

The Impact of the Realization of Village Fund Sources, the Realization of Village Fund Allocation Sources, and the Realization of Village Original Income Sources on the Realization of Village Budget Expenditure

Sparta¹, Dini Nuraeni²

STIE Indonesia Banking School, Jakarta, Indonesia

Keywords

village fund, village fund allocation, village original income, village expenditure

Abstract

This study aims to analyze the effect of village fund, village fund allocations, and village original revenue on village expenditures. The population in this research consists of the village income and expenditure budget reports from 2018 to 2022 across all villages in West Java Province, as published by Badan Pusat Statistik Indonesia. The hypothesis testing results indicate that village fund have a significant positive impact on village expenditures, suggesting that the realization of village fund has been carried out in accordance with their objectives, thereby improving the standard of living and enhancing community welfare. Village fund allocations also have a significant positive effect on village expenditures, indicating that the allocation of these funds is being implemented in line with priorities aimed at fostering the development needed by village communities. Additionally, village original revenue significantly positively influences village expenditures, suggesting that villages in West Java Province are effectively optimizing local resources to meet their expenditure requirements.

INTRODUCTION

The village is the smallest government unit, which has an important role in national development (BPS-Statistics Indonesia, 2022). According to Permendes Number 6 of 2022, villages have the right to manage government affairs, local community interests, original rights and/or traditional rights based on community initiatives, respected and recognized in the state government system.

Each village has the right to manage finances, including managing village spending. According to Permendagri Number 20 of 2018, village spending is all expenditures that must be made by the village for 1 (one) budget year and cannot be requested back by the village and is used to fund the implementation of village authority. The allocation of the spending budget used must be for productive activities, for example for development (Hasan & Tanesab, 2021). In this case, the source of funds used to finance village spending comes from the village's original income and transfer income obtained from the government, including village funds, tax sharing and regional levies, village fund allocations, provincial/district/city financial assistance, and other income (BPS-Statistics Indonesia, 2022).

The original village income aims to form the independence of each village in managing all the potential in the local area for a better economy. By increasing the original village income, it can meet the needs of village spending, by optimizing the support of resources available in the local area in financial management. Likewise, village spending needs to be adjusted to how much original village income is obtained, if the original village income obtained is greater, then the village spending that can be used for village development will also be greater (Tanesab, Sodik, & Hasan 2021).

In addition to the original village income, village funds are also one of the factors that can affect village spending. Village funds come from the APBN to be distributed as development costs and community empowerment, expected to improve the quality of life and overcome poverty in village communities (Listiana & Muslinawati, 2022). The implementation of activities using village funds is carried out independently to utilize local raw material resources and labor from the local village community. So, if there is an increase in village funds, village spending will also increase (Hasan & Tanesab, 2021).

Revenue sharing of regional taxes and levies is called revenue sharing funds, which are part of the revenue from regional taxes and levies given to villages that are quite potential. This revenue sharing fund is one of the village government's capitals in meeting village expenditures and increasing village development spending. Based on this explanation, it shows that the greater the tax and levy revenue sharing funds received by the village government, the greater the village expenditure that can be met (Saputri & Rahayu, 2023).

The allocation of village funds comes from the APBD which is intended to support the implementation of community development that aims to empower village communities while maintaining the continuity of development at the village level. The allocation of village funds sourced from the APBD allows villages to continue to develop without having to wait too long for assistance from the central government (Purbasari, Wardana, & Pangestu, 2018).

Financial assistance is assistance sourced from the provincial/district/city APBD which is given to villages according to the financial capacity of the relevant regional government (BPS-Statistics Indonesia, 2022). According to Governor Regulation No. 25 of 2014, financial assistance is distributed to assist in the implementation of regional government affairs for which there is no allocation of funds. And according to BPS-Statistics Indonesia 2022, other income is village income which includes grants, donations from third parties located in the village, which are not included in the previous details.

Table 1. Realization of West Java Village Budget
Period 2018 – 2022

Num.	Description	2018 (billion)	2019 (billion)	2020 (Miliar)	2021 (Miliar)	2022 (Miliar)
I	Income	9.858	11.202	11.692	12.060	12.048
	<i>Revenue</i>					
1	Village Original Income	298	301	341	317	339
2	Transfer Income	9.399	10.753	11.267	11.686	11.642
	Village Fund	4.731	5.699	5.978	5.986	6.131
	Sharing of Tax and Retribution Revenue	630	788	889	867	921
	Village Fund Allocation	2.764	2.919	2.998	3.095	3.121
	Financial Aid	1.274	1.347	1.402	1.737	1.467
3	Other Income	161	148	84	57	67
II	Village Shopping	9.586	10.946	11.633	11.823	11.695
	<i>Expenditure</i>					
1	Village Administration Sector	3.028	3.834	4.133	4.394	4.156
2	Village Development Sector	5.193	5.658	3.462	3.617	3.362
3	Community Development Sector	525	850	552	591	573
4	Community Development Sector	693	513	332	698	1.043
5	Unexpected Field	147	91	3.154	2.523	2.561
	<i>Surplus</i>	272	256	59	237	353

Sumber: BPS - Statistik Indonesia

The results of the study conducted by Amnan, Sjahrudin, & Hardiani (2019) stated that the allocation of village funds had a significant positive effect on village spending. In line with the results of the study conducted by Widyawati (2022) the allocation of village funds had a significant positive effect on village spending. And the results of Farida, Gunarianto, & Hasan (2021) the allocation of village funds had a significant positive effect on village spending.

