

# ***Application of The Principles of Financial Management in The Management of Village-Owned Enterprises (BUMDES) Bhakti Karya Kalibubuk Villages***

## ***A Study of The BUMDES Bhakti by The Village of Kalibubuk***

Angga Putra Kesawa,  
Accounting Department  
Universitas Pendidikan Ganesha  
[anggakesawa88@gmail.com](mailto:anggakesawa88@gmail.com)

I Gede Mulya Pradipta  
Management Department  
Universitas Pendidikan Ganesha  
[mulyapradiptagede@gmail.com](mailto:mulyapradiptagede@gmail.com)

Gede Nanda Afrivania  
Hotelier Department  
Universitas Pendidikan Ganesha  
[gedenandayuser@gmail.com](mailto:gedenandayuser@gmail.com)

**Abstract** - The maximum development of BUMDes management in a village is expected to be able to improve the economy and at the same time influence the decrease in poverty levels in the village. In Buleleng Regency, since 2014, 108 BUMDes have been built from 129 existing villages. One of the BUMDes in Buleleng Regency is BUMDes Bhakti Karya, which is located in Kalibubuk Village. BUMDes in Kalibubuk Village is engaged in shop matters. One step that can be taken in managing the BUMDes is to apply the principles of financial management. The research method used to examine these problems is a cumulative descriptive research instrument namely interviews and literature studies. From this research, it is known that BUMDes Bhakti Karya is still new, so the planning and management of BUMDes is still not optimal, this BUMDes is still adjusting to the high level of competition in this Kalibubuk Village. Therefore management of business management has not been done thoroughly. So it can be concluded that BUMDes Bhakti Karya Kalibubuk Village has applied the principles of financial management, but it has not been maximized.

**Keywords:** principles, financial management, BUMDes

### I. INTRODUCTION

The village, according to the Big Indonesian Dictionary, village is a unitary area that is inhabited by a number of families that have their own governmental systems, namely headed by a Village Head. The village can also be interpreted as a group of houses outside the city which is a unit. The maximum development of BUMDes management in a village is expected to be able to improve the economy and at the same

time influence the decrease in poverty levels in the village concerned. The village is the most basic place for people to do socialization, regardless of having a family.

In its development, of course the community is not only able to develop themselves but also try to develop the village where they live. One way for the community to develop villages is to form a Badan Usaha Milik Desa (BUMDes). Mentioned in Permendagri No. 39 of 2010 concerning BUMDes, that to improve the financial capacity of the village government in administering government and increase community income through various economic activities of rural communities, a village-owned business entity was established in accordance with the needs and potential of the village. Moving on from this regulation, the presence of BUMDes in a village is very beneficial. BUMDes management in a village is expected to help improve the economy while helping villages to reduce poverty. It is said so because BUMDes is expected to be able to move in line with the efforts of village officials and the community to increase sources of income that really originate from the village. Besides BUMDes will also be used as a wheel that can move the economic activities of the community [1].

Many things can be done in the BUMDes such as running a shop, setting up a traditional market, livestock business or can also manage the clean water in the village. In addition to the many things that can be done to develop BUMDes, the initial formation is also quite easy, one of which is the provision of

capital for its development, the village can enter the BUMDes development plan into the Village Budget [2].

As explained by the Head of the Village Community Empowerment Agency of the Regency of Buleleng, quoted in, Suprobo, 2018, wartaekonomi.co.id, in the Regency of Buleleng, since 2014, 108 BUMDes have been built from 129 villages in the Regency of Buleleng. The success of some of the BUMDes that are developed is expected to be able to influence other villages both within the area of the Regency of Buleleng and how many villages outside the Regency of Buleleng.

