational definition of variables is as follows:

1. Implementation of proper and correct accounting by implementing financial standards (Putri, 2022). BUMDes Financial Standards refer to SAK-ETAP, SAK Entities Without Public Accountability (ETAP) is an accounting standard for companies that do not sell their shares publicly. SAK ETAP states that financial reports for companies classified as ETAP must prepare financial reports consisting of Financial Position Reports, Profit and Loss Reports, Retained Earnings Reports, Cash Flow Reports and Notes to Financial Statements (Palupi, 2021).
2. Village Fund Allocation (ADD) is an allocation to finance part of the village government program in carrying out village empowerment and institutional activities, providing allowances for village government officials and providing funds for rural infrastructure development. To carry out this authority, the village government has sources of income that are used to finance the activities it carries out. One of the most important things to consider in supporting the development implementation process in each village is the certainty of finance for financing (Ibrahim, et, al, 2023).

3. Result and Discussion

3.1. Result

BUMDes Multi Guna Desa Sidomulyo is one of the BUMDes in Madiun Regency located in Sidomulyo Village, Wonoasri. Referring to the information on the website <https://www.bumdessidomulyo.com/>, BUMDes Multi Guna Desa Sidomulyo has 5 units including an ATK shop unit, a photocopy unit, a parking unit, a cement mixer rental unit, and a hantara scaffolding rental unit. However, BUMDes Multi Guna Desa Sidomulyo has shortcomings in terms of implementing accounting to present financial reports in accordance with SAK-ETAP standards which are currently unable to present cash flow reports and notes to financial reports. Based on the research that has been conducted, it can be seen that there are several reasons why BUMDes Multi Guna Desa Sidomulyo has not been able to present cash flow reports and notes to financial reports, including because the BUMDes does not understand the standards for implementing accounting in presenting good and correct financial reporting, because human resources who have a background are only junior high school / vocational high school graduates, as well as Bachelor's degrees but not in accordance with their fields. Not being able to present cash flow reports and notes on financial reports carried out by the BUMDes Multi Guna Desa Sidomulyo has a deficiency, namely that it is considered not yet able to apply accounting properly. Based on the results of the questionnaire conducted by the researcher to the Management of BUMDes Multi Guna Sidomulyo Village by distributing 32 respondents, it can be obtained that currently BUMDes management does not all understand the implementation of good accounting which is presented in the following graph:

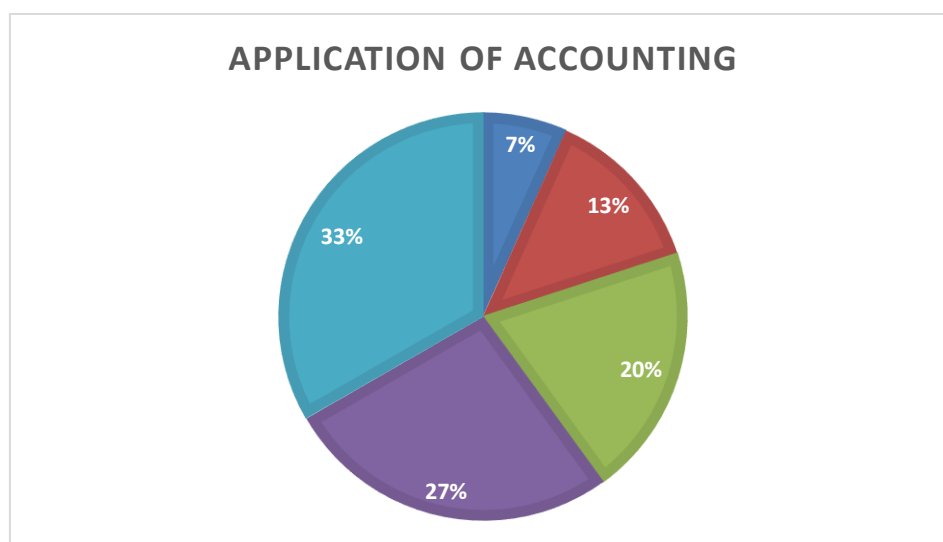


Figure 1. Percentage of Accounting Implementation

From the data, only 7% answered that they really understand, while 33% answered that they really do not understand. This is by looking at the background of the BUMDes administrators, the majority of whom are only junior high school & vocational high school graduates.

3.2 Discussion

From the data results above, it can be seen that the background to the Implementation of Accounting and Understanding of Village Fund Allocation Management at the Multi-Purpose BUMDes in Sidomulyo Village is inadequate education, this is presented in the following graph:

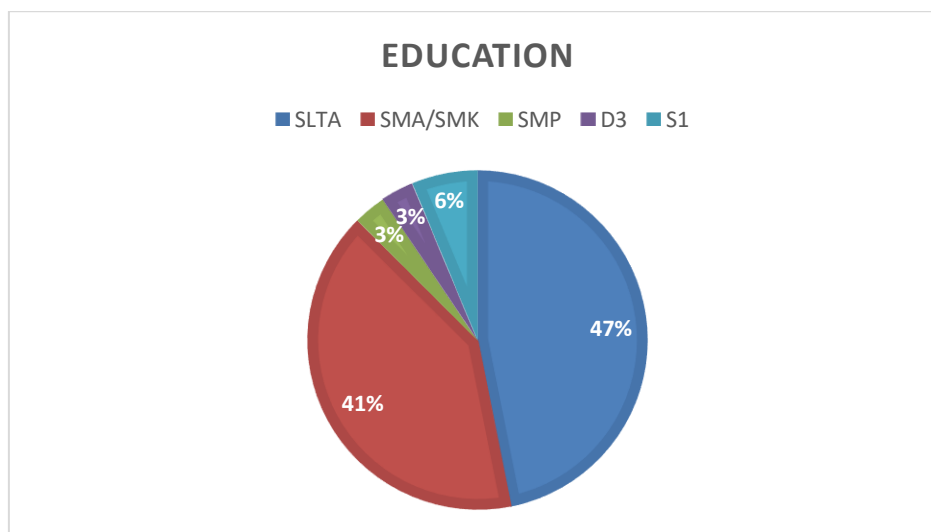


Figure 2. Percentage of Application of Accounting In Education

In general, the challenges in the Implementation of Accounting and Understanding of Village Fund Allocation at the Multi-Purpose BUMDes of Sidomulyo Village are:

1. Understanding the Application of Accounting in presenting Financial Reports that do not comply with applicable standards
2. Village funds are allocated based on priorities set by the village government, but transparency and accountability
3. Human Resources (HR) are inadequate

2. Conclusion

This study highlights the need for BUMDES Madiun to improve accounting practices and understand village fund allocations to ensure transparency, accountability, and effective financial management. The recommendations include:

1. Implement standard accounting practices in accordance with national regulations.
2. Improve transparency and accountability of village fund allocations through regular reporting and monitoring.
3. Provide training and capacity building for BUMDES officials on accounting practices and village fund allocations.

By implementing these recommendations, BUMDES Madiun can improve its financial management, increase transparency and accountability, and encourage sustainable development in the community.

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