

Assistance in Bumdes Financial Management in Strengthening Village Agricultural Potential

Futri¹, Darmawan², Fatimah^{3*}, Elva Tiara⁴, Fitriyani Syukri⁵

^{1,2,3,4} Faculty of Economics and Business, Universitas Muhammadiyah Parepare, Indonesia

⁵ Ekonomi Pembangunan Fakultas Ekonomi dan Bisnis Universitas Muhammadiyah Parepare

*Corresponding author: fatimahumpar11@gmail.com, futryfutry031@gmail.com

Abstract: This community service project in Tangru Village, Enrekang Regency, aimed to strengthen the financial management capacity of Village-Owned Enterprises (BUMDes) and optimize the village's agricultural potential, particularly in shallot cultivation. The program involved outreach, technical counseling on cultivation practices, development of BUMDes products such as eco-friendly pesticides, and training in financial management and basic marketing strategies. A mixed-methods approach combining qualitative and quantitative data was used, including observation, interviews, and documentation. The results showed a notable improvement in farmers' knowledge and practices related to shallot cultivation and enhanced accuracy in BUMDes financial records. These findings reflect increased community awareness of sustainable agricultural practices and financial governance. However, gaps remain in advanced accounting skills and effective marketing strategies, suggesting the need for further training and support. This program demonstrates that integrated community empowerment efforts can build foundational capacity, but sustained follow-up is essential to ensure long-term impact and institutional sustainability.

Keywords : Community empowerment, BUMDes, shallot cultivation, financial management, rural development, sustainability.

1. Introduction

A village is a legal community unit with territorial boundaries and authority to regulate local interests, based on origins and customs recognized within Indonesia's governmental system (according to Law No. 32 of 2004, Article 1 Paragraph 12). As a fundamental part of governance, villages possess vast natural and human resource potential, making them vital to national development. However, ironically, many villages in Indonesia remain underdeveloped in terms of economic progress (Multidisipliner et al., 2024). Economic development in villages is crucial to achieving equitable and sustainable economic growth. One of the strategic steps taken by the Indonesian government to support this is the establishment of Village-Owned Enterprises (BUMDes). A concrete example of using the Village Budget (APBDes) in the framework of community empowerment is through the establishment and development of BUMDes (Melalui et al., 2025). BUMDes is one of the village economic institutions fully managed by the community. As a flagship program to enhance community independence and creativity, BUMDes needs to be established.

According to Government Regulation of the Republic of Indonesia No. 11 of 2021 on Village-Owned Enterprises, a BUMDes is defined as a business entity in which all or most of the capital is owned by the village through direct investment originating from separated village assets, aimed at managing assets, providing services, and conducting other businesses for the greatest welfare of the village community (Darmawan & Wijaya, 2022). Developing the capacity for BUMDes management should begin with in-depth research and mapping so that BUMDes can be developed in alignment with local potential (Risal et al., 2022). According to Article 1 Paragraph (6) of Minister of Home Affairs Regulation No. 39 of 2010, BUMDes is a village-owned business established by the village government, with capital and management provided by both the government and the local community (Jenita et al., 2023). BUMDes is operated with the spirit of mutual cooperation and togetherness, focusing on economic and/or public service activities. Its presence serves as a strategic effort to develop the rural economy, based on each village's unique needs and potentials.

Economic growth in Indonesia is, among others, supported by the agricultural sector, which plays several key roles, such as supplying labor to other economic sectors, serving as a source of capital for modern economic growth, and generating foreign exchange (Annisa et al., 2018). BUMDes plays a central role in advancing the village economy in Indonesia, particularly by utilizing agricultural potential and involving the community. Its management is fully carried out by the villagers, and its results are expected to directly impact their well-being. Trading is one type of business carried out by individuals to meet their living needs, typically involving the exchange of goods or services between buyers and sellers. One of the commodities that can be traded is shallots (Fatimah et al., 2022). Shallots (*Allium cepa* var. *ascalonicum*) play a role in national economic growth as one of the most promising horticultural commodities. Besides being a well-known culinary spice that gives food its distinctive aroma, shallots also contain nutrients and enzymes important for therapy and maintaining bodily health. Therefore, shallots have high economic and functional value.

