

Perspectives On Financial Management Of BUMDes In Wukirsari Village – Yogyakarta

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Abstract.

Community service activities at BUMDes Wukirsari Village aim to evaluate financial management to improve transparency and accountability. The BUMDES has prepared financial reports, including balance sheets, profit and loss statements, and cash flow statements. Still, there has been no internal evaluation to ensure their quality by SAK ETAP accounting standards. In addition, village officials and BUMDes managers still have limited understanding of accounting guidelines, so training is needed to improve their capacity to prepare professional and transparent reports. Good financial management is key to BUMDes' business continuity and supports sustainable village indicators, such as economic growth and improved community welfare. The main recommendation of this activity is the need for technical assistance and training on financial management based on accounting standards for village officials and BUMDes managers, so that BUMDes governance can be more accountable. This activity was carried out by a team from the Faculty of Economics and Business of Pancasila University, who participated in the 1st International Community Service 2025 program in Yogyakarta. With this activity, it is hoped that BUMDes can become the driving force of the village economy more effectively and sustainably.

Keywords: *Evaluation; Financial management; BUMDes; Wukirsari Village.*

I. INTRODUCTION

Wukirsari is a village located in Bantul Regency, Special Region of Yogyakarta (Jogja), Indonesia. The town is renowned for its tranquil and rural atmosphere, providing a welcome contrast to the bustling city of Yogyakarta. Wukirsari is located in the southern part of Yogyakarta, surrounded by hills and lush greenery, making it the perfect place to visit.



Figure 1. Wukirsari Village and community service group of the faculty of economics and business of Pancasila University

It is a popular destination for nature lovers and those seeking tranquility. Wukirsari has a rich cultural heritage and is home to a number of traditional Javanese customs and practices. The village is also known for its agricultural activities, with many residents involved in farming, mainly growing rice, corn, and various vegetables. In addition, the area is close to several historical and cultural sites, including the famous Parangtritis Beach, which is only a short drive away. The landscape of the village, combined with its cultural and agricultural aspects, makes Wukirsari a unique and peaceful location in the Bantul area, offering visitors an authentic experience of rural life in Yogyakarta.

Based on this, the 1st International Community Service (ICS) 2025 was held in Yogyakarta, with the location of Wukirsari Village. ICS activities totaled 265 participants from 5 countries (27 domestic universities and 6 foreign universities). Six overseas universities consist of Monash University, UiTM University, University Malaysia Sabah, University Poly Tech Malaysia, Iloilo Science and Technology University, Philippines, and Mamun University, Uzbekistan. ICS 2025 activities were carried out in 9 locations in Wukirsari village. The nine locations are Batik Giriloyo, Women Farmers Group, Gurah Tea, Knitting Crafts, Puppet Crafts, Wedang Uwuh, Bamboo Crafts, Wukirsari Village Library, and BUMDES Wukirsari.

The Faculty of Economics and Business group of Universitas Pancasila consisting of Prof. Dr. Sri Widyastuti, S.E., M.M., M.Si, Dr. Ir. Widarto Rachbini, M.Si, Dr. Syahri Djaddang, S.E., M.Si., Ak., CA., CPA (Asean), CIBA, Dr. Lola Fitria Sari, S.E., M.M., CERA, Dian Riskarini, S.E., M.M, and Dewi Kurniawati, S.E., M.M., CHRA became participants in the 1st International Community Service 2025 in Yogyakarta including in Cluster 1 where the service location destination was BUMDES Wukirsari.

BUMDes (Badan Usaha Milik Desa) is a village-owned enterprise designed to boost the village economy and provide financial benefits to the community. In Wukirsari, the BUMDes runs various initiatives that aim to support local businesses and promote sustainable development. Some key activities include managing village-owned assets, such as local tourist attractions or agricultural businesses, and facilitating access to funding or resources for small businesses in the area. BUMDes help strengthen the local economy by empowering communities to manage their development, promote entrepreneurship, and improve public services in the village. BUMDes in Wukirsari village

has several businesses, namely: Warung Pojok BUMDes, Gas Station, Catering, Embong Imogiri I, and BUMDes Mart (Mini Market).

Government organizations and their related bodies must manage accountability finances that emphasize accountability, such as village-owned enterprises (BUMDes). Accountability that applies budget control practices and financial transparency is mandated in New Public Management (Rahayu and Juwono in Astuti et al., 2022). BUMDes managers need to carry out accountability practices by looking at two sides. First, the main capital that comes from village finances is village funds, whose main source comes from taxes paid by the community. Second, the purpose of establishing BUMDes is to maximize the welfare of the village community, one of which is to increase the village community's income and the village's own-source revenue.