The results of a study conducted by Widyawati (2022) stated that original village income has a significant positive effect on village spending. In line with the results of Lestari (2020) which showed that original village income has a significant positive effect on village spending. And the results of Hasan & Tanesab (2021) showed that original village income has a significant positive effect on village spending.

In this study, researchers will examine the influence of village funds, village fund allocations, and original village income on village spending in West Java Province. The scope of this study is 1). The data to be analyzed in this study is focused on the Village Budget report for the period 2018-2022 published by the Indonesian Central Bureau of Statistics and 2). This study only focuses on discussing the influence of village funds, village fund allocations, and original village income on village spending.

Based on the description, there is a phenomenon that if more village funds, village fund allocations, and original village income are obtained, village spending will also increase. So that of course it will affect village spending. The formulation of the research problem is: 1). Do village funds affect village spending in all villages in West Java Province in 2018 - 2022?, 2). Does the allocation of village funds affect village spending in all villages in West Java Province in 2018 - 2022?, and 3). Does the original village income affect village spending in all villages in West Java Province in 2018 - 2022?

The objectives of this study are: 1). To find out how village funds affect village spending in all villages in West Java Province in 2018 - 2022. 2). To find out how the allocation of village funds affects village spending in all villages in West Java Province in 2018 - 2022. And 3). To find out how the original village income affects village spending in all villages in West Java Province in 2018 - 2022.

The results of this study are expected to contribute to: 1). Researchers, where the results of this study are expected to be able to add and develop new insights regarding the village revenue and expenditure budget in all villages in West Java Province, 2). Regency/city government, the results of this study are expected to provide information regarding the reporting of village revenue and expenditure budgets in all villages in West Java Province. 3). For the village government, the results of this study are expected to provide input regarding the reporting of village revenue and expenditure budgets in all villages in West Java Province. 4). For the community, the results of this study are expected to be used as a source of information that can later be used to find out the village revenue and expenditure budget in all villages in West Java Province. And 5). Scientific development, the results of this study can be a reference for further research, especially students who conduct similar research.

THEORETICAL STUDY AND HYPOTHESIS DEVELOPMENT

Welfare State Theory

The welfare state theory was first popularized by Alfred Zimern in 1930 in several European regions. The welfare state theory defines a country that emphasizes that its government is obliged to ensure the welfare of all its citizens (Amnan, Sjahruddin, & Hardiani 2019). According to Elviandri, Dimyati, & Absori (2019), the welfare state theory contains 4 (four) meanings, including: 1). As a condition of well-being which refers to the term social welfare where the conditions for fulfilling the needs of society, both material and non-material. 2). As a social service that includes five forms, namely social security, health services, education, housing and personal social services., 3). As social benefits provided to the underprivileged. 4). As a process planned by social institutions, individuals, communities and government agencies as a process of advancing the quality of life through social benefits and providing social services.

The welfare state theory according to Amnan, Sjahruddin, & Hardiani (2019) contains 5 (five) pillars of statehood, including: democracy, law enforcement, protection of human rights, social justice, and anti-discrimination. The social justice theory requires the government to be obliged to ensure the fulfillment of a just and prosperous community life evenly.

Village Expenditure

Expenditure is all expenditures originating from the regional general treasury that reduce the budget balance in the relevant budget year period, which will not be repaid by the government (Hartoto et al., 2023:45). In line with the explanation of Permendagri No. 113 of 2014 in article 12 that village expenditure is the expenditure of all village obligations within a period of 1 (one) budget year whose expenditure is issued from the village account and will not be received back by the village. According to Freeman (2014) the budget is a process carried out by a public sector organization to allocate its resources to unlimited needs. According to

Nordiawan (2006) the budget is not only an annual plan but also a form of accountability for the management of public funds charged to it. Referring to article 74 of Law No. 6 of 2014 concerning villages, village expenditure is prioritized to meet development needs agreed upon in village deliberations and in accordance with the priorities of the district/city government. According to Hesri, Salim, & Khalikussabir (2023) village spending is intended to fund the implementation of village authority, including the field of village government administration, the field of village development implementation, the field of village community development, the field of village community empowerment, and the field of unexpected spending. By organizing village spending according to Law Number 32 of 2004, it is intended to protect and improve the standard of living of the community so that the village commitments are fulfilled which are channeled to education, basic services, development, health, social facilities and decent public facilities.

