

# Implementation of the Reallocation of Village Funds During the Covid 19 Pandemic

Dessy Putri Andini<sup>1</sup>, \*Arisona Ahmad<sup>2</sup>, Avisenna Harkat<sup>3</sup>, Firsttantri Izza Aryanti<sup>4</sup>

<sup>1,2,3,4</sup> *Management Agribusiness Department, Politeknik Negeri Jember, Indonesia*

\**Corresponding author. Email: arisona\_ahmad@polije.ac.id*

## ABSTRACT

This study aims to identify the implementation of reallocation of village funds during the covid 19 pandemics. This study uses qualitative descriptive research by conducting interviews, field observations, and document analysis. The study results show that, in general, the implementation of the reallocation of the use of village funds in Panggungrejo Village is divided into two, namely for assistance and handling of covid 19. The scheme for using village funds is by Minister of Finance Regulation No. 222/PMK.07/2020 concerning the management of village funds. The covid pandemic presents a dilemma for the village head and village officials because, of course, this pandemic impacts all the people, regardless of the lower middle class or the upper-middle class. The distribution of aid is pursued by the indicators of those who are entitled to receive assistance. Different indicators for each service provided make it difficult to determine who is entitled to the Village Fund Direct Assistance (BLT-DD) because many people have received other aid.

**Keywords:** *Village Funds, Reallocation, Covid 19*

## 1. INTRODUCTION

The COVID-19 pandemic, apart from having an impact on health, is also the leading cause of a decline in economic growth that impacts the community's economy. This is due to the policy of implementing restrictions on community activities (PPKM) which causes an increase in the number of poor people due to losing their jobs. The percentage of poor people in March 2020 is known to be 9.78 percent, with a total of 26.42 million people [1]. BPS-Statistics Indonesia also explained that the percentage increase in poor people in rural areas was 12.82 percent higher than that of poor people in urban areas. The existence of the village has been determined to be one of the essential focuses in national development[2]

Villages are at the forefront of handling and recovering from the impact of the COVID-19 pandemic after the central government issued PPKM. Village Funds by government regulations instead of law Number 1 of 2020 can be prioritized for handling the COVID-19 pandemic and Village Cash Assistance as a social safety net in villages. [3] Based on the Instruction of the Minister of Home Affairs Number 3 of 2020 concerning Corona Virus Disease (COVID-19) Management in Villages through the Village Budget, the village government is required to use the budget for unexpected expenditure activities in the fields of disaster

management, emergencies and urging villages by refocusing activities and the Village Budget for handling COVID-19. The Village Head stipulates village regulations regarding changes to the Village Budget based on the reallocation of village funds [4].

The results of the evaluation of the Minister of Finance on the implementation of the distribution of village funds also show the results that village funds have succeeded in improving the quality of life of rural communities. The effectiveness of the distribution of village funds, which the village community can directly absorb, is explained to have succeeded in reducing the poverty rate. This effectiveness is one of the reasons for the village to give a policy on the reallocation of the budget for village funds. The Minister of Finance emphasized the importance of the budget in implementing Transfers to Regions and Village Funds (TKDD) in supporting the recovery of the village economy by strengthening labor-intensive cash programs and safety nets in the form of Village Fund Direct Assistance (BLT-DD).

Direct Village Fund Cash Assistance (BLT-DD) is financial assistance to low-income families in the village sourced from village funds to reduce the impact of the Covid-19 pandemic [5]. The amount of BLT-DD is IDR. 600,000.00 for the first three months, and IDR. 300,000.00 for the next three months, which is distributed every month to meet the needs of every low-income

family who meets the criteria. Not all villages were able to immediately implement the distribution of the BLT-DD because some villages had already used the 40% of the first phase of village funds for other activities[6].

The National Development Planning Agency (Bappenas) in the BLT-DD data collection pocketbook explained that the criteria for BLT-DD recipients must be registered in the Social Welfare Integrated Data (DTKS) with the criteria: Not receiving PKH/BPNT assistance/pre-employment cardholders; experience loss of livelihood and do not have sufficient economic reserves to survive for the next three months; and have family members who are vulnerable to chronic/chronic illness. Thus, the village government, which is the data collection team, must ensure that the assistance recipients must meet the criteria. The more criteria for poor and vulnerable families are met, the more priority is to become BLT-DD recipients.