One BUMDes in Buleleng Regency is BUMDes Bhakti Karya, which is located in Kalibukbuk Village. This BUMDes has previously been stalled in its construction in 2016, but then it has been developed until now the BUMDes have been operating. BUMDes in Kalibukbuk Village is engaged in shopping. Its location is very strategic, namely on the Singaraja-Seririt highway, where the road is a public road which of course is very much traversed by vehicles. Apart from its strategic location, BUMDes can also run well because of the management of the BUMDes. One step that can be taken in managing the BUMDes is to apply the principles of financial management. Where by applying these principles can help the management of BUMDes be even better

This study aims to find out how to apply the principles of financial management in the management of Badan Usaha MilikDesa. This study is located at BUMDes Bhakti Karya, Kalibukbuk Village. The difference in research made with previous research is on the subject matter. Previous research used as a reference emphasizes the role of BUMDes for the village concerned while this research emphasizes the management of BUMDes especially the application of financial management. Therefore, it is necessary to conduct a study entitled "*Application of Financial Management Principles in the Management of Badan Usaha MilikDesa (BUMDes) Bhakti Karya Village of Kalibukbuk (Study on BUMDes Bhakti Karya Village of Kalibukbuk)*"

- 1.1 Problem Formulation
  - 1.1.1 Financial Management Function in Management of BUMDes Bhakti KaryaKalibukbuk Village
  - 1.1.2 How to apply the principles of financial management in the management of BUMDes Bhakti KaryaKalibukbuk Village?
- 1.2 Research Purposes
  - 1.2.1 To know the Function of Financial Management in the Management of BUMDes Bhakti KaryaKalibukbuk Village
  - 1.2.2 To know the application of financial management principles in the management of BUMDes Bhakti KaryaKalibukbuk Village
- 1.3 Significance of the research
  - 1.3.1 Benefits for the peoples  
Providing additional knowledge to the public about the principles of financial management so as to manage BUMDes or other businesses they have, the community can apply these principles so that they obtain maximum results.
  - 1.3.2 Benefits for Researchers

Researchers can further deepen their knowledge of the science of financial management in general and the principles of financial management in particular. And researchers can apply appropriate media in the material principles of financial management.

## II. LITERATURE REVIEW

### 2.1 Badan Usaha MilikDesa (BUMDes)

Badan Usaha MilikDesa(BUMDes) are businesses run by the Village Government based on the spirit of kinship and mutual cooperation. Badan Usaha MilikDesa are businesses whose entire or most of the capital is owned by the Village through direct participation from village assets that are separated for the management of assets, services, and other businesses as much as possible for the welfare of the village. Badan Usaha MilikDesa which are often referred to as BUMDes is a village business institution managed by the village government as well as the village community with the aim of strengthening the village economy and is formed based on the needs and potentials in the village. BUMDes is a business entity that is able to help the community in all things including meeting their daily needs, becoming a business opportunity or employment, adding to the insight of the village community.

Legally, Badan Usaha MilikDesa (BUMDes) are legitimized through Law No. 6 of 2014 concerning Villages. Article 87 Paragraph (1) states "Villages can establish Badan Usaha MilikDesa called BUMDes". Further provisions regarding Badan Usaha MilikDesa are regulated in Permen No. 4 of 2015 which explains about the establishment, management and management of Badan Usaha MilikDesa. This provision emphasizes the Badan Usaha MilikDesa to develop the economy of rural communities. Basically, the establishment and management of BUMDes is a form of productive village economic management that is carried out cooperatively, participatively, emancipatively, transparently, accountably and sustainably. For this reason, it requires serious management of BUMDes in order to be able to run independently, effectively and professionally. Not only that BUMDes also has characteristics including:

1. Full authority in the hands of the village, and managed together with the village community
2. Joint capital is sourced from the village by 51% and from the community 49%, done by equalizing capital (shares or shares).
3. Use business philosophy that is rooted in local culture to carry out operational activities. The operationalization process is jointly controlled by the BPD, the Village Government and community members. For the fields chosen for rural enterprises, they are adjusted to the market's potential and information.
4. The profits derived from production and sales are aimed at increasing the welfare of members and villagers through village policies.
5. Provision of facilities and supervision is carried out by the Provincial Government,

## Regency Governments, and Village Governments.go

The purpose of Badan Usaha MilikDesa is to improve the village economy, optimize village assets to be useful for village welfare, increase community efforts in managing village economic potential, develop business plans for inter-village business cooperation and / or with third parties, create opportunities and market networks that are supporting the needs of public services, opening up employment opportunities, increasing the welfare of the community through improving public services, growth and equitable distribution of the village economy, and increasing the income of the village community and the original income of the village. Achieving this goal can only be realized if the Badan Usaha MilikDesa are developed in accordance with the potential of each village. Not because of the opportunity to use the village income and expenditure budget for venture capital to establish and develop a Badan Usaha MilikDesa.