Shallots contain a compound that is a combination of allicin and vitamin B1 (thiamine) found in all types of onions, known as allithiamine. This compound helps facilitate metabolism in plant tissues and may serve as an antioxidant (Mutryarny et al., 2022). However, shallot production remains suboptimal, as reflected in the diverse cultivation methods specific to the agroecosystems where shallots are grown (Kilmanun et al., 2020). Since 2015, the government has been actively developing villages by allocating a significant amount of village funds. The role of accounting is highly important as a support tool in management tasks, particularly in planning and monitoring activities (Darmawan, Roem et al., 2023). These funds are specifically allocated for rural development, with the primary goal of providing economic benefits to the people and advancing villages overall (Be et al., 2024). The goal is not just financial gain, but also improving community welfare. The profits generated by BUMDes are used to expand businesses, finance development and community empowerment, and provide aid to underprivileged people through grants, social assistance, and revolving funds. BUMDes is expected to become the main driver of the rural economy, with village assets managed entirely by the local community. The spirit of togetherness and the philosophy of BUMDes must be internalized to strengthen the village economy. In turn, BUMDes will align with efforts to increase Village Original Revenue (PADes), stimulate community economic activities, and function as an institution that houses various economic activities in the village (Firdasari et al., 2024).

Several studies have shown that structured and contextual assistance for BUMDes can improve the quality of financial governance and significantly boost business growth. Research conducted by academic and research institutions has demonstrated a positive correlation between the intensity of mentoring and BUMDes' financial performance. Moreover, community-based mentoring approaches with active participation have proven more effective than top-down approaches. However, most of these studies remain partial, limited to specific regions or case studies, and have yet to thoroughly explore the relationship between financial management assistance and the strengthening of the agricultural sector in villages. Although BUMDes aims to improve welfare and village economies by leveraging local potential and engaging communities, many still struggle with business management and development, resulting in less-than-optimal contributions to rural economies (Maq et al., 2024). BUMDes often fails to maximize the potential of local agriculture. This is primarily due to poor financial governance, a lack of accountability, and business practices that are not empowerment-oriented. Poor financial management can lead to inefficient use of village funds, lack of transparency, and erosion of public trust. Therefore, financial management assistance for BUMDes is urgently needed to enable them to operate professionally, accountably, and effectively support agricultural development in villages.

This assistance should not only involve technical administrative training. It must also include the enhancement of human resource capacity, business planning tailored to local potential, and the

implementation of a suitable accounting system. Especially in agriculture, appropriate guidance can turn BUMDes into a rural economic driver through programs such as agricultural product processing, fertilizer and equipment distribution, and expanding market access for local farmers.

2. Methods of Implementing Community Service

The method employed in this community service program is the socialization method, which actively involves the community in identifying problems, planning, and implementing service programs. This approach facilitates collaboration between the BUMDes management team and the community to gather information and make decisions based on local potential and needs (Darman et al., 2024). The second method is direct interviews with key village stakeholders, including BUMDes managers, local farmers, village officials, and community leaders. These interviews aim to gather in-depth information about BUMDes financial management, the challenges encountered, and opportunities for developing agriculture-based enterprises. This method ensures that the community service approach is contextually relevant and aligned with the village's specific needs. Moreover, interviews serve as a tool for evaluating the effectiveness of the assistance provided, while also fostering dialogue between the service team and local residents to co-design participatory and sustainable solutions. The stages of the community service method are outlined below:

a. Socialization Stage

At this initial stage, preliminary information about the community service program was disseminated to raise public awareness and encourage participation. Direct communication was also established with the village government to identify local issues and potentials, which then informed the planning of relevant activities. The objective of this stage was to build community awareness and support for strengthening BUMDes financial management as a fundamental foundation for the sustainable development of agricultural business units in the village.

