

Treatment of Village Fund Accounting Records in Noemuke Village

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ABSTRACT

The aim of this research is to determine and analyze the treatment of accounting for village funds in Noemuke Village, as well as its conformity with applicable laws and regulations, especially Permendagri Number 20 of 2018 concerning Village Financial Management. This research uses a descriptive qualitative approach with data collection techniques through interviews, observation and documentation. The research results show that village fund accounting records in Noemuke Village have mostly been carried out in accordance with applicable regulations, but several obstacles are still found, such as limited human resources who have competence in accounting and a lack of technical training for village officials. This research suggests the need to increase the capacity of village officials in financial management and more optimal supervision so that accountability and transparency in managing village funds can be achieved. This is to find out the treatment of accounting for village funds in Noemuke Village. The results of the research show that the head of Noemuke Village is not efficient in accounting for village funds and accountability reports. This is because the Noemuke village head is not open to the community regarding financial reports and village fund accountability reports. The village head also does not provide information regarding the final report on the use of village finances to the community and does not know the final use of existing budget funds.

Keywords: Accountability, Accounting Records, Financial Management, Noemuke Village, Village Funds

INTRODUCTION

To achieve national development, villages are the leading government agents that can reach real target groups, who wish to prosper. The development of the economic base in rural areas has long been carried out by the government through various programs (Karim, et al, 2021). However, These efforts have not produced satisfactory results as desired. There are many factors that cause the lack of success of these programs. One of the most dominant factors is that government intervention is too large, the result of which is actually hampering the creativity and innovation of village communities in managing and running economic machines in rural areas. The economic institutional systems and mechanisms in rural areas do not operate effectively and have implications for dependence on government assistance, thus ensuring a spirit of independence (Mazur & Tomashuk, 2019). According to (Law Number 43, 2024) it is a regulation that regulates village implementation. This law regulates various aspects related to village government, including village authority, village financial management, and village government administration. Village authority, villages have authority based on their original rights and local village-scale authority (Silubun, et al, 2020). Villages also have the right to manage budgets sourced from village funds and other legitimate income. Village Financial Management: Village finances must be managed transparently, accountably, participatively, and carried out in an orderly and budgetary manner. The village head is responsible for managing village finances, from planning to accountability.

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Village financial management is a whole activity which includes planning, implementation, administration, reporting and accountability of village finances (Pangayow & Patma, 2021). Village financial management is a total of activities consisting of planning, implementation, administration, reporting and accountability for village financial reports. Good village financial management is village management that is in accordance with the guidelines set by the government regarding village financial management (Temenggung, 2016). Village financial management must have internal control and a good and adequate accounting system so that the quality of the financial reports produced can be accounted for. Noemuke Village is one of the villages located in South Amanuban District, South Central Timor Regency (TTS), East Nusa Tenggara Province (NTT). In general, Noemuke village has the characteristic of being a village where most of the area is hills with vegetation typical of dry areas such as palm trees, teak and other hardy plants. Geographical Location, Located in the southern region of TTS Regency, with road access mostly in the form of dirt or rocky roads, although several points have begun to be repaired. This village is quite far from the district city center. Residents, The majority of Noemuke village residents make their living as dry land farmers, livestock breeders and local craftsmen. The community in this village generally consists of the indigenous Amanuban tribe whose customs and traditions are still strongly maintained. The village economy relies on seasonal agriculture such as corn, sweet potatoes, nuts, and the processing of tamarind tree products into income each season. Cattle, goat and pig farming also supports the local economy. Cultural and social: The social life of the Noemuke village community is very strong in the values of mutual cooperation and local customs.