According to the Regulation of the Minister of Villages, Development of Disadvantaged Areas, and Transmigration of the Republic of Indonesia No. 4 of 2015 concerning the Establishment, Management, and Management and Disbanding of Badan Usaha MilikDesa Article 4 mentioned about the Establishment of BUMDesare :

1. Villages can establish BUMDes based on village regulations regarding Establishment of BUMDes

2. Villages can establish BUMDes as referred to in paragraph (1) by considering matters such as:

- Village government and / or village community initiatives
- Village economic potential
- Village natural resources
- Human resources capable of managing BUMDes
- Equity participation from the village government in the form of financing and village assets submitted for management as part of the BUMDes

3. Establishment of BUMDes was agreed through village deliberations, as stipulated in Ministerial Regulations, Regulations of Disadvantaged Regions, and Transmigration concerning Guidelines for Standing Orders and Mechanisms for returning Village Deliberations.

4. The main topics discussed in the Village Deliberation as referred to in paragraph (1) include:

- Establishment of BUMDes in accordance with the economic and socio-cultural conditions of the community
- BUMDes management organization
- BUMDes venture capital
- BUMDes statutes and bylaws

5. The results of the village consultation agreement as referred to in paragraph (1) become a guideline for the Village Government and the Village Consultative Body to establish a Village Regulation concerning Establishment of the BUMDes

Management and Management of Badan Usaha MilikDesa (BUMDes) has a Unit of Organizational Form BUMDes consisting of business units that are legal entities in the form of business institutions whose share ownership comes from BUMDes and the community, and BUMDes does not have a legal entity, but forms BUMDes business entities are based on village regulations regarding the establishment of BUMDes as referred to in Article 5 paragraph (3). The classification of types of BUMDes businesses as intended in Article 19 are:

1. BUMDes can run a simple social business that provides public services to the community by obtaining financial benefits.

2. The BUMDes business unit as meant in paragraph (1) can utilize local resources and appropriate technology including:

- Village drinking water
- Village electricity business
- Food barns
- Local resources and other appropriate technology

3. Running a business of leasing goods by serving the village community and shown to obtain genuine village income

4. Running a business that produces or trades certain goods that meet the needs of the community or are marketed on a broader market scale

### 2.2 Financial Management

Financial management is an activity carried out in running a company, such as carrying out planning, analysis and introduction of financial activities. Activities in financial management can be grouped into two activities, namely activities in terms of using funds and activities to seek funding. Financial managers can obtain funding from the financial market. Financial markets can be in the form of the formal sector and also the informal sector. The formal sector can be in the form of banking, insurance, stock exchange, leasing, and so on. Then the informal sector can be in the form of social gathering, moneylenders, bonded labor, savings and loan groups and others.

From the results of the acquisition of these funds, the funds that have been collected will be invested in various company assets, this can help in carrying out company activities. With the assets that help this, the company can optimally carry out its activities. From the investment activities or investments that have been made, the company expects the results or profits that can exceed what has been given to the company. So that in running the company will try to get the maximum benefit. This maximum profit is inseparable from the role of financial managers in making decisions. The correct decision making is if the decision is in

accordance with the objectives to be achieved by the company, both in the form of an increase in the value of the company and for the welfare of the surrounding community[3].

### 2.3 Financial Management Principles

There are several principles that can be used in the application of financial management. The principles of financial management can be described as follows:

#### 1. The trade-off between risk and profit

Basically, in this principle, we should not increase risk if it is not followed by additional benefits that might be obtained by the company. In a situation a financial manager dares to do something that has a high risk because the financial manager expects that by doing so the company will get more profit compared to previous profits. If in running a company the risk of running a program or activity is high but it does not provide much benefit, then a financial manager should make a decision not to carry out activities or programs.

