Analysis on Aid Fund Returning of National Community Empowerment Program: *A case Study of "BKM Salewangan" In Makassar, Indonesia*

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Abstract—The study aimed to find out whether the factors of Loan at Risk (LAR), Porto polio at Risk (PAR), Cost Coverage (CCr), and Return on Investment (ROI) influenced significantly on the aid fund returning at BKM Salewangang, National Community Empowerment Program (PNPM-Makassar), and which factor influenced most dominantly on the aid fund returning. This study applied survey design. The technique of data collection were; observation the activities of BKM, interview, questionnaire, and documentation. The data have been analyzed descriptively and inferentially using SPSS program ver.17 to analyze the factors of LAR, PAR, CCr and ROI on aid fund returning at BKM Salewangang at Maccini in Makassar district and to analyze the variable which influenced most dominantly on the aid fund returning at BKM Salewangang of Maccini in Makassar. The results revealed that the partial influence among LAR, PAR, CCr and ROI on the aid fund returning particularly at BKM of Salewangang, the LAR and PAR gave negative influence to the aid fund returning where the high LAR and PAR caused the decrease of the aid fund returning. Thus, the first hypothesis was accepted.

Keywords—Loan at Risk (LAR), Portopolio at Risk (PAR), Cost Coverage (CCr), and Return on Investment (ROI), Aid Fund Returning.

I. INTRODUCTION

IN responding to the urban poverty program (P2KP) performed since 1999 as the government's efforts to build self-reliance and local governments to poverty in a sustainable manner. This program is very strategic for preparing the principle of self-reliance in the form of community leadership institute representative. Based on conducive to the development of social capital in the future and prepare a medium-term community programs in poverty into community partnerships with government binder regional and local care group.[1]

Revolving loan of PNPM Urban has the opportunity to download - reach approximately 2.5 million of poor households not apply at all - it access to financial institutions, view from the revolving loan fund portfolio growth increased from year to year should be an assessment of the factors that made - affect the smooth revolving loan fund.[2], [3], [4], [5] The previous developments will be presented disbursements Air - scroll, which will be presented the data collectability revolving fund of PNPM program in the Village, where the current criteria are paying obligations smoothly and not in arrears for 2 months. Furthermore, less current criteria which are delinquent debtor finance over 3 months, Doubtful is included in the liability for doubtful accounts, and credit is jammed criteria for 6 consecutive months of its obligations not paid by the debtor.

Then PNPM Urban stated that the revolving loan is a loan that is derived from the capital fund stimulation of BKM distributed by CGU to the community in the Village as one of the programs provided by the PNPM Mandiri to meet the people's welfare. Further indicators used in measuring the performance of a revolving loan Among other *Loan at Risk* (LAR), *Portfolio at Risk* (PAR), *Cost Coverage* (CCR) *and Return on Investment* (ROI). [6], [7], [8], [9], [10]

II. LITERATURE REVIEW

A. Understanding Loan Revolving Fund

Poverty reduction is done by empowering people through the three basic types of activities: infrastructure, social and economic which known as. In economic activity, manifested in Revolving loan activity, namely the provision of micro-scale loans to poor people in the region Village or village in which the MFI / UPK are the terms and conditions that have been set. These guidelines only set the basic provisions for the implementation of the Revolving Loans, however, the decision to implement it fully delivered to the citizens of his community. [11], [12], [13], [14]

Air lending fund scroll to the poor through is only one program in PNPM Urban to incomes of the poor to be separated from poverty. PNPM Urban pin only provide alternative activities era, the people themselves who decides whether to use the revolving loan activities in poverty reduction programs. Revolving lending activities decided by the poor communities through Community Self-reliance Institutions. [15], [16], [17]

B. The Purpose of Revolving Fund

The purpose of the implementation of the revolving loan PNPM Urban aims to provide access to financial services to poor households with market-based macro loans to improve their economic conditions and to teach them in terms of

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managing the loan and clicking use it correctly. PNPM is not microfinance program, and will never be a microfinance institution. Microfinance programs not only lending alone but many other financial services should be provided. The role of PNPM is only to build the foundations for a sustainable solution lending and non lending services at village level. PNPM Urban phases be a moment to consolidation of microfinance activities. Therefore, in this stage, it needs to be created UPK strong, healthy and operationally separate from the MFI. The community itself must be involved in the decision to determine the future of CGU. [18, [19], [20]

III. METHOD

This study applied survey design. In the discussion of this research is intended to limit the research problem. [21], [22] Hence, in this study the focus of research on the factors (LAR, PAR, CCR and ROI) toward special revolving refund on BKM Salewangan, one of PNPM in Makassar. The instrument of the research were; questionnaire, interview, and documentation. All data were analyzed descriptively and inferentially using SPSS ver. 17.

The operational definitions of the variables used in this study can be described as follows:

1 Revolving loan fund that is a loan in PNPM Urban masy given to the poor through to Governmental groups Community, to improve the income and well-being as measured by the number of loans extended to non-governmental groups in BKM Salewangan of Makassar.

2 Loan at risk (LAR) is ratio that measures the percentage of borrowers who are in arrears are measured by the number of SHGs in arrears> 3 months plus the number KSM migration the number of active.