Village Funds According to Regulations (Minister of Home Affairs No. 20, 2018) the definition of Village Financial Management is all activities starting from planning, implementation, administration, reporting and accountability of village finances. Village finances are managed based on the principles of transparency, accountability, participation, and are carried out in an orderly manner and with budget discipline (Lubis, et al, 2022). Village financial management starts from January 1 to December 31 or one regulatory budget year (Minister of Home Affairs Regulation No.20, 2018). In implementing village financial management, the village head serves as PKPKD (Village Financial Management Authority Holder). The village head can give some of his authority to the village secretary, section head, and head of financial affairs as PTPKD (Village Financial Management Technical Implementer). The village head as the technical implementer of village financial management has several authorities in managing village finances, such as setting policies for the implementation of the APBDs, giving authority to the technical implementer of village financial management. determine and designate employees whose duties are to collect village revenues, approve expenditure burdens on the APBDs, and carry out activities that may result in expenditures in the APBDs. The technical implementer of village financial management has the task of assisting the village head in implementing village financial management.

Villages are frontline agents of national development because they can reach the real target groups whose welfare the state seeks to improve; rural economic development has long been pursued through a variety of government programs, yet the results have often fallen short of expectations. One prominent reason is excessive government intervention, which can unintentionally suppress local creativity and innovation in managing rural economic engines; institutional arrangements and rural economic mechanisms therefore frequently operate suboptimally, generating dependency on external assistance rather than fostering self-reliance. Recent literature on Indonesia's Village Fund (Dana Desa) and related local institutions confirms this mixed record: while large transfers to villages have supported infrastructure and the creation of village-owned enterprises (BUMDes), the effects on inclusive employment, sustained economic opportunity, and household welfare are uneven and context-dependent (Arifin et al., 2020; Permatasari et al., 2021). Empirical analyses show that village funds can increase the number of BUMDes and improve some local development indicators, yet increased numbers of enterprises do not always translate into broader employment gains or lasting

empowerment without complementary institutional capacity, risk management, and community participation (Arifin et al., 2020; Hilmawan et al., 2023; Gani et al., 2023). Case evidence from disaster-affected regions likewise indicates that village funds have had a measurable role in post-disaster recovery, but spending priorities have not always emphasized agricultural economic empowerment or long-term resilience (Apriyani & Ginting, 2022). Taken together, these studies suggest that devolved fiscal resources like the Dana Desa have clear potential to support locally driven development, but achieving sustained and equitable outcomes requires stronger local governance, improved accounting and risk-management practices, capacity building for village officials, and mechanisms that channel funds into productive, locally appropriate uses rather than creating dependency (Permatasari et al., 2021; Gani et al., 2023; Hilmawan et al., 2023).

LITERATURE STUDY

Village funds

According to Regulation (Minister of Home Affairs No. 20, 2018), Village Financial Management encompasses all activities, from planning, implementation, administration, reporting, and accountability for village finances. Village finances are managed based on the principles of transparency, accountability, and participation, and are conducted in an orderly and disciplined manner. Village financial management begins on January 1 and runs through December 31, or one fiscal year, as stipulated in Regulation (Minister of Home Affairs No. 20, 2018).

In implementing village financial management, the village head serves as the Village Financial Management Authority Holder (PKPKD). The village head may delegate some of his authority to the village secretary, section heads, and the head of financial affairs, acting as the Technical Implementer of Village Financial Management (PTPKD). As the technical implementer of village financial management, the village head has several authorities in village financial management, such as establishing policies regarding the implementation of the Village Budget (APBDes) and granting authority to the Technical Implementer of Village Financial Management. Identify and appoint employees responsible for collecting village revenue, approving expenditures in the Village Budget (APBDes), and carrying out activities that may incur expenditures in the APBDes. Technical implementers of village financial management are tasked with assisting the village head in implementing village financial management.

According to (Mardiasmo, 2009), fiscal decentralization from the central government to village governments for the purpose of community empowerment and accelerating village development, village funds are an instrument to increase village fiscal capacity so that they can implement community-based development. A village is the smallest unit of government related to citizens and falls under the sub-district level. It has the authority and autonomy to regulate and manage its own region based on local customs. As stipulated in (Law No. 6, 2004), a village is a legal community unit with territorial boundaries authorized to regulate and manage government affairs and local community interests based on community initiatives, ancestral rights, and/or traditional rights recognized and respected within the government system of the Unitary State of the Republic of Indonesia. Therefore, this unit has authority in the areas of village governance, village development, village community development, and village community empowerment based on village customs and local village government.

