

Mapping of Village Potential and Accounting System Design in Development of Village-Owned Enterprises in Alor Regency, Nusa Tenggara Timur

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Abstract- The purpose of this study is to identify the problems experienced by BUMDes and to map potential business opportunities for BUMDes in the Alor Regency area. This research also provides solutions for implementing accounting systems in the development of BUMDes. The research method uses a qualitative approach and data collection is carried out through interviews and Focus Group Discussions (FGD). SWOT analysis is carried out to get a picture of the problems that exist in BUMDes, and to map potential business opportunities for BUMDes.

The results of the study indicate that there are still many potential villages in Alor Regency that have not been managed optimally, especially those related to local resources owned by the village. This study also found that the financial management of BUMDes had not been maximized so that some BUMDes could not survive, especially in the current Covid-19 Pandemic era. In this case, the application of the Accounting System is needed so that BUMDes can develop their business optimally through good governance and regular financial reporting. The accounting system applied is based on the Financial Accounting Standards – Entities Without Public Accountability (SAK ETAP).

Keywords- *village potential; village-owned enterprises (BUMDes); accounting system.*

I. INTRODUCTION

The impact of the Covid-19 pandemic has greatly affected various business sectors globally, from large companies to small businesses, both at the central and regional government levels. This is also felt by a village economic institution called the Village Owned Enterprise (BUMDes). The establishment of BUMDes aims to improve the village economy and increase community efforts in managing the village's economic potential. BUMDes are expected to be able to create opportunities and market networks that support the public service needs of citizens, create employment opportunities, improve community welfare through improving public services, growth and equitable distribution of the village economy, and increasing village community income and village original income.

Village-Owned Enterprises (BUMDes) are instruments of local economic empowerment with various types of businesses in accordance with the potential of the village. The development of this potential has the aim of improving the economic welfare of the villagers through the development of economic enterprises. In addition, the existence of BUMDes also has an impact on increasing village original income sources (PAD) which allows villages to be able to carry out development and also to improve welfare more optimally.

BUMDes is actually a social institution that sided with the interests of the community through its contribution as a provider of social services. However, BUMDes is also a commercial institution where BUMDes aims to make profits through the sale of goods or services intended for the community.

There are 158 villages in Alor Regency, where this number is very potential to be developed and can create jobs for the local community. However, problems that arise in the field, from a total of 158 villages in Alor Regency, only 125 BUMDes have been formed and not all BUMDes that have been formed are active and successful in their business activities in the last 3 years. This is a problem as well as a task for the Village Government in Alor Regency to develop the BUMDes that has been formed.

The external problem that affects the development of BUMDes in Alor Regency at this time is the Covid 19 pandemic which has an impact on the ability to survive for BUMDes in the current New Normal era. Several government policies due to this pandemic, such as the implementation of work from home and social distancing have a major impact on the production process and product marketing. Meanwhile, the internal factor that causes the underdevelopment of BUMDes in Alor Regency is the absence of a business feasibility analysis based on the potential of the village, when the BUMDes was established. Basically, BUMDes are based on community initiatives by looking at the potential of the village, but most villages establish BUMDes just to imitate other successful BUMDes. If BUMDes stands under duress to imitate other BUMDes business units, then BUMDes cannot survive if unexpected things happen, such as the current COVID-19 incident. Especially if the establishment of BUMDes is without careful planning and no innovations are made to face business competition in the midst of the current pandemic. A competitive advantage is needed or in this case BUMDes must be superior to competitors through the characteristics and local resources it manages. This needs to be done by BUMDes in order to create a prosperous and independent village community. Therefore, BUMDes need to develop a competitive strategy by exploring the existing potential to achieve a prosperous and independent village community.