Village Fund

Village funds according to the Home Affairs Regulation No. 113 of 2014 are in the form of a budget that is the right of the village government originating from the APBN obtained through the district/city APBD, which is used for the needs of organizing government, village development, coaching, and community empowerment. According to Nordiawan (2006:15) to realize the goals of the state, it gives rise to state rights and obligations that need to be managed in a state financial management system, state financial management needs to be carried out professionally, openly, and responsibly for the greatest prosperity of the people, which is manifested in the APBN and APBD. Although village funds obtained from the APBN have become the right of the village government, according to the Smart Book on Village Funds (2019:33) in the distribution of funds, the role and function of the district/city government must still be included based on their authority.

In order to maintain the achievement of targets in the use of village funds, it is explained in the Smart Book on Village Funds (2019:42) that the government sets priorities for the distribution of village funds each year. The use of village funds in its priorities is prioritized to improve the quality of life, overcome poverty, and improve the welfare of the community. With the existence of village funds according to Saputri & Rahayu (2023) it is expected to equalize the welfare of village communities by improving public services in the village. In line with Freeman's explanation (2014) that public sector organizations certainly want to provide maximum service to the community. According to Nordiawan (2006:16) in order to improve services to the community, a Public Service Agency (BLU) can be formed which is tasked with providing services to the community in the form of providing goods or services needed in order to advance public welfare and improve the life of the nation.

Village Fund Allocation

Village fund allocation based on Permendagri No. 113 of 2014 is a balancing fund obtained by the village government from the APBD, each year the village government budget must receive at least 10% after deducting special allocation funds. And according to Dasuki (2020) the main source of village government for operations is obtained from the allocation of village funds of 30%, and 70% is used for community empowerment and can also be used to expand development in the village. According to Saputra & Rahayu (2023) with the allocation

of village funds, the government hopes that village officials can prioritize village spending sourced from the allocation of village funds in order to expand village development in the future. According to Nordiawan (2006:156) considering that the government has various needs, government funds are divided into several parts, one of which is the capital project fund used when financing development projects. According to Nordiawan (2006:20), to follow up on the implementation of the development process in line with the principles of good governance, the central government and regional governments are obliged to develop and utilize advances in information technology to improve the ability to manage regional finances and distribute regional financial information to public services.

Village Original Income

In generally accepted accounting principles, revenue is recognized when it has occurred and the results have been realized or can be realized in the future (Sufina, 2021). Revenue-LRA (Budget Realization Report) is all receipts from the regional general cash account that increase the budget balance in the relevant budget year period which is the government's right, and does not need to be repaid by the government (Hartoto et al., 2023:45). In line with the explanation of Permendagri No. 20 of 2018 in chapter 1 that the original village income is in the form of rights that must be obtained by the village in 1 (one) budget year and the village does not need to return the income.

As explained by Law No. 6 of 2014, the original village income is in the form of income sourced from village rights, in the form of original rights and authority at the local level. It is explained in the Smart Village Fund Book (2019:56) that the details of the original village income are obtained from business results originating from the profit sharing of village-owned enterprises, asset results obtained from village cash, mutual cooperation results, self-help and participation originating from community donations, and other village levies. According to Hartoto et al (2023:313) what is meant by all rights is the right to collect regional revenue sources, so that they do not depend on the central government and have the freedom to manage and use funds for the benefit of the regional community in accordance with laws and regulations.

Impact of Village Funds on Village Expenditure

Village funds according to the Home Affairs Regulation No. 113 of 2014 are in the form of a budget that is the right of the village government sourced from the APBN obtained through the district/city APBD. With the existence of village funds according to Saputri & Rahayu (2023), it is hoped that it can equalize the welfare of village communities by improving public services in villages, advancing the economy, and overcoming development gaps. In line with the theory of community welfare (welfare state) where this theory has a concept as a prosperous condition that refers to the term social welfare, where the conditions for fulfilling community needs, both material and non-material. Based on the results of previous research from Sumiati, Made, Mustikowati (2017), it shows that village funds have a significant positive effect on village expenditure. And the results of Widyawati's processing (2022) provide results that village funds have a significant positive effect on Village Expenditure. In addition, the results of Hasan & Tanesab's processing (2021) also show that village funds have a significant positive effect on Village Expenditure. So based on the description above, the first hypothesis of this

study is:

H1: Village funds have a significant positive effect on village expenditure.

The Influence of Village Fund Allocation on Village Expenditure

According to Saputri & Rahayu (2023), village fund allocation is in the form of support given by the regional and central governments to the village government so that it can expand village development in the future, and its allocation can improve the welfare of the community. In line with the welfare state theory, this theory emphasizes that the government is obliged to guarantee the welfare of every citizen. Based on the results of previous research compiled by Widyawati (2022), it shows that village fund allocation has a significant positive effect on village expenditure. And the results of the processing of Saputri & Rahayu (2023) show that village fund allocation has a significant positive effect on village expenditure. In addition, the results of the processing of Hasan & Tanesab (2021) produced a significant positive effect on village expenditure. So according to the description above, the second hypothesis of this study is:

H2: Village fund allocation has a significant positive effect on village expenditure.