According to Law No. 6 of 2004, village government is the administration of government affairs and the interests of local communities within the Indonesian government system. The law also states that the village government is the village head or other designated authority, assisted by village officials as elements of the village administration. To regulate and manage village affairs, the village government creates village regulations, the drafting of which is carried out through village deliberations. These deliberations are attended by the village head, the Village Consultative Body (BPD), village officials, and community members.



According to Eko, village funds are funds sourced from the State Budget (APBN) provided to villages as a form of recognition and respect for their ability to manage governance, development, and community empowerment independently and sustainably. Sutoro Eko emphasized that village funds aim to strengthen village autonomy, allowing villages the flexibility to determine development directions that align with the needs of the local community.

Village Government Accounting

According to (Government Regulation of the Republic of Indonesia Number 71, 2010) concerning government accounting standards, accounting is the process of identifying, recording, measuring, classifying, summarizing financial transactions and events, presenting reports, and interpreting the results. Regional financial accounting is the process of identifying, measuring, recording, and reporting economic (financial) transactions of regional government entities (districts, cities, or provinces) which are used as information in the context of economic decision-making by external parties of regional government entities that require it. Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management was issued at the end of 2014. The regulation regulates village financial planning and budgeting, implementation, administration, reporting and accountability. This latest regulation replaces Minister of Home Affairs Regulation Number 37 of 2007.

Based on Attachment I (Permendesa Number 11, 2019), the process for determining the use of village funds consists of a Village Deliberation, preparation of a village government work plan, preparation of a draft priority use of village funds, determination of the priority plan for village fund use, preparation of a draft Village Budget (APBDes), and review of the draft APBDes. During the planning stage, the village government prepares the APBDes, which essentially refers to the village government's work. The village government's work plan is the village development plan to be implemented by the village within a specific fiscal year. The village government's work plan is based on the Village Medium-Term Development Plan (RPJM) previously developed by the village. The village government's work plan is formulated through joint deliberations between the village head, village officials, the Village Consultative Body (BPD), and community elements.

In preparing the APBDes, a draft APBDes is produced. The draft APBDes is then submitted to and evaluated by the regent/mayor. The evaluated draft APBDes is then enacted by the village head as a village regulation on the APBDes. The Village Budget (APBDes) is valid from January 1 to December 31, or one fiscal year. Village government accounting is a system used to record and report all village financial transactions by applying the principles of accountability, transparency, participation, and budget discipline (Setyorini, et al, 2021; Kurniawan & Witono, 2023). This system aims to ensure that village financial management is carried out effectively, efficiently, and in accordance with applicable regulations, thereby improving the welfare of village communities and encouraging sustainable development. Mardiasmo also emphasized that village government accounting must adhere to the cash-based to accrual-based Government Accounting Standards (SAP), as stipulated in Government Regulation No. 71 of 2010, to ensure transparent and accountable recording and reporting of village finances.

According to (Halim A., 2007), government accounting is the process of recording, classifying, summarizing, and reporting financial transactions within the government to prepare financial reports in accordance with applicable standards. The purpose of government accounting is to provide relevant and reliable information regarding financial position, budget realization, and cash flow, supporting decision-making by internal and external government parties. It serves as a means of public accountability for the management of state/regional finances.

Village Fund Accounting Recording Treatment

According to Regulation (Government of the Republic of Indonesia Number 71, 2010) concerning Government Accounting Standards, accounting is the process of identifying, recording, measuring, classifying, and summarizing financial transactions and events, presenting reports, and interpreting the results. Regional financial accounting is the process of identifying, measuring, recording, and reporting economic (financial) transactions of a local government entity (regency, city, or province) to serve as information for economic decision-making by parties external to the local government entity.