II. METHODS

This research was carried out in villages in the Alor Regency area and had BUMDes. The research method used is a qualitative research method. The

data used in this study are primary data obtained by conducting interviews, FGD (Focus Group Discussion) and direct observation of BUMDes and community activities. Secondary data was obtained through literature, Government Regulations, Ministerial Decrees, as well as data from the Central Bureau of Statistics (BPS), data from the Department of Community and Village Empowerment in Alor Regency, as well as related research. The data collection technique in this study using purposive sampling was carried out through a FGD pattern with BUMDes administrators, village heads, and community leaders, fishermen, farmers/traders, craftsmen. The FGDs were conducted in an open manner so that other community members could attend. Accidental sampling was carried out by conducting interviews and direct observations to BUMDes and village communities [7]. SWOT analysis (Strength, Weakness, Opportunity, Threat) was conducted to get a picture of the problems in BUMDes[8], and to map the potential business opportunities of BUMDes. After mapping the superior potential of the village that can be developed, then an accounting system design is carried out to support better BUMDes governance.

The implementation of the Accounting System begins with classifying the type of BUMDes business, which is then carried out by the accounting process, which begins with recording, classifying, summarizing, and reporting accounting to BUMDes. The accounting system applied is based on the Financial Accounting Standards – Entities Without Public Accountability (SAK ETAP). With the implementation of the Accounting System, it is hoped that BUMDes can manage their finances and report their finances regularly to interested parties.

III. RESULTS AND DISCUSSION

3.1 Results of Mapping Potential Villages in Alor Regency

BUMDes development efforts in villages in the Alor Regency area aim to improve the local economy. The establishment of BUMDes itself is adjusted to the needs and potential of the existing village. Efforts to realize the concept of establishing BUMDes were initiated by optimizing the capacity and economic activities that were already running and managed by the village.

The Alor Regency area has 158 villages spread over 17 sub-districts. Based on the results of the mapping of BUMDes in Alor Regency

until mid-2021, the number of registered BUMDes has reached 125 BUMDes, so that the number of villages that do not yet have BUMDes is 33 villages. However, of the existing 125 BUMDes, only 77 BUMDes are still active, while 48 BUMDes are no longer active.

Based on the field data obtained, several types of BUMDes businesses in Alor Regency until 2021, including:

1. **Social Business**
Some BUMDes run a social business that provides public services to the community by obtaining financial benefits. Business units within BUMDes utilize local resources and appropriate technology, including: village drinking water, village electricity businesses, food barns, and local resources and other appropriate technologies.
2. **Rental Business**
BUMDes runs a rental business of goods to serve the needs of the Village community and is aimed at obtaining Village Original Income. BUMDes business units in carrying out rental business activities include: transportation equipment, party equipment, meeting halls, BUMDes land, and other rental items.
3. **Brokering Business**
BUMDes runs an brokering business that provides services to residents. Intermediary business activities include: electricity payment services, village markets to market products produced by the community, and other services.
4. **Production and Trading Business**
BUMDes runs a business that produces and/or trades certain goods to meet the needs of the community or to be marketed on a wider market scale. Most BUMDes business units carry out trading activities which include: trading of agricultural and plantation products, as well as selling basic needs of the community.
5. **Financial Business**
BUMDes runs a financial business (financial business) that meets the needs of micro-scale businesses run by village economic entrepreneurs. BUMDes business unit by providing access to credit and loans that are easily accessible to the village community.
6. **Holding**

A small number of BUMDes in the Alor Regency area run a joint business (holding) as the parent of business units developed by the village community, both on a local village scale and in rural areas. These business units are independent and managed synergistically by BUMDes in order to grow into a joint business. One of the BUMDes business units that carry out joint business activities is the development of Tourism Villages which organizes a series of types of businesses from community groups, such as Sikante BUMDes in Belemana Village, West Wolwal BUMDes in West Wolwal village, and Maju Bersama BUMDes in Helangdohi Village.