The Influence of Village Original Income on Village Expenditure

According to Hesri, Salim, & Khalikussabir (2023), village original income is income that comes from village wealth, such as village cash receipts, self-reliance, tourist attractions, community participation and mutual cooperation. With this village original income, according to Tanesab, Sodik, & Hasan (2021), villages are more independent in increasing village original income, so that they can optimize village expenditure needs that can be used for equitable village development. in line with the pillars of social justice contained in the theory of community welfare (welfare state) where the government is obliged to ensure the fulfillment of a just and prosperous community life evenly. The results of previous research conducted by Lestari (2020) showed that village original income had a significant positive effect on village expenditure. And the results of research by Tanesab, Sodik, & Hasan (2021) showed that village original income had a significant positive effect on village expenditure. In addition, the results of research by Rismawaty (2020) showed that village original income had a significant positive effect on village expenditure. So according to the description above, the third hypothesis of this study is:

H3: Village original income has a significant positive effect on village expenditure.

In this framework, the researcher will examine the influence of the realization of village fund sources, the realization of village fund allocation sources, and the realization of village original income sources on the realization of village budget expenditures. The framework of thought in compiling this thesis is described as figure 1.

RESEARCH METHODOLOGY

Research Design

Research design is a description of an observation that is arranged in advance before the research is conducted. The purpose of the research design is so that the research carried out runs

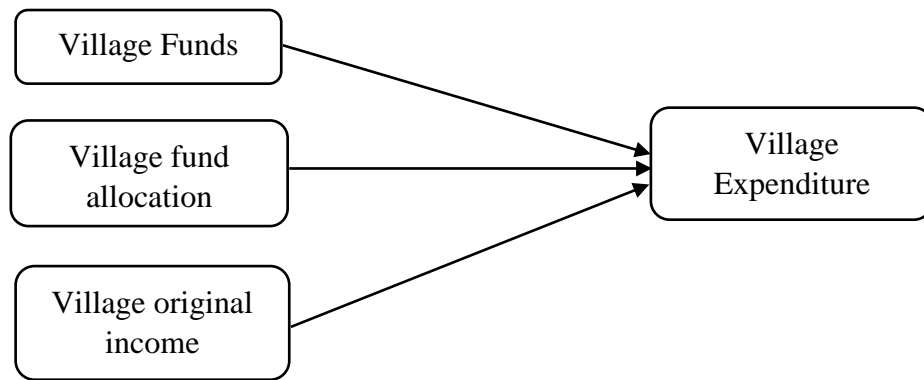


Figure 1. Research Model
Source: Hasan & Tanesab (2021).

well and is structured (Shafira & Sparta, 2024). The design of this study uses a causal design, which is used to determine causal relationships (Sugiyono 2016:37). The type of data used in this study is quantitative data, which is used to research certain populations or samples, data collection using research instruments, quantitative data analysis aimed at testing the established hypothesis (Sugiyono, 2016:14).

Population and sampling techniques

The research design used in this study uses a causality design, which is used to determine the relationship that is causal (Sugiyono 2016:37). The population of this study uses the Village Budget report for the period 2018-2022 for all villages in West Java Province. Data collection in this study uses documentation method techniques, and the type of data in this study uses secondary data.

Variables and Operational Variables

The dependent variable is often referred to as the dependent variable, the dependent variable is a variable that can be influenced by the independent variable (Sugiyono, 2018: 39). This study uses village expenditure as the dependent variable. Based on Article 100 of PP Number 47 of 2015, village expenditure can be used based on the following provisions: 1) 70% of the Village Budget can be distributed by the village government to carry out village development, to conduct community development, and empower village communities. 2) 30% of the Village Budget can be used as income and allowances for the village head, village government operations, allowances and operations for the village consultative body, incentives for neighborhood associations and residents' associations.

The following is the formula for village expenditure:

$$\text{Village Expenditure} = \text{BBPPD} + \text{BPPD} + \text{BPK} + \text{BPM} + \text{BTT} \quad (1)$$

Where, BBPK is the same as Village Government Administration Expenditure, BPPD is the same as Village Development Implementation Sector, BPK is the same as Community Empowerment Sector, BPM = Community Development Sector, BTT is the same as Unexpected Sector

Independent variables are variables that bind, influence or cause changes or the

emergence of dependent variables (Sugiyono 2018:40). In this study, village funds are independent variables, village funds come from the APBN which is distributed to villages and transferred through the district/city APBD every year to fund the implementation of village authority in community development and empowerment (Sumiati, Made, & Mustikowati, 2017). The following is the formula for village funds:

$$\text{Village Funds For A Village} = \text{Village Funds Received By District/City} \times \text{Weight Of Each Village} \quad (2)$$

$$\text{Weight Of Each Village} = \text{BJP} + \text{BLW} + \text{BAK} + \text{BKG} \quad (3)$$

Where, BJP is the same as the Population Weight, BLW is the same as the Area Weight, BAK is the same as the Poverty Rate Weight, BBKG is the same as the Geographic Difficulty Weight.

