

COMPARATIVE ANALYSIS OF FORMATION PROCESS BETWEEN BUMDES STUNGKIT MANDIRI AND BUMDES BUKIT JAYA MANDIRI, INDONESIA

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ABSTRACT: *When speaking about BUMDes, especially those in North Sumatra are generally left behind with the development of BUMDes in Java, where its BUMDes that have been formed earlier and can be said to grow even before there is an injection of funds from the Village Fund. In Langkat regency where from 240 villages in Langkat district, the whole village already has BUMDes. Through the Village Community Empowerment Agency of Langkat Regency as the supporting element of Local Government in the field of empowerment of rural community has functions such as the implementation of the Policy of Development of Village Owned Enterprises (BUMDes). BUMDes Bukit Jaya Mandiri can provide evidence in the form of news gatherings formation BUMDes, photos and village regulations. The Articles of Association and Bylaws of BUMDes Stungkit Mandiri and BUMDes Bukit Jaya Mandiri have also been well organized.*

KEYWORDS: Rural Development; Governance Principles; Community Empowerment

INTRODUCTION

In connection with the effort to accelerate the facilitation of the establishment and management of *BUMDes* in Langkat District, a Technical Guideline for the Establishment and Management of Village Owned Enterprises (*BUMDes*) was established. Through these Technical Guidelines it is expected to facilitate the community and the Village Government in understanding the ins and outs of things related to *BUMDes* so as to increase the interest of the community to form and manage *Bumdes* as an institution capable of becoming the pillar and locomotion of economic development in rural areas in order to increase the income of the community and Village Original Income to realize the independence and welfare of the village and its people. From the initial interview conducted by a special researcher in *Wampu District* where from 13 villages in *Wampu District* not all *BUMDes* Villages run well. There are even villages that only make the Board's Decision Letter but its *BUMDes* simply do not work. *BUMDes* is made only to be complementary because it is a must from the Ministry of Village that Village must have *BUMDes*. There are many factors that cause the lack of success of these programs, because the *BUMDes* that have been built are still on the basis of village government initiatives are not based on commitment of the village community through village meetings. Community participation to jointly promote the *BUMDes* program is needed. Community participation is the main capital in the effort to achieve the target of *BUMDes* program. The participation of the community will be able to balance the limitations of the cost and the ability of the village government in managing *BUMDes*. The lack of understanding of the villagers about *BUMDes* should be of particular concern to local governments for more socialization to engage with community-related *BUMDes*, and villages can conduct comparative studies to areas that have

successfully built *BUMDes*. Table 1 shows an overview of the existing *BUMDes* in *Kecamatan Wampu Langkat* District.

Table 1. Description of *BUMDes* in Wampu Sub-district

No	Village	<i>BUMDes</i> Capital Village 2017 Capital	Type of business
1	<i>Besilam</i>	54 juta	<i>Penggemukan lembu</i>
2	<i>Bukit Lintang</i>	100 juta	<i>Simpan pinjam</i>
3	<i>Gergas</i>	90 juta	<i>Simpan pinjam</i>
4	<i>Stabat Lama Barat</i>	86 juta	<i>Simpan pinjam</i>
5	<i>Jentera</i>	20 juta	<i>Simpan pinjam</i>
6	<i>Stungkit</i>	100 juta	<i>Toko sembako</i>
7	<i>Sumber Mulyo</i>	40 juta	<i>Simpan pinjam</i>
8	<i>Paya Tusam</i>	5 juta	<i>Simpan pinjam</i>
9	<i>Kebun Balok</i>	30 juta	<i>Ternak kambing</i>
10	<i>Stabat Lama</i>	80 juta	<i>Simpan pinjam</i>
11	<i>Mekar Jaya</i>	100 juta	<i>Penggemukan lembu</i>
12	<i>Gohor Lama</i>	50 juta	<i>Ternak kambing</i>
13	<i>Pertumbukan</i>	130 juta	-