b. Counseling Stage

The second stage involved educational outreach conducted through open meetings, such as farmer group gatherings or community forums. These meetings provided information on the importance of transparent and accountable financial management in BUMDes as a key prerequisite for developing agriculture-based enterprises. A participatory approach was used to encourage attendees to share opinions, ask questions, and provide feedback on the program. An open discussion session was conducted to explore community understanding and identify real challenges in the field. This discussion also served as a platform to collect community hopes and aspirations regarding BUMDes development, especially in supporting the agricultural sector. The outcomes of these discussions were used as input for designing the next phase of mentoring.

c. Mentoring Stage

The third stage was mentoring, carried out based on the results of the counseling and open discussions. The service team formulated a mentoring program tailored to community needs. The program was designed to address identified issues, such as weak financial record-keeping, lack of agricultural business planning, and limited understanding of proper BUMDes governance. The main focus was directed toward strengthening accountability and sustainable management of agricultural enterprises.

d. Evaluation Stage

The evaluation stage was conducted at the end of the community service activities to assess the extent to which the mentoring program achieved its objectives and to identify areas for improvement. The evaluation was carried out in a participatory manner, involving BUMDes managers, village officials, and the community. The initial step of the evaluation involved setting

success indicators, including regularity in financial record-keeping, the ability to prepare simple financial reports, implementation of agricultural business plans, and improved understanding of transparency and accountability principles.

3. Results and Discussion

The implementation of the Community Service Program (PKM) titled *"Assistance in BUMDes Financial Management to Strengthen Village Agricultural Potential"* was conducted in Tangru Village, Malua District, Enrekang Regency. The activities were carried out in four main stages: socialization, counseling, mentoring, and evaluation. Each stage is described in detail below:

a. Activity Socialization

The initial phase of the program implementation in Tangru Village began with a socialization session involving the local community and village government. The primary objective of this stage was to introduce the purpose and scope of the community service program and to encourage active participation from all stakeholders. The service team held direct meetings with village officials, BUMDes managers, and community leaders to explain the importance of strengthening financial management in BUMDes as a fundamental pillar for the sustainable development of village-based agricultural enterprises. During this process, the team also gathered preliminary information on the village's agricultural potential, existing challenges faced by BUMDes, and the readiness of the community to engage in the program. The socialization was conducted in an open and communicative manner to foster collective awareness of the urgency of improving village enterprise governance, especially in the agricultural sector. The results of the socialization phase showed a positive response from both the community and village government. BUMDes managers expressed interest and commitment to participating in all program stages, while local farmer groups and other community members showed strong enthusiasm to contribute to strengthening agricultural businesses through improved and accountable financial governance. Additionally, initial discussions revealed key issues such as the absence of a standardized financial recording system, weak documentation of business transactions, and a lack of specialized training in village financial management. Thus, this stage successfully served as a foundation for effective communication and alignment of vision between the service team and the village community in the shared goal of strengthening local economic institutions.

Figure 1. Digital Marketing Training Participants



b. Agricultural Counseling: Shallots and BUMDes Products

Following the socialization phase, which successfully raised community awareness about the importance of BUMDes financial management and identified fundamental issues such as poor financial documentation and the underutilization of local agricultural potential, the program proceeded to the

counseling stage. This stage served as a bridge between the preliminary information gathered from the community and the implementation of more applicable field-based solutions. The counseling focused on two main areas: enhancing the capacity of farmers in managing shallot cultivation and developing BUMDes business products, particularly in the production and distribution of pest control solutions (commonly referred to as “shallot pesticide”). Shallots were selected as the key commodity due to their status as one of Tangru Village's leading agricultural products, with high potential for professional and sustainable development. However, as identified during the socialization stage, local farmers still faced technical barriers such as pest and disease outbreaks, low yields, and limited access to safe and affordable pesticides.