According to article 72 paragraph 4 on village government, the allocation of village funds of at least 10% of the balancing funds obtained from the APBD after deducting special allocation funds can be used for the village. The following is the formula for the allocation of village funds:

$$\text{ADD} = \text{AD} + \text{AF} \quad (4)$$

Where, ADD is the same as Village Fund Allocation, AD is the same as Basic Allocation, and AF is the same as Formula Allocation.

Original village income is income obtained from village business results originating from the profit sharing of BUMDes, asset results obtained from village land, mutual cooperation results, self-help and participation originating from community donations, and other village levies (Sumiati, Made, & Mustikowati, 2017). The following is the formula for original village income:

$$\text{PAD} = \text{HUD} + \text{HKD} + \text{HSP} + \text{Etc} \quad (5)$$

Where, HUD is the same as Village Business Results, HKD is the same as Village Wealth Results, HSP is the same as Self-Help and Participation Results, Others are the same as Other original village income including village levies.

Data Processing and Analysis Techniques

The data was processed and analyzed using multiple linear regression using statistical software. Before testing the hypothesis, a model selection test was carried out using the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) approaches. Model selection was carried out using three test approaches, namely the Chow test, the Hausman test, and the Lagrange multiplier test. Furthermore, a hypothesis test was carried out using the t-test (partial test). The multiple regression analysis equation used was:

$$\text{LnBD}_{it} = \beta_0 + \beta_1 \text{LnDD}_{it} + \beta_2 \text{LnADD}_{it} + \beta_3 \text{LnPAD}_{it} + \varepsilon_{it}$$

Where: Ln equals Natural Logarithm, BD_{it} equals Village Expenditure in village i, year t, β_0 equals Constant Value, $\beta_1 \beta_2 \beta_3$ equals Regression Coefficient, DD_{it} equals Village Fund in village i, year, ADD_{it} equals Village Fund Allocation in village i, year, PAD_{it} equals Original Village Income in village i, year, ε_{it} equals Error

Table 2. Descriptive Statistics

	LnBD	LnDD	LnADD	LnPAD
Mean	20.00050	19.34400	18.74331	15.99885
Median	20.19106	19.56923	18.75756	16.12753
Maximum	20.62331	20.07653	19.50931	18.39997
Minimum	18.02963	16.58926	17.52571	11.95562
Std. Dev.	0.575423	0.741113	0.411459	1.433882
Obs.	79	79	79	79

Source: Eviews 12 output, 2024

RESULTS AND ANALYSIS

Descriptive Statistics

Descriptive statistical analysis needs to be done to describe the maximum and minimum values, average values (mean), and standard deviation of each variable, namely Village Expenditure (Y), Village Funds (X1), Village Fund Allocation (X2), and Village Original Income (X3).

Village Shopping, which is the dependent variable, produces an average value (mean) of 20.00050 with a standard deviation value of 0.575423. And has a maximum value of 20.62331 (Rp. 904,879,981,000) recorded in Garut Regency in 2020, while the minimum value is 18.02963 (Rp. 67,634,366,912) recorded in Banjar City in 2022.

Village Funds, which are independent variables, produce an average value (mean) of 19.34400 with a standard deviation value of 0.741113. And has a maximum value of 20.07653 (Rp. 523,753,071,000) recorded in Garut Regency in 2020, while the minimum value is 16.58926 (Rp. 16,018,603,008) recorded in Banjar City in 2022.

Village Fund Allocation, which is an independent variable, produces an average value (mean) of 18.74331 with a standard deviation value of 0.411459. And has a maximum value of 19.50931 (Rp. 297,020,208,128) recorded in Bandung Regency in 2021, while the minimum value is 17.52571 (Rp. 40,861,753,344) recorded in Banjar City in 2021.

Village Original Income (PAD) which is an independent variable produces an average value (mean) of 15.99885 with a standard deviation value of 1.433882. And has a maximum value of 18.39997 (Rp. 97,950,052,800) recorded in Sumedang Regency in 2022, while the minimum value is 11.95562 (Rp. 155,689,760) recorded in Banjar City in 2021.

Panel Data Regression Results

Panel data analysis can be used to determine the model used in the study. There are three approaches, namely the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). Model selection is carried out with three test approaches, namely the chow test, the hausman test, and the lagrange multiplier test. After conducting the three types of tests, it can be concluded that the Random Effect Model (REM) is the best model for this study.