Source: Initial interview with Village Head of Wampu Sub-district, 2017

In reality, not all people in *Kecamatan Wampu* understand and know that in their village there is *BUMDes* program. In addition to the lack of socialization from the board of each village *BUMDes* also due to work factors where the majority of residents in the District *Wampu* work as a farmer. At the initial interview of the writer with the Village Head of *Kebun Balok* he said that the *BUMDes* in his village had never reported the progress of the business run from the village fund money since 2015. While the Village Head of *Sumber Mulyo* said that he only handed over the village fund money for *BUMDes* capital and did not know the next matter was handed over to the board of *BUMDes* which for 2 years running has not yet reported the progress of *BUMDes* effort to the village head. *BUMDes* The village funding project was channeled to *BUMDes* but when the authors asked *BUMDes* to village officials they said they did not know what *BUMDes* activities were going on. The Old West Stabat village seems to have gone a step further as it has one pickup unit labeled *BUMDes*, but has not been interviewed directly about what kind of business *BUMDes* runs. There is something interesting when researchers follow discussion village development plans (*Musrenbangdes*) *Bukit Melintang* Village is a deliberation almost changed toward the debate on financial accountability *BUMDes*. At that time the people who were present through the LPMD Chairman questioned where the money that was disbursed from the village fund to *BUMDes* *Bukit Melintang* for 2 years, which also happened to Chairman of *BUMDes* is the husband of *Bukit Melintang* Village Head.

People are disappointed because they feel not involved in the deliberation of the formation of board of *BUMDes* and never see accountability report from board *BUMDes* *Bukit Melintang*. Even the position of the board of *BUMDes* is also from the relatives of the village head. Seeing the stewardship on *BUMDes* *Bukit Melintang* Village researchers like to see the arrangement of the family foundation stewardship. When the researcher asked why the case occurred to the village head, the village chief said he did it to protect the assets and capital of *BUMDes*. The village head is afraid that the management of *BUMDes* handed over to the residents will make the financial account of *BUMDes* increasingly chaotic.

Unlike the case with what happened in the village of *Stungkit* where the *BUMDes* formed have been slightly better. Where the stewardship structure has involved citizens. Where with the injection of funds Rp. 100.000.000, - from the Village Funds in 2016 and 2017 *BUMDes* management to make a grocery store business. And this is the only *BUMDes* that have store outlets in District *Wampu*.

REVIEW OF LITERATURE

Rural Development

Rural development is a part of national development and the development of this village has important meaning and role in achieving national goals, because the village and its people are the basis and economic, political, socio-cultural and security defense. The government's obligation is to provide the infrastructure, while the rest rests on the community's own capacity. The village development process is a mechanism of community wills combined with the community. The combination of determining the success of development as proposed by *Ahmadi* (2001: 222) village development mechanism is a harmonious mix between the activities of community participation in parties and government activities on the one hand. That is essentially the village development is done by the community itself. While the government provides guidance, assistance, coaching, and supervision. Rural development is rural-based development by promoting local wisdom of rural areas covering the demographic structure of society, socio-cultural characteristics, physical / geographical characteristics, patterns of agricultural business activities, rural-urban economic patterns, village institutional sectors, and residential area characteristics. The phenomenon of development gap between regions in a country, covering the already developed regions and the developing regions trigger social disparities between regions. One of the factors is the gap between rural and urban areas because the previous economic development tends to be concentrated in the city. As a result of the enactment of an urban biased development model, the agricultural sector identical to rural economies is declining. Compared to the growth of the industrial and service sectors, which is identical to the urban economy the agricultural sector is becoming increasingly underdeveloped. To overcome this, each country tries to intervene to reduce the level of inequality between regions by doing rural development.