Through farmer group meetings and open community forums, the service team delivered technical training on shallot farming, including seed selection, planting techniques, fertilization, irrigation, and integrated pest management. The session also introduced the formulation and application of shallot-based pesticides. These pesticides were further developed into a BUMDes business unit, ensuring the sustainability of their production while opening new opportunities for value-added village enterprises. Thus, the counseling stage not only aimed to improve agricultural productivity but also to strengthen the village's economic structure through BUMDes. The counseling was conducted in a participatory manner to ensure that the community acted not only as recipients but also as active contributors in strengthening knowledge and decision-making processes. Open discussions served as a platform to explore farmers' experiences, understand the real challenges they face, and gather aspirations for more organized agricultural enterprise development. The outcomes of this stage directly informed the design of subsequent mentoring programs, addressing both financial management for BUMDes and technical agricultural support aligned with local needs.

Figure 2. Featured Agricultural Products Shallots



Figure 3. BumDes pesticide products (onion poison)



c. Mentoring

This stage aims to ensure that the knowledge and initiatives gained by the community during the counseling phase are consistently implemented, while also strengthening BUMDes institutional capacity to manage village enterprises professionally and accountably. The mentoring process was conducted using a participatory and needs-based approach. The service team provided not only technical guidance but also hands-on support throughout the production, recording, and marketing processes for agricultural products and BUMDes goods such as pest control solutions (shallot-based pesticides). Activities included assisting farmer groups in applying the previously introduced shallot cultivation techniques, such as proper planting distance, effective pesticide use, and regular pest and disease monitoring. Field mentoring was carried out periodically to help farmers address technical challenges directly on-site.

At the institutional level, the mentoring focused on improving BUMDes' financial systems, particularly for the pesticide production business unit. The team delivered training on basic financial record-keeping, agricultural business planning, and transparent transaction reporting. This was intended to address earlier findings from the socialization and counseling phases, which had highlighted issues of weak accountability and financial management within BUMDes. Community members and BUMDes managers were also supported in developing marketing strategies both locally and inter-village—by leveraging basic digital tools such as village social media. The mentoring was designed as an ongoing cycle of repetition and periodic evaluation to foster continuous learning. Each step was revisited in collaboration with local residents.

d. Evaluation

The evaluation stage marked the final phase of the community service activities, aimed at assessing the extent to which the mentoring objectives had been achieved and identifying aspects needing further improvement. This phase employed a participatory approach, involving community members, farmer groups, BUMDes managers, and village authorities. Such an approach ensured that the evaluation results reflected not only the service team's perspective but also the firsthand experiences and perceptions of the local stakeholders. Evaluation activities included field observations, interviews with farmers and BUMDes managers, and open discussion forums bringing together all involved parties. Findings revealed that most farmers had begun adopting more structured planting techniques. On the institutional side, BUMDes administrators demonstrated progress in financial transaction documentation, particularly within the newly established pesticide production unit. Although the system was not yet fully developed, basic bookkeeping practices had been initiated, indicating that financial mentoring had begun to positively influence village-level governance.

Nonetheless, the evaluation also identified several ongoing challenges, including the need for further training in basic accounting and the expansion of BUMDes product marketing networks to ensure wider distribution of shallot-based pesticides. Additionally, consistency in farmers' record-keeping of harvests and production costs needed improvement to support long-term business planning based on reliable data. Overall, the evaluation confirmed that the community service activities had a positive and relevant impact on both community capacity building and village institutional development. This phase served as a comprehensive reflection on the process, from socialization to counseling and mentoring, and provided the foundation for designing future follow-up programs. Through an open and participatory evaluation approach, the program extended beyond short-term interventions and paved the way for continuous improvement and sustainability aligned with the evolving needs of the village community.