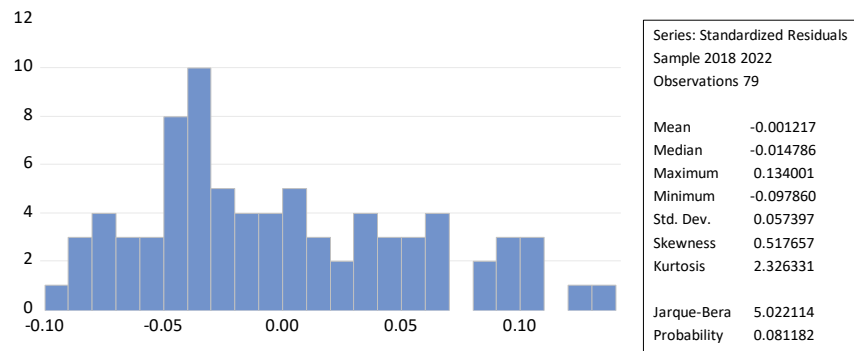


Figure 2. Normality Test Results

Source: Eviews 12 output, 2024

Classical assumption testing is conducted to test the accuracy of the regression model in research using secondary data sources. The data in this study has been free from classical assumption test problems, namely secondary data sources. The data in this study has been free from classical assumption test problems, namely normality test, multicollinearity test, autocorrelation test, heteroscedasticity test. Each test result is as Figure 2.

Based on Figure 2, it can be seen that the results of the normality test show data results that have a probability value of 0.081182, where this value is greater than the probability value of 0.05 with a total of 79 observations. This can be concluded that the data is normally distributed.

Based on Figure 2, it can be seen that village funds have a VIF value of 3.229042, which is smaller than 10, village fund allocation has a VIF value of 2.808433, which is smaller than 10, and village original income has a VIF value of 1.352934, which is smaller than 10. So, according to the basis for decision making in the multicollinearity test, it can be concluded that there is no multicollinearity between independent variables in the regression model.

Based on table 3, it can be seen that the Durbin Watson value is 1.8817, and has 3 (three) independent variables or $k = 3$ and the number of observations (N) is 79. So based on the Durbin Watson table with a significance value of 0.05, the dL value is 1.5568 and the dU value is 1.7141 which produces a 4-dU value of 2.2859. because the dU value of 1.7141 is smaller than the Durbin Watson value of 1.8817 and less than 4-dU of 2.2859, it can be concluded that there are no symptoms of autocorrelation.

Based on Table 4, it can be seen that the heteroscedasticity test shows data results that have a significance value of the village fund variable of 0.3174 greater than 0.05, the allocation of village funds has a significance value of 0.8942 greater than 0.05, the original village income has a significance value of 0.9376 greater than 0.05. So according to the basis for decision making in the heteroscedasticity test, it can be concluded that there are no symptoms of heteroscedasticity.

Based on the regression in table 5, it can be seen that the constant has a positive value of 142.511857. This shows that if all independent variables have a value of 0 (zero) percent or do not change, then the Village Expenditure (BD) value is Rp. 142.511857.

Table 3. Multikolineritas

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.180108	2011.624	NA
LN_DD	0.000510	2131.720	3.229042
LN_ADD	0.001295	5080.595	2.808433
LN_PAD	4.77E-05	137.7722	1.352934

Source: Eviews 12 output, 2024

Table 4. Autocorrelation Test Results

Durbin Watson Stat			1.881704
N	k	dL	dU
79	3	1.5568	1.7141

Source: Eviews 12 output, 2024

Table 5. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.222915	0.214127	1.041041	0.3012
LN_DD	-0.011606	0.011532	-1.006434	0.3174
LN_ADD	0.002459	0.018428	0.133446	0.8942
LN_PAD	0.000278	0.003543	0.078599	0.9376

Source: Eviews 12 output, 2024

Table 6. Multiple Linear Regression Analysis Results

VARIABLE	COEFFICIENT	STD. ERROR	t-STATISTIC	PROB.	SIGN
C	142.511857	0.424391	5.075156	0.0000	sign
LnDD	3.750559	0.022585	25.41926	0.0000	sign
LnADD	2.179425	0.035986	9.401999	0.0000	sign
LnPAD	1.059398	0.006910	3.626508	0.0005	sign
R – square				0.979652	
Adjusted R – square				0.978838	
F-statistic				1203.607	
Prob (F-statistic)				0.000000	

Source: Eviews 12 output, 2024

The regression coefficient of Village Funds (DD) is Rp. 3,750,559, which shows that village funds have a positive influence on village expenditure. This shows that if village funds increase by 1%, village expenditure will increase by Rp. 3,750,559, assuming other variables remain constant.

The regression coefficient of Village Fund Allocation (ADD) is Rp. 2,179,425, which shows that village fund allocation has a positive influence on village expenditure. This shows that if the village fund allocation increases by 1%, village expenditure will increase by Rp. 2,179,425, assuming that other variables remain constant.

The regression coefficient of Village Original Income (PAD) is Rp. 1,059,398, which shows that village original income has a positive influence on village expenditure. This shows that if the original village income increases by 1%, village expenditure will increase by Rp. 1,059,398, assuming other variables remain constant.