A Brief Description of *BUMDes*

This business entity has actually been mandated in Law no. 6 Year 2014 on Villages elaborated in Regulation of the Minister of Village, PDT and Transmigration No. 4 of 2015 on Establishment, Management and Management, and Dissolution of Village Owned Enterprises (*BUMDes*). As stated in the Regulation of the Minister of Village, PDT and Transmigration, the objective of establishing *BUMDes* is to increase the Village's Original Income, therefore in order to develop the village economy and the processing of its potentials, the village can establish *BUMDes*. Meanwhile, the task and role of the government is to socialize and awareness to the community about the importance of *BUMDes* for the improvement of people's welfare. *BUMDes* is a pillar and an economic locomotive in the village that functions as a social and commercial institution. *Bumdes* as a social institution sides with the interests of the community through its contribution in the provision of social services. While as a commercial institution aims to seek profits through the supply of local resources (goods and services) to the market. In running *BUMDes* business, the principle of efficiency and effectiveness must

always be emphasized. *BUMDes* as a legal entity, established based on the prevailing laws and regulations, and in accordance with the agreements established in the village community. Thus, the form of *BUMDes* can vary across villages. This variety of forms corresponds to the local characteristics, potentials, and resources of each village. To that end, the village community needs to be prepared in advance in order to receive new ideas about economic institutions that have two functions of social and commercial nature by sticking to the characteristics of the village and values that live and respected. Therefore, the most appropriate preparation is to focus on socialization, education and training to stakeholders on improving the living standards of rural communities (village government, BPD, community leaders, and institutional leaders in rural areas). In this way it is hoped that the existence of *BUMDes* can encourage the dynamics of economic life in rural areas. The role of the Village Government is to build relationships with the community to realize the fulfillment of minimum service standards and capital support as part of efforts to develop village communities that have capacity and empowerment.

BUMDes Governance Principles

The governance principles of BUMD in accordance with the Technical Guidelines for Establishment and Management of *BUMDes* Year 2015 are:

General Management Principles of Village Owned Enterprise (*BUMDes*):

- a. *BUMDes* management must be implemented using cooperative, participatory, emancipator, transparent, accountable, and sustainable principles, with a professionally and self-administered mechanism. In this regard, to build *BUMDes* requires accurate and precise information about local characteristics, including socio-cultural characteristics of the community and market opportunities of the products (goods and services) produced.
- b. *BUMDes* as a business entity built on community initiatives and adheres to an independent principle, should prioritize the acquisition of capital derived from the community and *Pemdes*. However, it is possible for *BUMDes* to obtain capital from outside parties, such as from the District Government or other parties, and may also make loans to third parties, in accordance with the laws and regulations.
- c. *BUMDes* are established with clear objectives. These objectives will be realized by providing services for productive enterprises, especially for the rural poor, reducing rent and disbursement, creating equal opportunity opportunities, and increasing the income of the villagers. Another important thing is that *BUMDes* must be able to educate the community to accommodate saving, in this way will be able to encourage the economic development of rural communities independently.
- d. Management of *BUMDes*, is predicted to involve a third party that not only affects the villagers themselves, but also the community in the wider scope (districts). Therefore, the establishment of community-initiated *BUMDes* should continue to consider the existence of the village's economic potential that supports, tax payments in the village, and the compliance of the village community to its obligations thereby demanding the involvement of the District Government. Principles of Management of Village Owned Enterprise (*BUMDes*)

BUMDes management principles are important to be described in order to be understood and perceived in the same way by the Village Government, members (capital partners), BPD, *Pemkab*, and the community. There are 6 (six) principles in managing *BUMDes* namely:

- a. Cooperative, all components involved in *BUMDes* must be able to do good cooperation for the development and business survival.
- b. Participatory, all components involved in *BUMDes* must be voluntary or required to provide support and contribution that can drive *BUMDes* business progress.
- c. Emancipation, all components involved in the *Bumdes* should be treated the same regardless of group, ethnicity and religion.
- d. Transparent. activities that affect the interests of the general public must be known by all segments of society easily and openly.
- e. Accountable, all business activities must be accountable technically and administratively.
- f. Sustainable, business activities should be developed and conserved by the community in the container *BUMDes*.