Regulation (Minister of Home Affairs Number 113, 2014) concerning village financial management has been issued. This regulation governs village financial planning and budgeting, implementation, administration, reporting, and accountability. This latest regulation replaces Regulation of the Minister of Home Affairs Number 37 of 2007.

Village fund accounting is the process of recording, measuring, and reporting financial transactions related to the use of village funds in accordance with applicable accounting standards and regulations, to ensure transparency, accountability, and effectiveness in village financial management (Bakhtiar, 2021). The accounting treatment for village funds refers to the village financial cycle, which consists of several stages: Planning, Implementation, and Reporting.

According to (Bastian, 2010), village government accounting is part of public sector accounting, which functions to record and report all financial activities periodically for the purpose of public accountability. Based on the views of the experts mentioned above, it can be concluded that the accounting treatment for village funds must adhere to the principles of transparency and accountability, refer to official systems and regulations (e.g., the Village Financial System), and align with cash-based accounting principles to accrual.

According to (Rochmah, 2007), village fund recording must comply with Regulation (Permendagri) No. 20, 2018) (Permendagri No. 20, 2018) (Rahayu, 2019), which regulates village financial management from planning to reporting. There is a need for a village financial information system (Siskeudes) which is used to record financial transactions. Compliance with regulations is an indicator of the success of village financial management, and there is a need to increase the capacity of village officials in the field of accounting.

Village Financial Accounting Standards

Law Number 6 of 2014 concerning villages states that village governance is based on the principle of accountability. This principle of accountability in village governance includes village financial management. Village finances, which encompass all village rights and obligations that can be measured in money, as well as all monetary and in-kind matters related to the implementation of village rights and obligations, are managed transparently and responsibly. In accordance with Law Number 6 of 2014 concerning villages, the government conducts training and supervision by providing guidelines and standards for the implementation of village governance. To ensure transparent and accountable village governance, regulations regarding village financial accountability are required. Accountability for village financial implementation is manifested in village government financial reports. To ensure adequate village financial accountability, village government financial reports are prepared and presented in accordance with Village Government Accounting Standards (SAPDesa).

The SAPDesa is prepared by the independent Government Accounting Standards Committee (KSAP) and stipulated in a Government Regulation after prior approval from the Supreme Audit Agency. The SAPDesa is prepared by the KSAP through a standard due process. The standard process for preparing the Village Accounting Standards (SAP) is the professional responsibility of the Village Accounting Unit (KSAP). According to Government Regulation of the Republic of Indonesia Number 71, 2010, concerning Government Accounting Standards (SAP), village fund



recording must follow cash-based accounting standards, moving toward accrual accounting. This means that revenue is recognized when received, while expenditures are recognized when paid. According to Sumodiningrat (2019), the implementation of accounting standards in village fund management aims to increase transparency and minimize the risk of irregularities.

Previous research relevant to this study includes the work of Handayani (2018), which examined the implementation of the Village Financial System (Siskeudes) in recording village funds. The findings indicated that although Siskeudes was designed to facilitate village financial management, challenges remain, such as the complexity of the application and the low competency of human resources. Rahayu (2019) explored village compliance in implementing the Ministry of Home Affairs Regulation (Permendagri), revealing that village financial planning had generally adhered to the regulation, yet certain aspects still required improvement in its implementation. Widodo (2020) investigated the effectiveness of village fund recording in enhancing transparency and accountability, finding a significant positive influence of accountability and transparency on the effectiveness of village financial management. The higher the level of accountability and transparency in the use of village funds, the better the management effectiveness. The author selected the above studies due to their shared focus on the accounting treatment of village funds. However, the difference between these previous studies and the current research lies in the specific focus on the accounting treatment of village funds in Noemuke Village during the period 2021–2023.