Analysis of the Impact of Village Funds on Village Expenditure

This study found that village funds have a significant positive effect on village expenditure, so Ha1 is accepted. Ha1 shows that the greater the village funds received by the village government, the greater the village expenditure that can be met. When viewed from the APBDesa report in each district/city, village funds have the highest budget sourced from the APBN, the one that received the highest village funds in 2018 was Garut Regency of IDR 389,53 billion, in 2019 the highest was Garut Regency of IDR 477.49 billion, in 2020 the highest was Garut Regency of IDR 523.75 billion, in 2021 the highest was Garut Regency of IDR 506.04 billion, in 2022 the highest was Garut Regency of IDR 518.35 billion. Village funds sourced from the APBN are used to improve the welfare of the community by supporting the implementation of government, increasing access to public services, and strengthening the local economy. In accordance with the explanation of Nordiawan (2006:15) to realize the goals of the state, it gives rise to state rights and obligations that need to be managed in a state financial management system, for the prosperity of the people which is manifested in the APBN and APBD. In line with the theory used, namely the theory of community welfare (welfare state) where this theory has a concept as a prosperous condition that refers to the term social welfare, where the condition of fulfilling the needs of the community both materially and non-materially. The results of this study are in line with research conducted by (Widyawati, 2022), (Saputri & Rahayu, 2023), (Hasan, & Tanesab, 2021) where previous research stated that village funds have a significant positive effect on village expenditure.

Analysis of the Influence of Village Fund Allocation on Village expenditure

This study found that the allocation of village funds has a significant positive effect on village expenditure, so H2 is accepted. This shows that the higher the value of the allocation of village funds that are used as much as possible based on their priorities, the higher the value of village expenditure. The allocation of village funds comes from the APBD, which received the highest allocation of village funds in 2018 was Bandung Regency of Rp. 215.18 billion, in 2019 the highest was Bandung Regency of Rp. 240.31 billion, in 2020 the highest was Garut Regency of Rp. 264.10 billion, in 2021 the highest was Bandung Regency of Rp. 297,020.21 billion, in 2022 the highest was Cianjur Regency of Rp. 252.46 billion. The allocation of village funds sourced from the APBD is prioritized to expand development. In accordance with Nordiawan's explanation (2006:156) considering that the government has various needs, government funds are divided into several parts, one of which is the capital project fund which is used when financing development projects. The results of this study are in line with research conducted by (Farida, Gunarianto, & Hasan, 2021), (Dasuki, 2020), (Amnan, Sjahrudin, & Hardiani, 2019) where previous research stated that the allocation of village funds has a significant positive effect on village expenditure.

Analysis of the Influence of Village Original Income on Village Expenditure

This study found that the original village income has a significant positive effect on village expenditure, so H3 is accepted. This shows that if the value of the original village income increases, it will affect the size of village expenditure, to create independence for village communities in utilizing resources in the local area. Original village income comes from village business results originating from the profit sharing of BUMDes (Village-Owned Enterprises), asset results obtained from village treasury land, mutual cooperation results, self-reliance and participation originating from community donations, and other village levies.

Bogor Regency has 351 BUMDes registered with the Ministry of Villages, the types of businesses consist of village tourism results, millennial farmer printing, coffee bean exports, sewing businesses. In Sukabumi Regency there are 410 BUMDes registered with the Ministry of Villages, the types of businesses consist of rapia rope production, rice husk utilization, basic necessities, tourist villages, banking services, provision of BBM and LPG products. In Cianjur Regency, there are 332 BUMDes registered with the Ministry of Villages, the types of businesses consist of tourism, plantations, agriculture, LPG sales and basic necessities. In Bandung Regency, there are 287 BUMDes registered with the Ministry of Villages, the types of businesses consist of tourist villages, agricultural kiosks, automotive business fields, mountain land turnover withdrawals, savings and loans, water business units, mini gas station business units. In Garut Regency, there are 483 BUMDes registered with the Ministry of Villages, the types of businesses consist of nature tourism, historical tourism, lodging, food stalls, agriculture. In Tasikmalaya Regency, there are 319 BUMDes registered with the Ministry of Villages, the types of businesses consist of traditional tourism, nature tourism, bamboo processing and added value, BRILink agents, egg-laying chickens, agriculture, plantations. In Ciamis Regency, there are 295 BUMDes registered with the Ministry of Villages, the types of businesses consist of dairy goat farming, durian seedling planting, agriculture. In Kuningan Regency, there are 419 BUMDes registered with the Ministry of Villages, the types of businesses consist of drinking water and waste management, building rental, tractor rental, party equipment rental, intermediary/brokering institutions, establishing ice factories, gas stations for fishing villages, village tourism, and contractors. In Cirebon Regency, there are 402 BUMDes registered with the Ministry of Villages, the types of businesses consist of tourist villages, coffee businesses, waste banks, car washes, BUMDes Mart, handicrafts, livestock, fisheries, agriculture. In Majalengka Regency, there are 338 BUMDes registered with the Ministry of Villages, the types of businesses consist of sugar cane cutting, village internet, agents and BRILink, computer shops, nature tourism, party equipment. In Sumedang Regency, there are 311 BUMDes registered with the Ministry of Villages, the types of businesses consist of agricultural equipment rental, stationery shops, photocopying businesses, water tourism. In Indramayu Regency, there are 342 BUMDes registered with the Ministry of Villages, the types of businesses consist of mango crackers, mango seed coffee, mango syrup, tourist attractions, agriculture. In Subang Regency, there are 147 BUMDes registered with the Ministry of Villages, the types of businesses consist of trade, savings and loans, agriculture, tourism, bank agents, crafts, transportation. In Purwakarta Regency, there are 185 BUMDes registered with the Ministry of Villages, the types of businesses consist of water sanitation villages, fisheries, tourism, agriculture, animal husbandry, village markets. In Karawang Regency, there are 260 BUMDes registered with the Ministry of Villages, the types of businesses consist of. In Bekasi