METHODS OF THE RESEARCH

Research Design

This research uses descriptive research method with qualitative approach in the sense of research focused on selected phenomena and want to be understood in depth. According *Sugiyono* (2009: 15) qualitative research is a method of research based on post positivism philosophy, used to examine the natural object conditions where the researchers are as a key instrument, sampling of data sources conducted by purposive, collecting techniques with triangulation, inductive or qualitative, and the results of qualitative research emphasize the meaning of generalization. Qualitative research relies on a holistic natural background, positioning humans as a research tool. Conducting an inductive data analysis, more concerned with the process than the results and the results of research conducted in agreement by researchers and research subjects. The choice of qualitative approach in this research is based on the reason that the problem studied in this research is how the process of formation and operation of *BUMDes* requires a number of actual and conceptual field data. In addition, qualitative approaches are more sensitive and more adaptable to much sharpening of shared influence on values patterns encountered and situations vary during the study (*Moleong*, 2007: 10).

Research Sites

This research was conducted in two villages in *Wampu* sub-district of *Langkat* namely *Stungkit* and *Bukit Melintang Village*. The reason for the selection of these two villages:

- a. *Stungkit Village*, the selection of this village because there are already *BUMDes* activities in the form of grocery stores, have formed *BUMDes* board to be interviewed.

- b. *Bukit Melintang Village*, the selection of this village because the actual plantation villages can to centralize the village development activities through *BUMDes*, has been formed *BUMDes* board to be interviewed.

Informant Research

The research informant is the person who provides information about the situation and condition of the research background (*Moleong, 2010: 97*). Determination of informants in this study based on the assumption that they are the people who are most aware of the state of *BUMDes Desa Stungkit and BUMDes Bukit Melintang Village* for directly involved. Informants in this study include:

- a) Head of *Stungkit and Bukit Melintang Villages*
- b) Devices of *Stungkit and Bukit Melintang Villages*
- c) Head of Hamlet of *Stungkit and Bukit Melintang Village*
- d) Composition of *BUMDes Stungkit Mandiri and Bukit Melintang Village Management*
- e) Villagers of *Stungkit and and Bukit Melintang Village* users of *BUMDes* or not

Data and Data Sources

The type of data used in this study is divided into two types:

1. Primary Data

Data obtained directly in the field when the research is done that obtained directly through interviews and observations.

2. Secondary data

Original data that already exist such as AD / ART, *BUMDes* stewardship arrangements, accountability reports, population data, and so forth.

DISCUSSION

Management of *Stungkit Mandiri BUMDes*

From the interviews of researchers with some *BUMDes Stungkit Mandiri* managers at the beginning of the establishment of *BUMDes Stungkit Mandiri* business unit that is run is a savings and loan. But because at that time has not done a good bookkeeping and the loan repayment rate of the community is also bad. But at the turn of *BUMDes* Advisor where due to there is a change of Village Head which automatically becomes Supervisor of *BUMDes*. The newly elected village head *Suriadi Usman* suggested that the previous *BUMDes* management to complete the *BUMDes* financial report 2015. This situation is also justified by other board of *BUMDes*, as said by Chairman of *BUMDes Stungkit Mandiri* Rajali Husni:

"The first in 2015 the beginning of *BUMDes* business is a savings and loan that cannot be a result can even be disastrous because people do not pay the loan. Then in 2017 out money 100 million rupiah from the village funds so held a meeting for the problem *BUMDes*. In the

meeting it was concluded that the savings and loan business will continue to complicate the board. So we have a principled, asked here and there, so it was agreed that the food store was able to be profitable "(BUILD STKIT *Mandiri* grocery store outlet, March 27, 2018). Savings and loan unit *BUMDes Stungkit Mandiri* out of business because many borrowers do not return their debts. So the *BUMDes* management is worried if this business unit is continued, *BUMDes* capital will also disappear like the previous period. Plus the savings and loan business is commonly created so it will not create an innovative impression if *BUMDes Stungkit Mandiri* opened a similar financial institution. Due to the change of Head of *Stungkit* Village, a community consultation was made by involving *BUMDes* management to discuss *BUMDes Stungkit Mandiri* development. From the results of the consultation it was agreed that the business unit that was developed was a food store. When the researcher interviewed the Head of the Shrimp Shop Unit *Suprayetno* he said:

"The selection of this *sembako* business unit is due to the decreasing of rice fields in *Stungkit* village because many people are changing rice field with oil palm plantation. Plus rice is the basic needs of society that must be met. So selling rice and other basic necessities would still be needed by the people of *Stungkit* Village. Therefore, the business unit was developed from *BUMDes Stungkit Mandiri* in the form of foodstuffs store "(Store grocery store *BUMDes Stungkit Mandiri*, March 27, 2018) The spirit to build a business unit of the grocery store is immediately welcomed by the Village Head. The village head agreed and through the village consultation in determining the Village Revenue and Expenditure Budget (APBDes) 2017 it was agreed to increase the capital of *BUMDes Stungkit Mandiri* amounting to 100 million rupiah which is devoted to the business unit of the grocery store. Head of *BUMDes Mandiri* supermarket business unit *Stungkit Mandiri Suprayetno* immediately took steps to start a food store business. He said: "I used the empty space on the porch. Actually to have a good potential a food stalls business is in front of a busy public road, and indeed my house is on the main street of *Stungkit* Village. The financial situation is not yet possible to buy supplies, we use unused tables and reset to be used as merchandise hawkers. The goods are certain and must be owned and purchased such as scales, measuring instruments and various sizes of buckets where rice or cooking oil. We sell the most searched goods around the community first. The most commonly sought-after items are rice, cooking oil, instant noodles, wheat flour, chicken eggs, sugar, salt, cooking spices, tea, coffee, bath soap, laundry soap, toothpaste, shampoo and various children's snacks "(BALIES *Stungkit Mandiri* grocery store outlet, March 27, 2018).

Board of *BUMDes* looking for merchandise at the cheapest price. Where the Chairman of *BUMDes Rajali Husni* said:

"We have to find the cheapest rice to the village of *Tanjung Beringin Hinai Subdistrict* approximately 20 kilometers from the village of *Stungkit* but the price is not suitable, then looking to District Stabat which is more or less the same journey is also not suitable, then looking towards *Sei Karang Tandam* Village already entered part of Deli Serdang Regency new matching the purchase price with the difference of profit for resale "(Store grocery store *BUMDes Stungkit Mandiri*, March 27, 2018). The existence of *BUMDes Stungkit Mandiri* as a container for the driver of the village economy must indeed involve all the potential that exists including community participation. Not only the spirit of the village and *BUMDes* management. The struggle of the Board of *BUMDes Stungkit Mandiri* who want to maximize the use of capital is already good. This is evident from the efforts of the board of *BUMDes* to look for merchandise at the cheapest price that will be resold in *BUMDes* so that the benefits can be maximized *BUMDes*.

The grocery store unit run by *BUMDes Stungkit Mandiri* for approximately 10 months has contributed to the original income of Stungkit village in accordance with the accountant of *BUMDes Khomsyahtun*: "*BUMDes* already contributed to the original income of the village of approximately three million eight hundred thousand rupiah" (Stores of *BUMDes Stungkit Mandiri* grocery store, March 27, 2018)

The head of the grocery store unit also said:

"The sembako grocery unit has earned a profit of approximately 24 million rupiah over 10 months and the distribution of profit in accordance with the agreement with the village" (BUSINESS COMPETITIVE STORE *BUMDES Stungkit Mandiri*, March 27, 2018).

The existence of *BUMDes* should provide benefits for the village either in the form of the original income of the village and the benefits of benefits obtained by the community. For example in the opening of employment for the villagers.