4. Conclusion

4.1 Conclusion

This community service program, conducted in Tangru Village, Enrekang Regency, successfully enhanced the financial management capacity of BUMDes and strengthened the agricultural potential of the community—particularly in shallot cultivation. The structured implementation stages, including socialization, counseling, mentoring, and evaluation, led to measurable improvements in agricultural knowledge, the adoption of cultivation techniques, and the initiation of standardized financial records for BUMDes business units. The establishment of shallot-based pesticide products also demonstrates the village's readiness to develop agriculture-oriented enterprises supported by professional financial governance. Although progress has been made, further efforts are needed to ensure long-term sustainability, particularly in accounting skills, digital marketing competence, and business diversification.

4.2 Theoretical Implications

The findings contribute to the literature on rural economic empowerment by emphasizing the relationship between financial governance, capacity-building interventions, and agricultural enterprise development. This study reinforces the argument that strengthening local institutions through contextual and participatory approaches can significantly improve the performance of community-based enterprises such as BUMDes. It also highlights the role of integrated empowerment models—combining agriculture, entrepreneurship, and accounting—in supporting sustainable rural development.

4.3 Practical Implications

The outcomes of the program provide actionable insights for village governments, BUMDes managers, and community development agencies. First, continuous training in financial management is necessary to standardize administrative processes and improve accountability. Second, agricultural technical support, particularly for shallot cultivation, should be maintained to increase productivity and product quality. Third, BUMDes should adopt more strategic marketing approaches, both digital and conventional, to expand market reach. Finally, collaboration with government agencies and educational institutions can further strengthen institutional capacity and provide access to capital, technology, and markets.

4.4 Limitations

This community service program was limited by a relatively short implementation period, which constrained the monitoring of long-term behavioral changes in both farmers and BUMDes managers. Additionally, the evaluation relied largely on qualitative observations and interviews, which may not fully capture the financial and agricultural performance improvements quantitatively. The mentoring scope was also centered on one commodity—shallots—which limits generalizability to other agricultural sectors.

4.5 Recommendations for Future Programs

Future community empowerment initiatives should incorporate:

1. **Extended mentoring periods** to strengthen consistency in financial reporting and agricultural practices.
2. **Comprehensive accounting and digital literacy training**, particularly targeting BUMDes managers and young residents.

3. **Product diversification strategies** to reduce dependency on shallots and increase BUMDes revenue streams.
4. **Quantitative performance measurement**, such as profitability analysis of new BUMDes products and productivity indicators for agricultural outputs.
5. **Strengthened cross-sector collaboration** with agricultural agencies, cooperatives, and academic institutions to ensure continuous support and shared expertise.

Through sustained mentoring, institutional support, and integrated rural development strategies, BUMDes can serve as a catalyst for village economic growth and long-term community welfare.