#### 2. Time Value of Money

The rationale for this principle is that the value of one rupiah today is more valuable than the value of one rupiah in the future. That is because the money we receive today we can use immediately to help the development of the company whereas if we expect the receipt of money in the future then we must bear a high risk because the time value of money from money in the future has a reduced risk value, such as the occurrence of inflation and a declining currency exchange rate. In short, people will value the income that will be received in the near future higher than what will be received over a long period of time.

#### 3. Cash - Not the amount of profit

Wealth that is owned by the company can be measured by looking at the flow or cash flow owned by the company and not seen from the accounting profit earned by the company at that time. Because accounting profit cannot reflect the actual condition of the wealth of the company, it is also very dependent on the accounting method used by the company. While cash flow is real money owned by the company, besides this real money can also be reinvested by the company so that it can greatly help the company.

#### 4. Incremental Cash Flow - Basic Calculation

Incremental cash flow is a difference that arises if an initial cash flow, operational cash flow and terminal cash flow are only carried out in a new project. This principle is usually used as a basis for business decisions, especially in the case of adding investment to investments that have been previously owned by an ongoing company.

#### 5. In Competitive Markets - It is Difficult to Obtain Abnormal Advantages

Abnormal profit is a condition where the company gets above the estimated profit or the clusters above normal. In today's highly competitive market, abnormal profits are very

difficult to achieve by a company. Because with this highly competitive competition, all aspects of the existing market compete for profit, sometimes this is also done by imitating and dropping competitors, this causes profit to be achieved only at its limits and cannot surpass it. One of the actions companies can take in overcoming this problem is by carrying out the differentiation of the products they sell. So, if the company sells a variety of products, the company does not only depend on sales results on one product. The profits obtained by the company can be obtained from each type of product sold, and this will not make a significant market competition on the company because if one product gets intense competition then the company still has other superior products.

#### 6. Efficient Capital Markets - A Fast Market and the Right Price

In the very rapid transaction movements that occur in this efficient capital market, companies must be able to determine the right price for each product sold by the company. The right price is the price created in the market, where the price is reasonable to reflect the value of the company. The treatment of earnings manipulation through changes in accounting methods cannot cause changes to stock prices. Market prices here are prices that arise because of the reflection of cash flow expectations for shareholders. With the company's ability to set the right price, it is expected that the company can maximize company profits.

#### 7. The Agency Problem - Managers Will Not Work For Owners If They Are Not Aligned With Their Interests

The company's goal in applying the principles of financial management is to maximize shareholder wealth, but in reality there are often problems, such as agency problems that often arise that are contradictory to their application in the field. Agency problems arise because there is a conflict between managers and shareholders of the company. One example of an agency problem is if the company manager cannot make the correct decision correctly. One of the objectives that must be achieved is the prosperity of shareholders, in carrying out the manager mixing personal affairs to benefit from this without thinking about how the impact will be experienced by the company's shareholders. It could be that this would be detrimental to shareholders and the interests of the company's investment. The loss from this problem is called agency cost, but this cost is difficult to calculate. In addition to incurring financing, this also has an impact on share prices that will decline.

#### 8. Tax Treatment Impacts Business Decisions

The difference in tax treatment will affect the cash flow of a company. The difference in tax treatment imposed by the policy maker will have an impact on the decisions to be taken by the company. If the government wants to create an investment climate, then the government should offer tax incentives, such as investment tax credits. With this policy, it reduces the number of tax obligations that must be borne by

the company. Because this will ultimately increase the net cash flow obtained by the company after tax.

9. Not All Risks Are the Same - Some Risks can Be Diversified and some are not

Risks can be divided into two, namely systematic risk and unsystematic risk. This systematic risk cannot be avoided by the company while the unsystematic risk can be minimized by the company, one of which is by diversifying. Diversification is an action to diversify investments that can minimize the risks received by the company. In ionic diversification it is also possible that two opposing events will overlap one another. This will reduce the variability in the overall rate of return on assets. If there is an incident where the company invests its shares in two types of shares, and one of the shares suffers a loss, then this loss can be minimized by investing elsewhere.