Management of Bukit Jaya Mandiri *BUMDes*

From the results of interview researchers with some board *BUMDes Bukit Jaya Mandiri* when the initial establishment of *BUMDes Stungkit Mandiri* business unit that is run is a savings and loan. However, as told by Chairman of *BUMDes Iswadi*: "Because at that time there has not been a good bookkeeping and the loan repayment rate from the public is also bad. The newly elected village head Juliati held a community meeting to determine the development of a new business unit for *BUMDes Bukit Jaya Mandiri*" (Bukit Melintang Village Head Office, March 28, 2018). Due to the change of Bukit Melintang Village Head, a community consultation was made by involving *BUMDes* management to discuss the next *BUMDes* development. From the results of the consultation it was agreed that the business unit that was developed was cattle. Furthermore, Chairman of *BUMDes* said: "The selection of this cattle business unit because *Bukit Melintang Village Wampu* district is the majority of 80 percent of the plantation. The people are many retirees so to increase the income of our community to make the cattle collectively through *BUMDes* that initial purchase of oxen amounted to 8 tails, and now has become 10 tails." (Office of *Bukit Melintang Village Head*, March 28, 2018). In addition, Bukit Melintang Village is surrounded by many plantations available grass that can be used to provide animal feed. But the location of the right cattle business right in the backyard of Bukit Melintang Village Head is also a criticism from the villagers. When this is asked to Bukit Melintang Village Head said: "So that supervision and utilization of the results of *BUMDes* can be better controlled, I do not believe if handed over to the board will be like the previous *BUMDes* efforts" (Village Hall *Bukit Melintang*, 22 August 2017). As a professional institution *BUMDes* must be able to build an independent organizational system to run the whole process as a business entity. The role of the village head is to encourage the creation of *BUMDes* as an institution capable of professionally managing the entire business process and ensuring the process is going well. So it does not mean the village head can decide everything *BUMDes* should do. Although *BUMDes Bukit Jaya Mandiri* has implemented its activities through the cattle business unit but has not contributed to the original income of the village because when asked to the Chairman of *BUMDes* said:

"The cattle are already growing in number because it gave birth to 2 tails that at the beginning of the purchase of 8 tail is now become 10 tails but I also do not know how will the profit sharing with society and Rural Original Income." *BUMDes* related legislation does not regulate in detail the amount of *BUMDes*' business revenue allocation or profit sharing from *BUMDes*.

The share of *BUMDes*' business proceeds is jointly and transparently and fairly based on each party's side through provisions stipulated in AD / ART agreed through the village consultation. However, based on its main objective, *BUMDes* was established to improve the welfare of the people through improvements in public services, growth and equity of village economies, creating employment, including improving village revenues, especially rural incomes. Therefore, AD / ART *BUMDes*, especially those regulating the provision of revenue sharing should be in line with the objective. This means that *BUMDes Bukit Jaya Mandiri* cannot be said good in the management because it has not contributed to the original income *Bukit Melintang* Village or the benefits received by the citizens. The beginning of the establishment of *BUMDes* is the village deliberation. Village Deliberation according to Law Number 6 Year 2014 On the Village, Article 54 states that, village deliberation is a consultative forum which is followed by Village Deliberation Agency, Village Government, and Village Community element to discuss the strategic thing in the administration of Village Government. Deliberation village must be implemented at least once a year. The implementation of the is funded from the Village Revenue and Expenditure Budget. The subjects discussed in the deliberations of the village including establishment of *BUMDes* in accordance with the economic and socio-cultural conditions of the community. At this stage, both *BUMDes Stungkit Mandiri* and *BUMDes Bukit Jaya Mandiri* have conducted village meetings. Although in *Bukit Jaya Mandiri BUMDes* there are people who feel not involved in the process of *musdes* but *Bukit Melintang* Village Government can show evidence in the form of news *musdes* event at the time of formation *BUMDes Bukit Jaya Mandiri*. Both *BUMDes Stungkit Mandiri* and *Bukit Jaya Mandiri BUMDes* at the beginning of the establishment are both running a business unit of savings and loans. However, these two *BUMDes* suffered the same fate because of unclear administrative accountability of savings and loan business. Loss of return from the community if *BUMDes* run a savings and loan business is often the case. As the results of research *Hanny Purnamasari, Eka Yulayana, and Rachmat Ramdani (2016)* on the Effectiveness of Community-Based Economy Based Management *BUMDes* in the Village *Warung Bamboo Karawang* regency where the results of the study said that people do not understand correctly the function of *BUMDes* savings and loan they assume as well as cash assistance provided by the government. Due to the unsold savings and loan business, *BUMDes Stungkit Mandiri* and *BUMDes Bukit Jaya Mandiri* undertook the development of business units. *BUMDes Stungkit Mandiri* opened a grocery store unit while *BUMDes Bukit Jaya Mandiri* with cattle business.