Panggunrejo Village, as one of the developed villages in Malang Regency, admitted that the reallocation of village funds in the form of BLT-DD in the context of handling the Covid-19 pandemic experienced some problems in its distribution. The various types of assistance from the government have become the root cause of the dilemma of the village government over determining the recipients of assistance according to the beneficiary indicators. The village government must be severe in sorting the list of residents who need assistance to be distributed. Problems also occur because there are differences in some details of the list of residents in the poor and affected categories between the village and the Social Service data. This makes the village government have to do repeated crosschecks so that recipients do not get double assistance to distribute it to residents with other indicators. With these problems, the purpose of this study is to find out how to implement the reallocation of village funds during the COVID-19 Pandemic in Panggunrejo Village.

## 2. METHOD

This study uses a qualitative research approach. A qualitative approach is appropriate to use in this study because this study intends to gain an in-depth understanding of the reallocation of the use of village funds as an effect of the COVID-19 pandemic. This type of research uses a case study type, namely in Panggunrejo Village, Malang Regency. Case studies allow researchers to look for reality in village funds due to the covid 19 pandemic. This study uses triangulation of research methods in collecting data. The research data is primary data obtained from interviews and observations. The critical informants of this research consisted of village government officials, which included the village head, village secretary, finance officer. These informants are parties who have an essential role in the process of reallocating village funds. Secondary data is also used in research, including documentation in archives, photos, and other documents relevant to the

research. Data analysis refers to Miles & Huberman (1992), which includes three stages, namely data reduction, data presentation, and conclusion drawing (verification).

## 3. RESULTS

### 3.1. *The Dilemma of Reallocating the Use of Village Funds*

Presidential Regulation No. 54 of 2020, due to the COVID-19 pandemic, caused an adjustment of the Village Fund for the 2020 fiscal year from 72 trillion to 71.19 trillion. As a consequence of this presidential regulation, the village fund ceiling for each village will also be adjusted proportionally to the fundamental value. Panggunrejo Village, as one of the villages, is, of course, also affected by Presidential Regulation No. 54 of 2020.

The Village Fund in Panggunrejo Village for Fiscal Year 2020 is IDR 890,000,000.00. The Covid-19 pandemic forced Panggunrejo Village to reallocate its village funds from the village funds budgeted in 2020 as much as 30% for the prevention of covid (267 million). The proportion of these funds is divided into two, namely for assistance and handling. The service here is in the form of direct cash assistance from village funds (BLT DD). The scheme for using village funds is regulated by Minister of Finance Regulation Number 222/PMK.07/2020 concerning the management of village funds. This latest regulation is intended to increase the benefits of BLT-DD received by village communities affected by the COVID-19 pandemic. Prospective BLT-DD recipients are poor or underprivileged families in the village who have not received assistance programs from central and local governments.

BLT-DD in Panggunrejo Village was distributed to 149 affected family heads. Each of them gets IDR 600,000.00 for April, May, and June. And get 300,000 each for July, August, and September. The funds used for BLT-DD are sourced from village funds channeled to the Panggunrejo Village cash account, where all BLT-DD activities are listed in the APBDesa as programs/activities funded by village funds. The indicator of who is entitled to receive BLT-DD is explained by informant 1:

*"So for this indicator, I'm sorry, it's a dilemma. All village administrations have the same burden. The problem is the same. Because the indicators given by the Perbup are a dilemma for the government. So for the aid itself, there are six types of assistance from the government."*

The informant's statement above shows a dilemma regarding who is entitled to this BLT-DD. This happened because there was another assistance from the central, provincial, and district governments apart from BLT-DD. Researchers explored other types of aid by asking whether the five aids were given for handling Covid? Informant 1 answered:

*"Yeah, it's all related. So related to that, the first is BPNT, non-cash food assistance, which is 200 thousand per month. This is cash, too, but in the form of groceries. So, for the residents, there are five aids. The first is BPNT, then PKH assistance is a family of hope, the third is BST cash food assistance for those affected by COVID, then BLT DD direct cash assistance that takes from DD, and the last is PSBB."*

Furthermore, Informant 1 explained the criteria for BLT-DD recipients:

*"Now for those related to DD, we have followed the leadership's instructions; we have a program called BLT DD earlier. Now, concerning the above indicators: 1) residents outside the recipients of the other four aids. So residents who have received BPNT, PKH, BST are not included in the data for BLT DD recipients. 2) affected by covid. Now for this second indicator, the dilemma that I conveyed earlier. Because of the community with this covid, all elements are not just the underprivileged, even though many residents are currently asking for help. Every one must feel the impact of it. So we always coordinate with Kasun, RT, RW every day to evaluate the heads of families who are affected. So for the data obtained, it is really for the leaders of families who are very, very affected."*

The covid pandemic presents a dilemma for the village head and village officials because, of course, this pandemic impacts all the people, regardless of the lower middle class or the upper-middle class. The distribution of assistance is pursued by the indicators entitled to receive service based on the Regulation of the Minister of Finance Number 222/PMK.07/2020 concerning the management of village funds. Village officials assist the village head in distributing BLT-DD to the poor, who are entitled to be supervised by district government officials. Different indicators for each assistance provided make it challenging to determine who is entitled to receive BLT-DD because many people have received other aid. In practice, some receive more than one assistance in one family with different recipient names (Husband as the head of the family gets A's help and Wife gets B's aid).

### **3.2. Mechanism of Disbursement and Distribution of BLT-DD**

The mechanism for the disbursement and distribution of BLT-DD through a bank that has been appointed by the ministry of villages and disadvantaged areas, in this case, the residents panggungrejo village, disburses the disbursement at BRI as stated by the village head panggungrejo below:

*"Well, for the disbursement, through the BRI bank. So the leaders and we agreed on a designated bank. Namely the BRI bank. So*

*later we will hand over the money to the bank, then the bank will record these 149 families earlier, then go to the village to collect an account, and then it can be disbursed."*

The informant's statement above shows that the allocation of BLT-DD in Panggungrejo Village is 149 heads of families where the process of taking the assistance is through Bank BRI. The selection of Bank BRI as the place for the disbursement of the aid was by the instructions from the Ministry of Villages and Disadvantaged Regions. Panggungrejo Village as one of the villages that received the BLT DD allocation in practice, the process of disbursing funds was carried out in cash in the first stage and then spent at the BRI bank as stated in the statement from the Panggungrejo Village Finance Head:

*"For the first phase of BLT DD disbursement in Panggungrejo village, it was done in cash because, at that time, there was not enough time if it was non-cash. So in stage 1, the community went directly to the village office to receive BLT DD 600000 in cash; in stage 2, it was done non-cash through the BRI bank, but the community was still invited to the village to receive an account. Later the bank person will also go to the village office; for example, if someone wants to withdraw cash that day immediately, they can go there directly; if not, they can disburse it another day at the BRI bank."*

### **3.3. Reallocation Has an Impact on Village Finance**

The Covid-19 pandemic forced Panggungrejo Village to be able to reallocate its village funds. Under Presidential Regulation No. 54 of 2020, only part of the Village Fund is used for social safety nets in BLT-DD to be used in Covid 19 handling activities in the village. The distribution of Village Funds and reallocation for spending resulted in the village government experiencing obstacles in its implementation [7]. The process of reallocating village funds impacts the budget allocation for community empowerment and village institutions. This was stated by the informant below:

*"Yes, usually we can fund PKK funds to meet the needs of meetings, that's now all been abolished. Training, developments are diverted by covid funds. Usually, we get 30 developments; now, we only have 18 developments. Mostly to covid. Just BLT 600 thousand per month for three months, then 300 thousand per month for the next three months. It's just for help, not handling. Yesterday for the handling of Covid, yesterday we budgeted 25 million and then added another 15 million, yes, that's from further development that must be given up."*

The informant's statement above shows that the covid pandemic impacts the allocation of funds for community

empowerment and village institutions. The reallocation of village funds by allocating BLT-DD in Panggungrejo Village is by the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 13 of 2020 concerning the priority of using village funds in 2021 that BLT-DD is budgeted as high as 35% of village funds in the APBDesa received by Panggungrejo Village[8].