METHOD

This research was conducted in Noemuke Village, Amanuban Selatan Subdistrict, South Central Timor Regency. The population in this study consists of all parties involved in the management of village funds in Noemuke Village, Amanuban Selatan Subdistrict, including the Village Apparatus (Village Head, Village Secretary, and Village Treasurer), members of the Village Consultative Body (BPD), village facilitators, and community members who participate in village meetings or benefit from development programs funded by village funds. The total number of individuals directly managing village finances is two. The sample, as defined by Sugiyono, represents a subset of the population that possesses certain characteristics relevant to the study. Based on field observations, the sample in this research comprises the two individuals responsible for managing village finances in Noemuke Village for the years 2021–2023. This sample selection was conducted using purposive sampling, determined by the leadership's recommendation and the informants' knowledge of the subject.

The data used in this study consist of primary data—obtained directly through interviews and observations with the village head, secretary, treasurer, and other officials regarding the accounting treatment of village funds—and secondary data, which include official village financial reports, regulatory documents, academic literature, and research journals relevant to the accounting treatment of village funds. Primary data sources involve direct interviews with key stakeholders such as the village head (on policy matters), the village treasurer (on technical recording and reporting), the village secretary (on administrative and financial documentation), and the BPD (on oversight functions). Secondary sources include official archives held by the village or local government, as well as reputable journals, books, and credible websites. Data collection methods include structured or semi-structured interviews, direct observation of manual or Siskeudes-based accounting practices, and documentation review of written, visual, or archival records related to the research topic. Data analysis focuses on identifying, measuring, recording, and reporting financial transactions in accordance with the applicable government accounting standards (SAP). This involves evaluating the procedures, transparency, and accountability in recording village funds, examining compliance with regulations, and identifying any potential misuse or irregularities in fund management.

RESULTS AND DISCUSSION

Results

Availability of Adequate Information Regarding Village Funds Adequate information is an important aspect in improving village development, for this reason the village government plays an active role in ensuring openness of information regarding village funds to the community. The information provided to the community is actual and accurate information, not fictitious information in order to avert the responsibility of the village government. With adequate information, the Noemuke village community is able to monitor every village development activity that has been jointly planned as outlined in the Village Medium Term Development Plan (RPJMDesa) and Village Development Work Plan (RKP Desa). Information disclosure is an obligation of the Noemuke village government as it is responsible for managing the village government, especially the use of village funds.

Table 1. Noemuke Village Government 2021 Financial Report

Source Of Income	Details	Amount	Presentation
Village funds	transfer from central government transfer from regional government	120.000.000	83,33
Allocation of village funds	transfer from local government	24.000.000	16,67
Original village registration	regional business results from levies and asset rentals	14.000.000	8,86
Provincial or district finalcial assestance	assistance from other areas	15.922.469	8,66
Other income	other unbound assistance himba	10.000.000	5,44
Total		183.922.469	100

Source: Noemuke Village Treasurer Data

Details of the use of the village budget amounting to IDR 173,922,469 which is divided into six main areas. The largest allocation was used for Infrastructure Development amounting to 63.26%, followed by Community Empowerment (11.50%) and Education & Health (7.43%). Other fields such as Village Government, Emergency Funds, and Social Culture each receive an allocation of around 5–6%. This reflects the main focus on physical development and community empowerment as in the table below.

Table 2. Noemuke Village Government Village Revenue and Expenditure Budget for Fiscal Year 2022

Field	Details	Amount	Presentation
Infrastructure development	Implementation of village government	410.000.000	80,27
community empowerment	Implementation of village development	90.715.485	17,76
Education and health	Village community development	10.000.000	1,96
Village government	Disaster management	10.000.000	1,85
Emergency and disaster funds	Commemoration of village holidays, local cultural activities, community social assistance	10.000.000	1,85
Social and cultural	Disaster management	9.000.000	1,65
Total		639.231.485	639.231.485