Organization of *BUMDes*

BUMDes must be managed by a committees with strong commitment in developing the village economy whose election should consider the aspect of professionalism, transparency and understanding the condition of the village. The managers of *BUMDes Stungkit Mandiri* were recruited based on their experience in managing the financial *arisan* of *Stungkit* Village. But on *BUMDes Bukit Jaya Mandiri* is still a lot of criticism from the community because there are some people who feel not involved in the process of *musyawarah* formation plus the Chairman of *BUMDes* is the husband of the Village Head.

Business Capital of *BUMDes*

Both *BUMDes Stungkit Mandiri* and *BUMDes Bukit Jaya Mandiri* still rely on the Village Fund in the investment of venture capital. The initial capital of *BUMDes* comes from the village capital participation allocated through the Village Revenue and Expenditure Budget (APB Desa). Whereas the initial capital for *BUMDes* does not have to come from the Village Fund transfer. The initial capital for *BUMDes* can be allocated from any funds already entered in the

village account as village income. In the village APB structure, the village income division consists of 7 sources, namely (1) the village's original income, (2) the transfer of village funds from the state budget, (3) the share of local taxes and levies, (4) 5) financial assistance from Provincial and district / city APBD budgets, (6) non-binding grants and donations from third parties, and (7) legitimate village revenues such as corporate or corporate social responsibility (CSR). Based on Article 17 of the Regulation of the Minister of Village, PDT and Transmigration No. 4 Year 2015 Concerning Establishment, Management and Management, and Dissolution of *BUMDes*, explained that *BUMDes* capital is obtained from two sources, namely Village Equity Participation and Equity Participation of Village Community.

The preparation of AD / ART *BUMDes Stungkit Mandiri* has also been good where the types of business written in the articles of association went well with the profit sharing which is also clearly regulated. However, in *BUMDes Bukit Jaya Mandiri*, profit sharing has not been listed in AD / ART. The Articles of Association (AD) are the bases and regulations that bind the owners, supervisors and managers of *BUMDes* in all activities and programs to be undertaken. These Articles of Association will serve as the source of the rules to be subsequently prepared in *BUMDes*. The Bylaws (ART) serves as a more detailed description of the Articles of Association. In general, ART will explain the implementation mechanism of the Articles of Association.

CONCLUSION

The process of establishing *BUMDes Stungkit Mandiri* and *BUMDes Bukit Jaya Mandiri* in Wampu District Langkat Regency can be said good because the administration has met the requirements in the regulations. Although in the results of interviews with Bukit Melintang people there is a saying that the community was not involved in the formation of *BUMDes* Bukit Jaya Mandiri but based on the study of researchers in the *Bukit Melintang* Village Office, *BUMDes Bukit Jaya Mandiri* can provide evidence in the form of news gatherings formation *BUMDes*, photos and village regulations. The Articles of Association and Bylaws of *BUMDes Stungkit Mandiri* and *BUMDes Bukit Jaya Mandiri* have also been well organized, but the Articles of Association and Bylaws of *BUMDes Bukit Jaya Mandiri* have not been regulated in detail about the distribution of cattle business profits. The business capital of *BUMDes Stungkit Mandiri* and *BUMDes Bukit Jaya Mandiri* both still rely on the village funds, the two *BUMDes* have not made a breakthrough in terms of *BUMDes* business capital participation either from the public or from private parties.

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Some Rules:

- Undang-Undang Nomor 6 Tahun 2014 Tentang Desa
- Peraturan Pemerintah Nomor 43 tahun 2014 Tentang Peraturan Pelaksanaan Undang Undang Nomor 6 Tahun 2014 tentang Desa
- Peraturan Pemerintah No. 47 Tahun 2015 Tentang Perubahan Peraturan Pelaksanaan Undang Undang Nomor 6 tahun 2014 Tentang Desa
- Peraturan Menteri Desa Pembangunan Daerah Tertinggal dan Transmigrasi Nomor 4 Tahun 2017 tentang tentang Perubahan Atas Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Indonesia Nomor 22 Tahun 2016 tentang Penetapan Prioritas Penggunaan Dana Desa Tahun 2017