5. Bibliography

- Annisa, I., Asmarantaka, R. W., & Nurmalina, R. (2018). Efisiensi Pemasaran Bawang Merah (Kasus: Kabupaten Brebes, Provinsi Jawa Tengah). *Mix: Jurnal Ilmiah Manajemen*, 8(2), 254. <https://doi.org/10.22441/mix.2018.v8i2.005>
- Be, E., Oki, K. K., & Babulu, N. L. (2024). Penguatan Kapasitas dan Tata Kelola Keuangan BUMDes di Desa Oinbit Kecamatan Insana. *Kontribusi: Jurnal Penelitian Dan Pengabdian Kepada Masyarakat*, 4(2), 206–215. <https://doi.org/10.53624/kontribusi.v4i2.354>
- Darman, G., Rosadi, S. H., Kasim, E., & Purnamasari, F. (2024). *Pemberdayaan Masyarakat melalui Sosialisasi Benih Bersertifikat dan Pupuk Organik*. 4, 314–322.
- Darmawan, Roem, M., Ibrahim, P., & Handayani, S. (2023). PEMBERDAYAAN UMKM PEDAGANG CAMPURAN BERBASIS PELATIHAN DAN PENDAMPINGAN PENCATATAN KEUANGAN DI KELURAHAN PAMMASE KECAMATAN TIROANG KABUPATEN PINRANG. *MARTABE: Jurnal Pengabdian Masyarakat*, 6, 2103–2106.
- Darmawan, M., & Wijaya, I. (2022). Jurnal Mirai Management Analisis Badan Usaha Milik Desa (BUMDes) dalam. *Jurnal Mirai Management*, 7(2), 241–246. <https://doi.org/10.37531/mirai.v7i2.2014>
- Fatimah, F., Arfianty, A., Nurwani, N., Tarawiru, Y., & Harun, H. (2022). Optimalisasi Pemberdayaan Masyarakat di Tengah Pandemi Covid-19 melalui Kegiatan Pengenalan Go-Digital bagi UMKM di Kelurahan Ujung Sabbang Kecamatan Ujung Kota Parepare. *MALLOMO: Journal of Community Service*, 2(2), 89–93. <https://doi.org/10.55678/mallomo.v2i2.732>
- Firdasari, Marlina, L., Saleh, Y., Seta, A. P., & Teguh, E. (2024). Jurnal Pengabdian Fakultas Pertanian Universitas Lampung POTENSI DESA REJO AGUNG MELALUI SOCIAL MEDIA DAN E-COMMERCE Jurnal Pengabdian Fakultas Pertanian Universitas Lampung. *Jurnal Pengabdian Fakultas Pertanian Universitas Lampung*, 3(1), 50–61.
- Jenita, J., Andriani, R., Hertina, H., Zuraidah, Z., & ... (2023). Penguatan Manajemen Keuangan Syariah Bagi Pengelola Badan Usaha Milik Desa (BUMDes). *Menara ...*, 17(1), 36–45. <http://ejournal.uin-suska.ac.id/index.php/Menara/article/view/20062%0Ahttp://ejournal.uin-suska.ac.id/index.php/Menara/article/download/20062/9365>
- Kilmanun, J. C., Pr, P. E., Nuarie, B., Pengkajian, B., Pertanian, T., Barat, K., & Pengkajian, B. (2020). Kabupaten Probolinggo Jawa Timur Analysis Farming Income Shallot in Probolinggo East Java. *Jurnal Pertanian Agros*, 22(2), 272–277.
- Maq, M. M., Dewi, S. P., & Suningrat, N. (2024). *Pendampingan Balai Desa dalam Mengembangkan BUMDes untuk Meningkatkan Perekonomian Masyarakat*. 4(5), 185–191.
- Melalui, M., Studi, B., Desa, P., & Kabupaten, S. (2025). *Analisis tata kelola apbdes dalam mendukung program pemberdayaan masyarakat melalui bumdes: studi pada desa sindangheula kabupaten serang*. 8(11).

- Multidisipliner, J. S., Gesela, Y., Rusliani, H., Islam, U., Sultan, N., & Saifuddin, T. (2024). *ANALISIS PENGELOLAAN BUMDES DALAM MENINGKATKAN PEREKONOMIAN MASYARAKAT DI DESA MERIBUNG KECAMATAN LIMUN*. 8(10), 81–92.
- Mutryarny, E., Agroteknologi, P. S., Pertanian, F., & Kuning, U. L. (2022). *Effectiveness of Plant Growth Regulators From Shallot*. 13(April), 33–39.
- Risal, S., Irawanto, Misransyah, Saputra, R. W., Asmawatiy, C., & Priono, S. (2022). Pengembangan Skala Usaha Bumdes Tritunggal Mandiri melalui Pemanfaatan Potensi Desa Martadah Baru Kabupaten Tanah Laut. *Jurnal Pengabdian Masyarakat Formosa*, 1(3), 269–282. <https://doi.org/10.55927/jpmf.v1i3.795>