Infrastructure development, details of village government implementation activities budget, IDR 410,000,000 Percentage 80.27%. This is the largest budget item, namely more than 80% of the total budget. Most likely used for physical development such as roads, bridges, public facilities and village government operations. Community empowerment, details of activities, implementation of village development, budget IDR 90,715,485 Percentage 17.76%. These funds are allocated for activities that encourage community independence, such as training, developing MSMEs, or other productive economic activities. Education and health details of village community development activities budget Rp. 10,000,000 Percentage 1.96%. This fund is quite small, used for activities related to education and public health, such as counseling or basic health services. Village Government, details of activities are not specified specifically budget Rp. 10,000,000 Percentage 1.85%. This allocation may be intended for administrative activities, training of village officials, or village operations that are not included in physical development. Emergency and disaster funds, details of disaster management activities, budget Rp. 10,000,000 Percentage 1.85%. Reserve funds for handling natural disasters or emergency events that occur in the village. Social and cultural, details of activities, commemoration of village holidays, local cultural activities, community social assistance budget: IDR 9,000,000 Percentage 1.65%. These funds are used for social and cultural activities such as commemorating national/village holidays, local cultural activities, and social assistance.



Discussion

Availability of Adequate Information on Village Funds

Adequate information is one of the key aspects in improving village development; therefore, the village government plays an active role in ensuring transparency regarding village funds to the community. The information provided to the public must be factual and accurate, not fictitious, in order to avoid the impression that it is merely fulfilling a formal obligation. With adequate information, the people of Noemuke Village are able to monitor every village development activity that has been jointly planned and documented in the Village Medium-Term Development Plan (RPJMDesa) and the Village Development Work Plan (RKP Desa). Transparency of information is the responsibility of the Noemuke Village Government as part of its accountability in managing village administration, particularly in the use of village funds.

The obligation to implement information transparency is regulated by Law No. 14 of 2008 concerning Public Information Disclosure (UU KIP) and Ministerial Regulation No. 6 of 2018 concerning public information services and complaint handling within the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration. Based on the author's findings, the Noemuke Village Government has taken steps to provide the necessary information to the public regarding the transparency of village fund utilization, including the installation of information boards and banners outlining the general use of village funds. Additionally, information boards detailing the use of funds for each physical development or community development activity have also been placed. The availability of adequate information on village funds is crucial for enhancing transparency and accountability in village fund management. It enables the community to monitor fund utilization, participate in village planning and budgeting, and hold the village government accountable.

Community Knowledge of Local Government Administration

The people of Noemuke Village generally have limited knowledge regarding local government administration. Local government administration encompasses all activities carried out by regional governments (provincial and district/municipal) in performing governance functions, including development planning, public service delivery, and regional financial management. Village governments, such as Noemuke Village, form the lowest yet highly strategic level of this administrative system. While most villagers recognize the village head and village officials, many do not fully understand the relationship between the village government and the district or provincial government. Villagers tend to be aware of the duties of the village head but are less familiar with the roles of subdistrict heads (camat), regents (bupati), or regional legislative councils (DPRD) in decision-making that affects the village. Some villagers are familiar with terms such as "village meeting" (musyawarah desa) and "village funds" (dana desa), yet few understand the regional budgeting cycle (APBD) and the role of the village in submitting development proposals to the district. Several factors influence this limited knowledge, including low levels of formal education and political literacy, minimal public policy outreach from district/provincial governments, and a passive participatory culture where residents tend to accept decisions without active involvement. Overall, the community understands village funds as financial resources allocated by the central government through the state budget (APBN) to villages via the district/municipal budget (APBD), intended to finance various development and community empowerment programs aimed at improving village welfare.

Enhancing Community Trust in Village Fund Management

Public trust in village fund management in Noemuke has improved, largely due to the empowerment of local communities in village development projects, especially through labor-intensive programs.



By engaging community members in project implementation, the government fosters a sense of ownership and accountability, strengthening trust between residents and the village administration.

