

## Community Financial Management Training to Create an Independent Prosperous Village

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### ABSTRACT

Financial management plays an important role in promoting independence and prosperity in communities, especially in rural areas where economic resources are often limited. This paper explores the importance of community financial management training as a catalyst for creating independent and prosperous villages. By equipping community members with important financial literacy skills, such as budgeting, savings, and investment strategies, villages can better manage their resources and increase their economic stability. This training focuses on empowering community leaders and residents to understand basic financial concepts and implement sustainable financial practices adapted to their local context. Through workshops, seminars, and practical exercises, participants learn to develop financial plans, identify potential sources of income, and reduce financial risks. In addition, this training emphasizes the importance of transparent financial governance and accountability to build trust and cooperation within the community. In addition, case studies and success stories from similar initiatives show the positive impact of financial management training on village development. These examples illustrate how better financial decision making can lead to increased household income, better infrastructure development, and higher social welfare. Ultimately, the goal is to create self-sufficient villages that can develop independently by utilizing their resources effectively and responsibly.

**Keywords:** Training; financial management; economic independence; village empowerment; economic independence.

Received: 24.05.2024	Revised: 03.06.2024	Accepted: 09.06.2024	Available online: 30.06.2024
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### Suggested citations:

M. Nazori & et.al. (2024). Community Financial Management Training to Create an Independent Prosperous Village. *International Journal of Community Service*, 03 (01), 182-188. DOI: <https://doi.org/10.55299/ijcs.v3i1.536>

Open Access | URLs:

<https://ejournal.ipinternasional.com/index.php/ijcs/OpenAccessPolicy>

## INTRODUCTION

Village financial management should be carried out with good management of accountable funds because the funds that enter the village are not small funds, but are very large for a village government to manage. <sup>1</sup>With this village fund policy, the management dimension in implementing the village fund policy needs to be implemented well because according to Nugroho (2014) public policy involves a planning and planning process; implementation through various organizations and institutions; and to get good results, there should be public policy control in its implementation.<sup>2</sup>

Most of the villages are in West Java Province, especially in Cihambulu Village. The problem with utilizing village funds in Cihambulu Village is that village government officials do not yet have a priority community empowerment program in their area that is in line with the priority use of village funds due to a lack of knowledge.<sup>3</sup>

## METHOD

This service method is designed to be actively involved in increasing the financial literacy of the Indonesian people through financial education and training programs.<sup>4</sup> The following are the steps that can be taken in implementing this method:

Research activities consist of several stages which can be seen in the following chart:

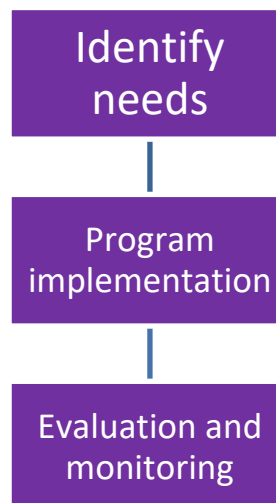


Figure 1. Field analysis

<sup>1</sup> Putra, D. . A., & Addiarrahman, A. (2023). Quranic Exegesis Journalism in Islamic Magazines in Indonesia Between 1970-1980. *Journal of Indonesian Islam* , 17 (2), 483.

<sup>2</sup> As'ad, A., & Firmansyah, F. (2022). A New Paradigm on Human Resources Management in State Islamic University. *AL-ISHLAH: Journal of Education* , 14 (1), 71–84.

<sup>3</sup> Nengsih, TA, Nofrianto, N., Rosmanidar, E., & Uriawan, W. (2021). Corporate Social Responsibility on Image and Trust of Bank Syariah Mandiri. *Al-Iqtishad: Journal of Sharia Economics* , 13 (1), 151–170.

<sup>4</sup> Rosmanidar, E., Ahsan, M., Al-Hadi, A. A., & Thi Minh Phuong, N. (2022). Is It Fair To Assess the Performance of Islamic Banks Based on the Conventional Bank Platform? *ULUL ALBAB Jurnal Studi Islam*, 23(1), 1–21.