Permendesa PDTT No.4/2015 Article 12 confirms that BUMDes operational executors are authorized to make financial reports on all BUMDes business units every month, make reports on the development of BUMDes business unit activities every month, and provide reports on the development of BUMDes business units to the village community through village meetings at least twice a year (Astuti et al., 2022).

BUMDes in preparing financial reports must pay clear attention to the financial standards used, meaning that in preparing BUMDes financial reports, BUMDes must refer to established regulations, namely the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP). In SAK ETAP (2013) in chapter 3 regarding the presentation of financial statements, it is stated that the complete financial statements of an entity consist of: balance sheet, income statement, statement of changes in equity, cash flow statement, and notes to the financial statements. This means that BUMDes must prepare complete financial statements in accordance with SAK ETAP. The purpose of preparing SAKETAP is not only as an appropriate financial accounting standard for small and medium-sized companies or companies that have not gone public, including BUMDes. The preparation of financial statements must be honest and transparent. BUMDES is also required to provide reports on the development of BUMDes business units to the village community through village meetings at least twice a year (Ferina, 2020).

BUMDes' Accountability practices need to be evaluated by the Village Government so that all accountability practices can run well. In addition to the role of the Village Government, external roles are also needed to support the progress of BUMDES. In the article insandesa.id (2019) in Puspitasari & Kristanto (2021), Village Minister Regulation No.4 of 2015 concerning BUMDes says that "Supervision of BUMDes by external parties is not specifically stated in the rules". However, it does not rule out the possibility that BUMDes in Indonesia do not use external supervisors. This is demonstrated by BUMDes Ponggok in 2019 using an external audit through the Tribowo Public Accounting Firm in Semarang. It is hoped that these internal and external roles can encourage the progress of a BUMDes so that financial management at the BUMDes runs with transparency and accountability.

BUMDes is one form of village financial management implementation that will manage the village's potential independently with various types of people's economic activities and cooperation. BUMDes is a business category that meets the criteria of MSMEs, namely micro, small, and medium enterprises, because the businesses run by BUMDes operate for the benefit of the community. According to Seyadi in Iriani et al (2022), financial management at BUMDes is very

important in all activities, because good financial management can maximize BUMDes programs, and facilitate BUMDes activities, so that the benefits of BUMDes management can be felt.

The Village Government has the right to evaluate the financial management of BUMDes. Evaluating requires the ability to read financial reports according to accounting standards. Based on this, it is necessary to improve the understanding of financial management for the Village Government so that it can see whether the reports submitted by BUMDes managers are correct or not before being audited by an external party. The purpose of this community service is to evaluate the financial management of BUMDes. And provide input and recommendations for the development of BUMDes related to financial management that is transparent and accountable.

II. METHODS

This community service was carried out on May 19-20, 2025, in Wukirsari Village. The method used in this activity is action research. Namely, this research is reflective and practical, with actions taken to solve problems and then analyzed for improvement, such as;

1. The 1st International Community Services 2025 Consortium was held on May 19, 2025, at the Novotel Hotel Ballroom Yogyakarta.
2. A visit to Wukirsari Village was held on May 20, 2025, to conduct observations and interviews with BUMDes managers related to BUMDes Financial Management issues in Wukirsari Village. This activity was held at the Wukirsari village hall.
3. Visits to BUMDes businesses in Wukirsari Village: BUMDes Warung Pojok, Embong Imogiri I, and BUMDes Mart. During this visit, interviews were also conducted with the managers of these businesses.

III. RESULT AND DISCUSSION

Good financial management is required to ensure the survival of BUMDes' business activities (Lokadata in Wibowo, 2022). The business activities and profits obtained by BUMDes, if accompanied by good financial management, will directly affect the achievement of indicators of villages with equitable economic growth and villages without disparities.

The financial management of BUMDes needs to be evaluated, especially by the Village Government. So that in addition to BUMDes managers, the Village Government must also understand related to accountable financial management. This is related to the evaluation of BUMDes' financial management delivered by BUMDes managers.

The 1st International Community Service (ICS) 2025 was held on May 19 to 20, 2025. This activity was preceded by consortium activities, which were held on May 19, 2025, at the Novotel Yogyakarta Ballroom. In this activity, all service participants totaled 265 people from 5 countries (27 domestic universities and 6 foreign universities). Domestic Universities and 6 Overseas Universities). Six overseas universities, consisting of Monash University, UiTM Universiti, Universiti Malaysia Sabah, University Poly Tech Malaysia, Iloilo Science and Technology University, Philippines, and Mamun University, Uzbekistan, gathered in the Ballroom to conduct a consortium and introductions.