The following picture is the type of BUMDes business in Alor Regency which is summarized from the 77 BUMDes that are still active:

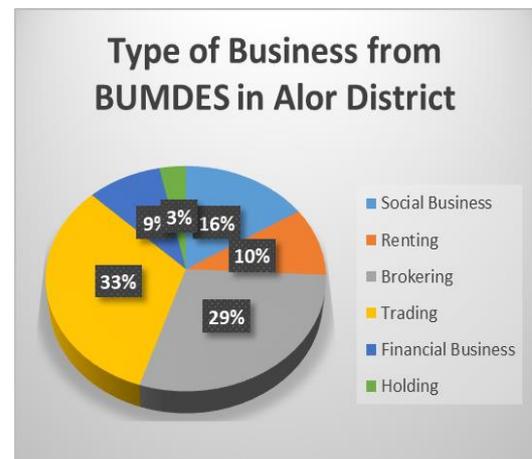


Fig. 1. Type of Business from BUMDES in Alor Regency

Based on the data above, the type of business with the smallest percentage is the type of joint venture (holding). When viewed from the potential of the area where the Alor Regency area is an archipelagic area surrounded by the sea so it has the potential to develop joint business (holding) through the development of coastal tourism, and the development of large-scale village boats with abundant marine products, to organize small fishermen so that

their business become more expansive, especially for Villages located on the coast.

The following are the results of SWOT Analysis of the potential of BUMDes in Alor Regency

IFAS	Strengths (S) 1. Local resources available 2. Short distribution channel 3. Raw materials are easy to get 4. Favorable geographical location and topography	Weaknesses (W) 1. Limited promotion 2. BUMDes governance is not sufficient 3. Limited capital 4. Inadequate facilities and infrastructure
EFAS	Strategi S-O 1. Developing local products creatively (S1-O1) 2. Boost product quality for expansion market (S1-O2) 3. Utilize digital marketing in marketing product (S3-O3)	Strategi W-O 1. Optimizing media deep social promote product (W1-O3) 2. Holding government in doing innovation, branding product and capital (W3O4)
Opportunities (O) 1. Natural Potential and Potential Tour 2. Share wide market 3. Digital marketing 4. Support Government	Strategi S-T 1. developing local industry in an innovative way (S1-T1) 2. Boost trust consumers with maintain quality product and price (S1-T2)	Strategi W-T 1. Creating products that in accordance with the current trend (W2T2) 2. Utilizing local raw materials optimally (W4T2)
Treathts (T) 1. Less innovative 2. Competition with other industries		

Fig. 2. SWOT Analysis

3.2 Implementation of BUMDes Accounting System

Based on the information collected, one of the problems faced by BUMDes in Alor Regency is the low level of knowledge and skills of BUMDes regarding governance, especially in recording and financial reporting in the BUMDes accounting system. Most BUMDes only record transactions that involve cash receipts and cash disbursements in their financial accountability, while relatively few BUMDes have prepared simple financial statements. So it is necessary to introduce and implement an accounting system to support better BUMDes governance.

The Financial Accounting Standards (SAK) used in the preparation of accounting policies at BUMDes are Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP). The Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) are intended for use by entities without public accountability. The scope of accounting reports includes all financial accounting activities of BUMDes in processing transactions related to BUMDes assets, liabilities, equity, income and expenses.

BUMDes business units that can be classified into:

1. Service Business Unit

That is, this unit has activities to provide services or sell services to other parties or the public. Examples of service business units are cooperatives, tourist villages, transportation and so on.

The characteristics of the service business unit are:

- a. Revenue comes from the sale of services
- b. Have no inventory
- c. No cost of goods sold

2. Trading Business Unit

That is, this unit has the activity of buying and selling goods by determining the selling price itself. An example of a trading business unit is a village grocery store and so on.

The characteristics of the trading business unit are:

- a. Revenue comes from the sale of merchandise
- b. Have stock
- c. Have cost of goods sold

3. Manufacturing Business Unit

Namely, this unit has the activity of processing raw materials into semi-finished goods until finally they become finished goods, which are then traded to the public. Examples of manufacturing business units are the convection industry, textiles and so on.