*Community financial management training is instrumental in promoting self-reliance and prosperity within villages. By equipping communities with essential financial skills and fostering a culture of sustainable financial practices, these programs empower villages to overcome economic challenges and achieve long-term development goals. The analysis underscores the importance of tailored training initiatives in addressing specific community needs and fostering inclusive growth.*<sup>5</sup>

#### Identification of problems

The problem of channeling and allocating village funds is also experienced by most villages in West Java Province, especially in Cihambulu Village. The problem with utilizing village funds in Cihambulu Village is that "village government officials do not yet have a priority community empowerment program in their area that is in line with the priority use of Village Funds due to a lack of knowledge."<sup>6</sup>

#### Determine specific work objectives

Implementation of Village Fund management are actions carried out by government and private individuals (and groups) which are directed at achieving the goals and objectives that have been set.<sup>7</sup>

## RESULTS AND DISCUSSION

### 1. Training (Training)

Effective training can improve village communities' skills and knowledge in various fields, including financial management and entrepreneurship. Through training, village communities can learn how to manage finances better, understand business opportunities, and develop the ability to manage businesses independently.

### 2. Financial Management (Financial Management)

Good financial management is the key to achieving economic independence. With proper financial management, village communities can manage their income and expenses, save money, and make the right investments. This will help them in achieving economic stability and reduce dependence on external aid.

### 3. Economic Independence (Economic Independence)

Economic independence is the main goal of effective financial management and training. With economic independence, village communities can rely on themselves to meet their living needs without having to depend on assistance from the government or other parties. This also means that they can develop sustainable sources of income and have greater control over their economic future.

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<sup>5</sup> Nengsih, TA, Nofrianto, N., Rosmanidar, E., & Uriawan, W. (2021). Corporate Social Responsibility on Image and Trust of Bank Syariah Mandiri. *Al-Iqtishad: Journal of Sharia Economics*, 13 (1), 151–170.

<sup>6</sup> Sholihin, M., Shalihin, N., & Addiarrahman. (2023). the Scale of Muslims' Consumption Intelligence: a Maqāṣid Insight. *ISRA International Journal of Islamic Finance*, 15(2), 98–118

<sup>7</sup> Subekti, A., Tahir, M., Mursyid, & Nazori, M. (2022). the Effect of Investment, Government Expenditure, and Zakat on Job Opportunity With Economic Growth As Intervening Variables. *Journal of Southwest Jiaotong University*, 57(3), 102–112

#### 4. Village Empowerment (Village Empowerment)

Village empowerment is a process that aims to increase the capacity of village communities so that they can make better and more independent decisions. This empowerment covers various aspects, including education, health, infrastructure and the economy. By empowering villages, communities can become more independent and able to develop their village's potential to the maximum.

Training, financial management, economic independence, and village empowerment are four elements that are interrelated and important for sustainable village development. Training provides the knowledge and skills needed by village communities to manage finances and develop businesses. Effective training can cover a variety of topics, from household financial management to business strategy and marketing.<sup>8</sup>

Good financial management is very important for economic independence. Without the ability to manage finances effectively, village communities will have difficulty developing their businesses and achieving economic stability. Training in financial management can include how to create a budget, manage debt, and make wise investment decisions.

Economic independence\* is the ultimate goal of these efforts. When village communities are able to manage their own finances and develop sustainable businesses, they can achieve economic independence. This means they do not need to rely on external help and can meet their own needs.

Village empowerment includes all efforts to increase the capacity of village communities so that they can achieve independence. This includes increased access to education, health services, better infrastructure, and economic opportunities. By empowering villages, communities can be more independent and able to develop their potential to the maximum.<sup>9</sup>

1. Overall, an integrated approach that combines training, financial management and village empowerment is essential to achieving economic independence. Through these efforts, villages can become stronger and more independent, with communities able to manage their own finances and develop sustainable businesses.

## CONCLUSION

Training, financial management, economic independence and village empowerment are elements that support each other in sustainable village development. Training provides the knowledge and skills needed for village communities to manage

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<sup>8</sup> Rafidah, R. (2023). Indonesian Islamic bank return on assets analysis: Moderating effect of musyarakah financing. *Al-Uqud: Journal of Islamic Economics*, 7(2), 200–216.

<sup>9</sup> Subekti, A., Tahir, M., Mursyid, & Nazori, M. (2022). the Effect of Investment, Government Expenditure, and Zakat on Job Opportunity With Economic Growth As Intervening Variables. *Journal of Southwest Jiaotong University*, 57(3), 102–112.

finances and develop businesses. Good financial management is an important basis for achieving economic stability and sustainable business development.

Economic independence is the main goal of these efforts, where village communities can meet their own needs without relying on external assistance. Village empowerment includes increasing community capacity through better access to education, health and infrastructure, so that they can be more independent and able to optimize the potential of their village.

With an integrated approach that combines training, financial management and village empowerment, village communities can achieve stronger economic independence. This will help villages become more independent, economically stable, and able to develop sustainably.



#### Thank-you note

The authors express their deepest gratitude to everyone who contributed to the completion of this research, especially their colleagues, mentors, supporting institutions, and their families for their encouragement and understanding.

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