10. Ethical Treatment - Doing What Is Good and Ethical Is A Dilemma in Financial Management

Ethical behavior in running a company is not an easy thing to do and often creates a dilemma. Especially when managers have to combine corporate goals with stakeholders. If the company can implement ethical behavior and the overall goals of the company can be achieved, such as the interests of shareholders, social responsibility, and corporate sustainability, this can guarantee the company's long-term sustainability. The application of ethical treatment in a company is a very important thing to do. some of the questions that are often asked in applying this ethical behavior are if business mistakes can be forgiven, unethical behavior will end a career and the end of future opportunities. And usually the destruction that occurs within a company can be used as an experience, but this will reduce public confidence in violations of ethical standards[4].

### III. RESEARCH METHODOLOGY

#### 3.1 Research Subjects and Objects

The research subject is an object, thing, or person where the data for the research variable is attached to and at issue. Meanwhile, the object of research is an attribute or nature or value of people, objects or activities that have certain variations determined by researchers to be studied and their conclusions drawn (SuharsimiArikonto in[5]). In this research, the subject is BUMDes Bhakti KaryaKalibukbuk Village while the object is the application of the principles of financial management at BUMDes Bhakti KaryaKalibukbuk Village.

#### 3.2 Research Location

This research is located at BUMDes Bhakti Karya, Kalibukbuk Village. BUMDes Bhakti KaryaKalibukbuk Village is located on Lovina Big Street - Singaraja,

Kalibukbuk Village, Buleleng District, Buleleng Regency, Bali.

#### a. Research Analysis Techniques

The analysis technique used in this study is descriptive qualitative. Qualitative descriptive is a statistic used to analyze data by describing or describing data that has been collected as it is without intending to make conclusions that apply to the public or generalizations.

#### 3.4 Research Instruments

The instrument is a tool that meets academic requirements, so it can be used as a tool to measure a measuring object or collect data about a variable. The instruments used in this study include:

1. Interview to get the right information from trusted sources or in this case who understands information / knowledge about applying the principles of financial management. This research was conducted by interviewing PutuHeryTindraMarjaya as manager of BUMDes Bhakti KaryaKalibukbuk Village.
2. Literature study conducted in obtaining theoretical data as a basis for discussion in the preparation of research reports.

### IV. RESULT AND DISCUSSION

#### 4.1 Financial Management Functions in the Management of BUMDes Bhakti KaryaKalibukbuk Village

As explained in a theoretical study, financial management is an effort that is used to be able to assist managers in running a company in this case a business that they have, especially in managing their business finances. Financial management is very important to be managed in a business. The function of financial management in a business, especially BUMDes Bhakti KaryaKalibukbuk Village, has a very important influence, because it can help in things like the following:

##### 1. Financial Planning

In a company or business unit, financial planning is very much needed, such as compiling income plans, arranging expenses, and other activities within a certain period.

##### 2. Financial Budgeting

In financial budgeting the financial management must be able to budget capital in the company or business unit to be run.

##### 3. Financial Management

In financial management the use of funds in a company or business unit is done in a careful manner, this can greatly affect the company or business unit. if financial management is not good then the risk that can occur is bankruptcy.

##### 4. Financial search

At this point includes efforts, as well as finding sources of funds that are used for operational activities of the company or business unit.

##### 5. Financial Control

Financial control is evaluating and repairing financial systems that have defects in them, meaning that if a company or business unit

experiences an obstacle in the financial system, the company or business unit must exercise financial control with the aim of improving financial performance in the business.

#### 6. Financial Examination

This financial audit aims to anticipate irregularities by examining financial statements made by companies or business units.