The characteristics of the manufacturing business unit are:

- a. Income comes from producing goods and selling them to the public
- b. Have inventory in the form of raw material inventory, work in process, finished goods
- c. Have the cost of production

BUMDes Accounting Cycle based on SAK ETAP, can be seen in the following figure 3:

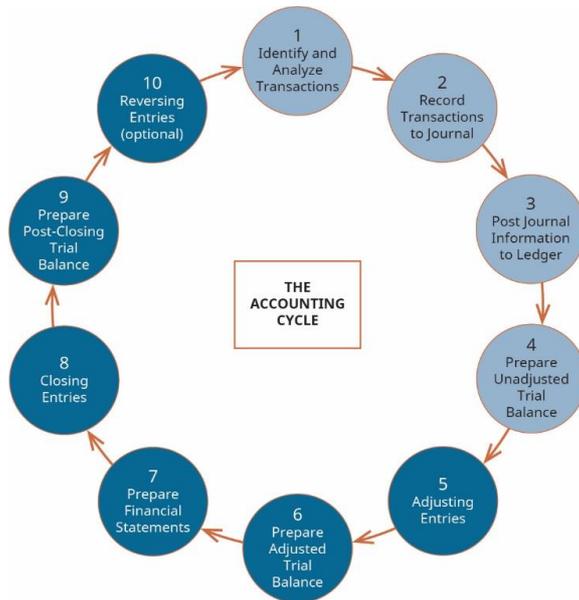


Fig. 3. The Accounting Cycle

Based on the data and information obtained, it can be seen that the financial statements that have been prepared so far consist of:

- Income statement
- Balance

When referring to SAK ETAP, BUMDes should have prepared a financial report consisting of:

- Balance Sheet

The balance sheet is a financial statement that describes the financial condition of a company at a certain date. The balance sheet presents real accounts, namely assets, liabilities, and capital. So from the balance sheet, we can find out BUMDes assets, BUMDes liabilities/debts, and BUMDes capital.

- Income statement

An income statement is a report that shows the ability of a company or business entity to generate profits during a certain period. The income statement contains elements of nominal accounts, namely income accounts and expense accounts.

- Statement of Changes in Equity

The statement of changes in equity is a report to find out the remaining amount of capital that has been invested by the company owner of capital to the company, in this case is BUMDes. Statement of changes in equity is a

report that describes changes in the equity of BUMDes in a certain period.

- Cash flow statement

The statement of cash flows presents information on historical changes in the entity's cash and cash equivalents, showing separately the changes that occurred during a period from operating, investing and financing activities. Cash and cash equivalents are presented as one of the current assets of BUMDes. Restricted cash is presented as current assets if it will be used to pay short-term liabilities, and is presented as non-current assets if it will be used to pay long-term liabilities.

- Notes to financial statements

The notes to the financial statements contain information in addition to the information presented in the financial statements. The notes to the financial statements provide a narrative explanation or details of the amounts presented in the financial statements and information on items that do not meet the recognition criteria in the financial statements.

IV. CONCLUSION

Several internal problems identified during the operation of BUMDes in Alor Regency were inadequate product management, limited capital, unskilled and incompetent Human Resources (HR), limited product marketing, and financial management and accounting records. which is not sufficient. The potential of the region is also diverse, such as: plantation products, fisheries, home industries in the form of ikat, culinary, and tourism which are very exotic, owned by the Alor Regency area, which is very strategic to be developed.

The strategy needs to be developed by prioritizing the locality owned by the village, then developing activities such as conducting business feasibility studies, digitizing BUMDes governance, and collaborating with third parties in terms of capital. And lastly, monitoring and evaluating by making LPJ, and financial reports to keep cashflow healthy. The strategy developed by BUMDes in optimizing local wisdom and the creative economy can run optimally because it is supported by the potential of BUMDes. A creative economy based on the use of local resources, adaptive to the times and increasing the economic growth of rural communities and will give birth to innovative rural industrial centers.

Utilization of local resources based on their potential will have a direct impact on the economic level of the village community. Likewise, good financial

governance is one of the factors that can determine the sustainability of a business in a Village Owned Enterprise and will have an impact on increasing village original income.

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