The reallocation of Village Funds, apart from being used for BLT-DD for the poor, is also budgeted for the sake of overcoming covid 19, such as the establishment of a COVID-19 handling post, purchasing masks, and hand sanitizers, as stated by the informant:

*"Yes, there is a budget, there is a budget, just in case, there is a budget, but it's for food and drinks, the equipment, midwives, babinsa, bimaspol, the budget is from DD. And it's there alone, different from the BLT DD earlier. So this one is more about hand sanitizer, masks, necessities at the post. It's because everyone who wants to go in/out has to go to the post first to check."*

The process of reallocating the 2020 Village Fund in its implementation has several obstacles, as stated by the informant below:

*"Compared to the 2018 Village Fund, this year the Village Fund has decreased because of this covid, so the existing budget must be maximized for the implementation of the given policy. The leadership rules for the amount of BLT are 600 thousand for the first three months and 300 thousand for the second 3 months, so the problem may be that we have to be smart in choosing people who need it to be prioritized."*

#### 4. CONCLUSION

This study provides a deeper understanding of the implementation of the reallocation of village funds due to the covid 19 pandemic. This study found that village heads and village officials experienced a dilemma in determining community indicators entitled to receive BLT-DD by PMK Number 222/PMK. 07/2020 regarding the management of village funds. The covid pandemic affects all levels of society; the many types of assistance provided by the government with the determination of different indicators are a problem in its implementation. The Covid 19 pandemic impacted village financial management, the allocation of funds for community empowerment, and village institutions had to be reallocated for social safety nets and covid 19 prevention. They were overlapping so as not to complicate the implementation of regulations.

#### AUTHORS' CONTRIBUTIONS

Author 1 conceived and designed the analysis, collected the data; Author 2 contributed data or analysis

tools, wrote the paper; Author 3 performed the analysis, Author 4 collected the data.

#### ACKNOWLEDGMENTS

Thanks are conveyed to all parties who helped carry out this research well. The first gratitude goes to the Jember State Polytechnic, which has provided support ranging from licensing, administration, and research funding. Acknowledgments are then given to the head of the Panggungrejo village and the village officials in Malang Regency who are willing to become respondents in this study.

#### REFERENCES

- [1] Badan Pusat Statistik, "Persentase Penduduk Miskin Maret 2020 naik menjadi 9,78 persen," <https://www.bps.go.id/pressrelease/2020/07/15/1744/persentase-penduduk-miskin-maret-2020-naik-menjadi-9-78-persen.html>, 2020. .
- [2] F. I. Aryanti and D. P. Andini, "Akuntabilitas Pengelolaan Alokasi Dana Desa (ADD) di Desa Panggungrejo, Kecamatan Kepanjen, Kabupaten Malang," *J. Akunt. Terap. dan Bisnis*, vol. 1, no. 1, pp. 1–11, 2021.
- [3] Menteri Dalam Negeri Republik Indonesia, *Instruksi Menteri Dalam Negeri Nomor 3 Tahun 2020 tentang Penanggulangan Corona Virus Disease (COVID-19) di Desa melalui APBDesa*. 2020.
- [4] H. K. Sandhi and I. Iskandar, "Praktik Pengelolaan Dana Desa untuk Penanganan COVID-19 (Studi pada Desa Bendo, Kecamatan Ponggok, Kabupaten Blitar)," *Bisnis-Net J. Ekon. dan Bisnis*, vol. 3, no. 2, pp. 174–184, 2020.
- [5] *Peraturan Kementerian Keuangan Nomor 222/PMK.07/2020 tentang Pengelolaan Dana Desa*. 2020.
- [6] B. D. Pamungkas, S. Suprianto, U. Usman, R. N. Sucihati, and V. Fitryani, "Penggunaan Dana Desa Pada Masa Pandemi Covid-19 Di Kabupaten Sumbawa," *Indones. J. Soc. Sci. Humanit.*, vol. 1, no. 2, pp. 96–108, 2020.
- [7] I. Rakhmawati, R. S. Hendri, and N. Kartikasari, "Kebijakan Transparansi dan Akuntabilitas: Mampukah Mencegah Penyelewengan Dana Desa?," *J. Ris. Akunt. Aksioma*, vol. 20, no. 1, pp. 1–12, 2021.
- [8] *Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Nomor 13 Tahun 2020 tentang Prioritas Penggunaan Dana Desa Tahun 2021*. 2020.