#### 4.2 Application of Financial Management Principles in the Management of BUMDes Bhakti Karya Kalibukbuk Village

As explained in a theoretical study, financial management is an effort that is used to be able to assist managers in running a company in this case a business that they have, especially in managing their business finances. Financial management is very important to be managed in a business. The purpose of financial management itself in an effort is to survive, avoid financial pressures and bankruptcy, avoid competition, maximize sales, and market share, minimize costs, maximize profits and revenue growth. The normative goal of financial management is to increase the value of the company. To achieve this goal, there are principles that can usually be applied in a company. The application of this principle is very influential on a business run by business units such as BUMDes. Where the principles of financial management are very petrified to make it easier to consider something that will be done in the business and used as a guide in running a business. The application of the principles of financial management in the management of BUMDes Bhakti Karya Kalibukbuk Village can be explained as follows:

##### 1. The trade-off between risk and profit

Of course in every effort, consideration of every risk that will be encountered in the activities carried out is important. As the resource person said, every thing that will be done by BUMDes must always think about how the impact will arise both in the surrounding community and for the operations of BUMDes itself. Because BUMDes is part of the program owned by the village, all activities carried out are nothing but to help advance the village of Kalibukbuk. Because BUMDes Bhakti Karya is a relatively new business, the biggest risk is competition with other shops. However, this BUMDes is still engaged in buying and selling food and other raw materials because the profits obtained by BUMDes are also not small. So even though the risk of losing competitiveness is high, BUMDes is still able to run because of these benefits.

##### 2. Time Value of Money

According to the speaker, Putu Hery Tindra Marjaya, BUMDes is not too focused on the time value of money. It's just that every profit gained will be managed to help the management of BUMDes Bhakti Karya. Despite this lack of knowledge of the time value of money, at least the BUMDes management directly manages the profits, at least still applying this second financial management

principle. Because the management of profits or cash is done immediately, even though the manager does not know the principle of the time value of money which allows that the present value is said to be higher than in the future.

##### 3. Cash - Not the amount of profit

BUMDes Bhakti This work is focused on how BUMDes can help the village progress and prosper the surrounding community. BUMDes is not only focused on the profits, but how BUMDes can manage the capital that has been entrusted to BUMDes Bhakti Karya. Because of this, it means that BUMDes Bhakti Karya is focused on the cash flow in BUMDes, this cash flow can describe the value of the company. So, indirectly BUMDes pay more attention to the value of the company rather than profits.

##### 4. Incremental Cash Flow - Basic Calculation

The investment owned by BUMDes is in the form of tangible fixed assets that can assist the operations of BUMDes Bhakti Karya. The resource person explained, the replacement of the assets or goods is when the goods are damaged and cannot be used again, or when there is a donation from another party to replace the items. Replacement of goods is carried out to a minimum so that the benefits obtained can be more focused on helping to build the village.

##### 5. In Competitive Markets - It is Difficult to Obtain Abnormal Advantages

BUMDes Bhakti This work is engaged in buying and selling food and soft drinks and raw materials for cooking. Where not a few shops are still within the scope of a village that sells similar things, so the market competition is quite tight. With this intense competition, BUMDes is quite difficult to obtain abnormal profits. However, BUMDes Bhakti Karya is still able to obtain the expected benefits. According to the interviewees, the buying and selling activities that took place at BUMDes Bhakti Karya were very dependent on the trust of the community especially the people of Kalibukbuk Village. Community contribution and awareness is needed here, because BUMDes is one of the programs to develop the economy of the village concerned.

##### 6. Efficient Capital Markets - A Fast Market and the Right Price

The capital obtained from the village will be managed by the BUMDes manager as efficiently as possible so that the BUMDes goal to be able to help build the village can be achieved. As said by the informant, Putu Hery Tindra Marjaya, the determination of the price of the product sold will not differ greatly from the selling price of the product by other stores, with the intention that consumers remain comfortable to shop at BUMDes Bhakti Karya. Even so, BUMDes still calculates the benefits it gets.