Regency, there are 138 BUMDes registered with the Ministry of Villages, the types of businesses consist of waste management, fish farming, bakery food businesses, fishing tours, coffee making education packages, cultural studios, textile products. In West Bandung Regency, there are 194 BUMDes registered with the Ministry of Villages, the types of businesses consist of tourist villages, clean water management, multipurpose buildings, village kiosk management, agriculture. In Pangandaran Regency there are 86 BUMDes registered with the Ministry of Villages, the types of businesses consist of tourist villages, trade, telecommunications services, water supply, trade and fish ponds. In Banjar City there are 16 BUMDes registered with the Ministry of Villages, the types of businesses consist of handicrafts, culinary chips, processed sasirangan, iwak rabuk, herbal eggs, honey and mountain rice..

The highest original village income for the period 2018 to 2022 was all achieved by Indramayu Regency, amounting to Rp. 52,788,681,000, in 2019, Rp. 63,695,522,000, Rp. 48,465,031,000, Rp. 70,017,941,504, Rp. 97,950,052,800. Original village income is a right that must be obtained by the village to advance the village economy, so that it does not depend on the central government. Based on the explanation of Hartoto et al (2023:313) what is meant by all rights is the right to collect regional revenue sources, so that it does not depend on the central government and has the freedom to manage and use funds for the benefit of the local community in accordance with laws and regulations. The results of this study are in line with research conducted by (Lestari, 2020), (Tanesab, Sodik, & Hasan, 2021), (Rismawaty, 2020) where previous research stated that village original income has a significant positive effect on village expenditure.

CONCLUSION, IMPLICATION, LIMITATIONS AND SUGGESTIONS

Conclusion

Based on the results of the analysis and discussion that have been carried out in the previous chapter, the results of this study can be concluded as follows: 1). Village funds in this study show that village funds have a significant positive effect on village expenditure. Village funds come from the APBN, which has the highest village funds in 2018 - 2022 is Garut Regency. 2). The allocation of village funds in this study shows that the allocation of village funds has a significant positive effect on village expenditure. The allocation of village funds comes from the APBD, which has the highest allocation of village funds in 2018, 2019, 2021 is Bandung Regency, in 2020 Garut Regency, and in 2022 Cianjur Regency. 3). The original village income in this study shows that the original village income has a significant positive effect on village expenditure. The original village income comes from village rights, which has the highest original village income from 2018 - 2021 is Indramayu Regency, and in 2022 Sumedang Regency.

Implications

From the results of the study which show that village funds have a significant positive effect on village expenditure, it can be said that the realization of village funds has been carried out in accordance with its objectives. With the distribution of village funds according to their objectives, the village government can improve the standard of living and welfare of the community by improving public services such as health and education, strengthening the local economy by increasing purchasing power and creating jobs, so that it can overcome poverty in

rural communities in West Java Province.

From the results of the study which show that the allocation of village funds has a significant positive effect on village expenditure, it can be said that the realization of the allocation of village funds can be carried out according to its priorities. With the allocation of village funds being used as much as possible according to its priorities in increasing the development needed by village communities such as roads, bridges, irrigation channels, and other public facilities, it can reduce the development gap in West Java Province..

From the results of the study which show that the original village income has a significant positive effect on village expenditure, it can be said that the villages in West Java Province can optimize the resources available in their areas to meet village expenditure needs. With the existence of original village income, it can create independence for village communities in utilizing village potentials so that the community is not dependent on funds from the central government.

Limitations

The research has validity, namely 1). The research data is not sourced from BPS so that when cross-checked with data from the peda there are differences. 2). The observation year is only 2018 to 2022.

Suggestion

Based on the conclusions and suggestions in this study, the researcher hopes that it can be improved to facilitate further research. The suggestions in this study are as follows: 1). Further researchers in collecting data other than from the Indonesian Central Statistics Agency, should also collect data directly from the local government. And for the local government, it is expected to be more coordinated in providing information on existing village revenue and expenditure budget reports, so that there is data transparency. 2). Further researchers are expected to be able to update the observation year to follow the latest developments.

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