Increasing Community Participation in Village Fund Activities

Participation is essential for good governance. One of the driving factors of village development is active involvement of the community. Residents who understand the importance of village development are more likely to support and contribute to government initiatives. The Noemuke Village Government has taken measures to uphold transparency in encouraging community participation. Increased public participation aligns with improved village development outcomes and the realization of good village governance. In Sunggumanai Village, for example, residents have actively engaged in development activities, attending village meetings to discuss project planning and participating in project implementation. This indicates that the village government has been effective in fostering community involvement in governance.

Allocation of Realized Village Funds

Based on interviews with the Head of Noemuke Village, Mrs. Oryanty Lette, as well as direct observation, it was found that the planning and utilization of village funds have been carried out in accordance with applicable regulations. The disbursement and use of Village Fund Allocation (ADD) in Noemuke have been well-documented, with funds being used appropriately in governance and village development activities. The distribution of funds has been conducted in compliance with existing regulations. Village fund management is a social process involving interaction between multiple stakeholders, including the central and district governments, village officials, and the community. This process is closely integrated with the regional budget (APBD) and begins with planning discussions in village development forums. Village funds (Dana Desa) are allocated through the state budget (APBN) and transferred to villages via the district/municipal budget (APBD). These funds are intended to support governance, development, community development, and empowerment activities in Noemuke Village. Regional financial management is crucial to prevent irregularities, corruption, and misuse of state funds in practice. The results of interviews and observations based on the data above indicate that the use of village funds indicates that the overall planning of Pante Deere village utilization, in terms of transparency regarding the use of village funds in Noemuke Village, Kabola District, Alor Regency, has been running quite well.

Unrealized Use of Village Funds

Unrealized use of Village Funds generally occurs due to several factors, such as a mismatch between planned and actual activities, incomplete preparation of the Village Budget (APBDes), or the presence of remaining Village Funds in the Village Budget (RKUD). Other factors that can cause unrealized Village Funds include a lack of professionalism among village officials in preparing the APBDes and reporting on their use, as well as a lack of transparency in the management of village funds. The table above shows the amount of unrealized funds in Noemuke Village from several previous fiscal years and provides reasons or explanations for why these funds have not been used. In 2021, funds amounting to Rp 10,000,000 have not been realized, the reason being that the funds were not used or their use was postponed. This could be because the planned activities were not implemented or there was a change in priorities. In 2022, funds amounting to Rp 178,948,441 have not been used, the same reason as in 2021, these funds were also not used or their implementation was postponed. It is likely that there were activities that were canceled, postponed, or could not be implemented for technical or administrative reasons.

CONCLUSION

Based on the research findings presented above, it can be concluded that the accounting treatment for village funds in Noemuke Village can be evaluated by focusing on the financial statements of the village funds and the availability of adequate information. In terms of information availability, the results are considered satisfactory, with the community demonstrating a sufficient level of knowledge regarding village governance. There has been an increase in community participation in development activities, which has also been rated as satisfactory. Overall, the accounting treatment of village funds in Noemuke Village, Amanuban Selatan Subdistrict, South Central Timor Regency, has been implemented fairly well. The availability of information in every stage of policy formulation and implementation has been sufficiently good, as the Noemuke Village Government conducts its activities transparently. Information on the use of village funds, both in terms of nominal amounts and planned allocations for each program, is communicated to the entire community and local leaders through village forums. Furthermore, transparency is reinforced through information boards, billboards, and the installation of plaques upon the completion of development projects.

Community knowledge of village funds is also considered satisfactory, reflected in the responsiveness of both the residents and the village government. The villagers understand which programs will be implemented and how the funds will be allocated. Public trust in the village government has improved, as evidenced by the empowerment of local communities in development programs through labor-intensive schemes, provided that the community members have the capacity to participate. Furthermore, community participation in village fund activities has shown positive results. The Noemuke Village Government has successfully applied the principle of community participation in development, particularly through labor-intensive approaches, fostering a mutually beneficial relationship between the village government and the local community.

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