#### 7. The Agency Problem - Managers Will Not Work For Owners If They Are Not Aligned With Their Interests

As said before, BUMDes Bhakti Karya is classified as a young business. According to the interviewees, the problem with the agency has never happened and it will be endeavored that this will not happen. One way is to employ the Kalibukbuk Village community in the BUMDes Bhakti Karya. By hiring people who come from within the village, it is hoped that the person will not mind to take advantage because working at this BUMDes is also a contribution made in helping to build the village.

#### 8. Tax Treatment Impacts Business Decisions

Taxation is not a problem in the management of BUMDes because some of the profits have been managed to pay tax obligations. So the tax treatment does not really affect the decisions taken in the context of running the BUMDes Bhakti Karya.

#### 9. Not All Risks Are the Same - Some Risks can Be Diversified and some are not

Because the BUMDes Bhakti Karya is new, the handling of possible risks that may be faced with this BUMDes is quite lacking. According to the explanation from the source, this BUMDes only focuses on how BUMDes can utilize the maximum capital provided and BUMDes can help village development. In the meantime, the possibility of risk received by BUMDes is not too responded by the manager. Like the risk of competition with many other stores that sell the same thing, BUMDes has not made a certain change or action to reduce this risk.

#### 10. Ethical Treatment - Doing What Is Good and Ethical Is A Dilemma in Financial Management

Ethical behavior is the main thing in selling businesses, especially business of buying and selling food such as BUMDes Bhakti Karya, because this business will be directly in contact with the community so that people will be able to judge for themselves. In running BUMDes Bhakti Karya, explained by Putu Hery Tindra Marjaya, as much as possible the officers who manage BUMDes separate their personal interests from those of BUMDes. Personal interest referred to here is the interest to get the maximum benefit, thinking that this might be detrimental to people who shop at BUMDes so that it can cause a decrease in the level of transactions that occur at BUMDes. Because the development and welfare of the people of Kalibukbuk Village remain part of the purpose of establishing this BUMDes Bhakti Karya.

From the explanation above we can know that BUMDes Bhakti Karya Kalibukbuk Village has indirectly carried out the principles of financial

management. However, due to lack of knowledge so that in carrying out BUMDes this is still done as is, and not based on theories - which of course will help the operation of BUMDes Bhakti Karya. According to the speakers, because this BUMDes is still new, the planning and management of BUMDes is still not optimal, this BUMDes is still adjusting to the high level of competition in this Kalibukbuk village. Therefore management of business management has not been done thoroughly. So it can be concluded that the BUMDes Bhakti Karya Kalibukbuk Village has implemented the principles of financial management, but it has not been maximized.

### V. CONCLUSION AND SUGGESTION

From this explanation, it can be concluded that the BUMDes Bhakti Karya Kalibukbuk Village has indirectly carried out the principles of financial management. However, due to lack of knowledge so that in carrying out BUMDes this is still done as is, and not based on theories - which of course will help the operation of BUMDes Bhakti Karya. According to the speakers, because this BUMDes is still new, the planning and management of BUMDes is still not optimal, this BUMDes is still adjusting to the high level of competition in this Kalibukbuk village. Therefore management of business management has not been done thoroughly. So it can be concluded that the BUMDes Bhakti Karya Kalibukbuk Village has implemented the principles of financial management, but it has not been maximized.

The purpose of Badan Usaha Milik Desa is to improve the village economy, optimize village assets to be useful for village welfare, increase community efforts in managing village economic potential, develop business plans for inter-village business cooperation and / or with third parties, create opportunities and market networks that are supporting the needs of public services, opening up employment opportunities, increasing the welfare of the community through improving public services, growth and equitable distribution of the village economy, and increasing the income of the village community and the original income of the village.

Management and Management of Badan Usaha Milik Desa (BUMDes) has a Unit of Organizational Form BUMDes consisting of business units that are legal entities in the form of business institutions whose share ownership comes from BUMDes and the community, and BUMDes does not have a legal entity, but forms BUMDes business entities are based on village regulations regarding the establishment of BUMDes as referred to in Article 5 paragraph (3).

#### 5.2 SUGGESTION

Suggestions that researchers can give are that further research is better than this research. So that readers can know the functions of financial management and apply the principles of financial management as described, especially for those who have a business or company.

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