Figure 2. Consortium

On May 20, 2025, community service activities were carried out with the aim of Wukirsari village. In this community service activity, participants gathered in the hall of the Wukirsari village hall to conduct observations and interviews with BUMDes managers. In the implementation of community service activities, it began with an explanation of BUMDes businesses and the stages of the formation of BUMDes by Mr. Andri Martono, as Director of BUMDes Wukirsari Village. The content of the presentation explained that BUMDes was initiated in 2017, but did not run well until the BUMDes was inactive. In 2021, a board was formed to establish BUMDes, and the results in 2022 began to establish BUMDes businesses, namely gas bases, BUMDes Corner Stalls, and Catering. In 2024, the BUMDes Mart business was established, and the most recent is Embong Imogiri I.

After the BUMDes Director's presentation, a question-and-answer session was held. This question and answer session aims to explore the problems that occur in the financial management of BUMDes Wukirsari Village. In the explanation of the answers to the participants' questions, it was explained that BUMDes Wukirsari Village in operating its businesses, needed business capital. The entire BUMDes business capital is obtained from the Village Fund, which is given in stages with a total of Rp. 145 million. Profits from BUMDes businesses are not used for development but only for operational work. Budgets and expenditures are discussed with the village at the village meeting. The accountability practices of BUMDes Wukirsari Village are demonstrated by reporting finances in three forms: cash flow statement, profit and loss statement, and balance sheet. BUMDes reports its business finances every quarter. This quarterly report reports on financial and non-financial matters such as annual tax return reporting, the addition of employees, the provision of THR, and social assistance. BUMDes has implemented financial reports in three forms, namely the Cash Flow Statement, Income Statement, and Balance Sheet.



Figure 3. Community service activities

After the presentation from Mr. Andri Martono and the discussion, the service participants visited some of the BUMDes businesses in Wukirsari Village. The first visit was to Warung Pojok BUMDes. Based on information from the BUMDes manager, this business generates Rp 13 million to 15 million a month. The market for this business is school children, village officials, and the surrounding community. Warung Pojok BUMDes also supports residents who entrust food for sale and cooperates with gas stations.





Figure 4. BUMDes Corner Stall, BUMDes Mart, and Embong Imogiri 1

The second visit was made to Embong Imogiri I. This business is not yet significant in terms of income because this business is still relatively new and only manages parking at the site. Then the visit continued to the BUMDes Mart. The target of this business is batik gazebo visitors and school children. The results of the local community's production efforts are sold at the BUMDes Mart such as Teh gurah, wedang uwuh, and handicrafts. So that there is cooperation between BUMDes and community businesses.

Implementation Review

The results of direct observation and interviews with the BUMDes Director indicate that there is no evaluation and supervision related to BUMDes management. BUMDes performs accountability obligations but does not know whether BUMDes reports are in accordance with accounting guidelines. BUMDes operations know that BUMDes will be audited, but there is no report review to show whether the BUMDes report is correct or not before the audit.

In order to provide an evaluation of BUMDes' financial management, village/kelurahan officials must understand the accounting guidelines. This is needed to supervise and control the financial management of BUMDes. Village officials, as well as BUMDes managers, need to learn and understand accounting guidelines as a basis for making financial reports. Based on this, there is a need for financial management training with correct accounting standards. This is intended for village officials and BUMDes managers.

IV. CONCLUSION

Based on the results of community service conducted at BUMDes Wukirsari Village, it was revealed that BUMDes' financial management has been carried out by periodically preparing financial reports, such as the Cash Flow Statement, Income Statement, and Balance Sheet. However, the absence of adequate evaluation and supervision of the quality of financial reports is a major challenge in improving the transparency and accountability of village fund management. Although the BUMDes has implemented accountability obligations by the provisions, there is no internal evaluation mechanism to ensure whether the reports are in accordance with the applicable

accounting standards, namely SAK ETAP (Financial Accounting Standards for Entities Without Public Accountability).

Good financial management will ensure the survival of BUMDes' business activities and provide direct benefits in achieving sustainable village indicators, such as equitable economic growth and improved welfare of village communities. Therefore, the main recommendation of this service is the need for training and technical assistance for village officials and BUMDes managers to improve the quality of financial management according to applicable accounting standards, so that transparency and accountability of BUMDes can be achieved optimally and sustainably.

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