3 Portfolio at Risk (PAR) is a ratio to measure delinquent loans as measured from the amount of the delinquent loan balance over 3 months with the realization of the loan balance.

4 Cost Coverage (CCR) which measures the ability of the CGU to cover the costs and income generated is measured by comparing the total revenue to total expenses.

5 ROI is a measure of the ability to generate profits from the CGU capital used in the revolving loan fund is measured from the amount of profit with a starting capital.

6 Revolving loan fund smoothness measurement scale that is: well, special mention, substandard (Kl), doubtful and loss.

IV. RESULT AND DISCUSSION

Revolving lending to the poor through Self-Help Groups (SHGs) is one program in PNPM Urban to increase incomes of the poor, in order to be separated from poverty. PNPM Mandiri serves provision of alternative urban activities revolving loans, then needs to be added that the implementation of lending to the public can only be done if it meets the criteria of good financial management and on target.

One of the ways to meet the criteria of good financial management and on target, is necessary to the monitoring conducted by the officers of UPK. Monitoring activities are carried out with due regard to the financial performance indicators which include revolving loans delinquent loans. The main indicator in assessing the financial performance of the above can include: LAR, PAR, ROI and CCR. BKM Salewangang is one unit of PNPM Urban who was instrumental in channeling loans to the poor. Therefore in carrying out activities in the revolving loan fund distribution to the poor is necessary for the smooth monitoring assessment SHG in revolving loan refunds.

TABLE I
RESULTS OF CALCULATION LOAN AT RISK (LAR) IN RELATION TO THE REVOLVING FUND LENDING PNPM URBAN VILLAGE BKM SALEWANGANG OF MAKASSAR, 2011-2013

Year	Number of SHGs Be in arrears > 3 Months	Number KSM Borrower	Loan AT Risk (%)	Criteria Valuation LAR
2011	277	966	29	Be delayed
2012	259	902	29	Be delayed
2013	87	627	14	Minimal
Average	208	832	24	Be delayed

TABLE II
RESULTS OF CALCULATION PORTFOLIO AT RISK (PAR) IN RELATION TO THE REVOLVING FUND LENDING PNPM URBAN VILLAGE BKM SALEWANGANG OF MAKASSAR, 2011-2013

Year	Loan Delinquent > 3 Months	Realization Balance Loan	Portfolio A t Risk (%)	Criteria Valuation NYC
2011	26,614,832	133 563 902	20	Minimal
2012	12,956,823	109 179 797	12	Minimal
2013	22,618,868	68,127,691	33	Be delayed
Average	20730174	103623797	22	Be delayed

Based on figure 1.2 shows the development of NYC in last 3 years (2011 s / d in 2013) that for the last 2 years has decreased. Hence, seen from the performance assessment criteria shows that for the year 2008 and the year 2010 can be considered delayed, the reason being the value of PAR above 20%, while in the 2010 NYC because NYC can be categorized under the minimum of 20%

TABLE III
COST CALCULATION RESULTS COVERAGE (CCR) IN RELATION TO THE REVOLVING LOAN FUND PNPM URBAN VILLAGE BKM SALEWANGANG OF MAKASSAR, 20011-2013

Year	Total Income UPK	Total Cost UPK	Cost Coverage (%)	Criteria Valuation CCR
2011	159 890 356	132 026 986	121	Minimal
2012	153 159 678	122 890 223	125	Minimal
2013	151 199 868	124 913 192	121	Minimal
Average	154 749 967	126610134	122	Minimal

Based on data from the CCR calculations for 2008 - 2010, which means that each Rp1, costs incurred to generate revenue of Rp1, 21, or 121%, in 2009 amounted to 123%, and 121% in 2010. Referring to the calculations above, the assessment indicators obtained are as follows:

- CCR> 125%, category satisfying
- CCR> 100%, minimum category
- CCR <100%, the category of delayed

TABLE IV
CALCULATION RESULTS RETURN ON INVESTMENT (ROI) IN REVOLVING FUND RELATIONSHIP LENDING ON PNPM URBAN VILLAGE BKM SALEWANGANG OF MAKASSAR IN 2008 S / D IN 2010

Year	Profit Net (Rp)	Capital Investment (Rp)	Return On Investment (%)	Criteria Valuation ROI
2011	27,863,370	145 539 252	19.14	Satisfy
2012	30,269,455	123 680 640	24.47	Satisfy
2013	26,286,676	91,351,445	28.78	Satisfy
Average	28,139,834	120 190 446	24.13	Satisfy

Based on the table that is seen of collectability revolving loan fund for the last 3 years (2011 s / d in 2013) which indicates that the collectability revolving loan fund in the category of smooth (L) of Rp. 49884.25, while included in the category needs attention (PP) at 30535.503, and substandard category of 10,032,002 and a loss amounting to 6,184,057.

A. Normality Test

According to Sutrisno[23] normality test is used to determine whether the data are normally distributed population or not. This test is usually used to measure the ordinal scale data, interval or ratio. If the analysis using the parametric method normality requirements must be met in that the data came from a normal distribution, if the data are not normally distributed, then the method used alternative non-parametric status. Based on the above description, the diagram will be presented to normal P-plot which can be seen in the image below:

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Kelancaran Pengembalian Dana Pinjaman Bergulir
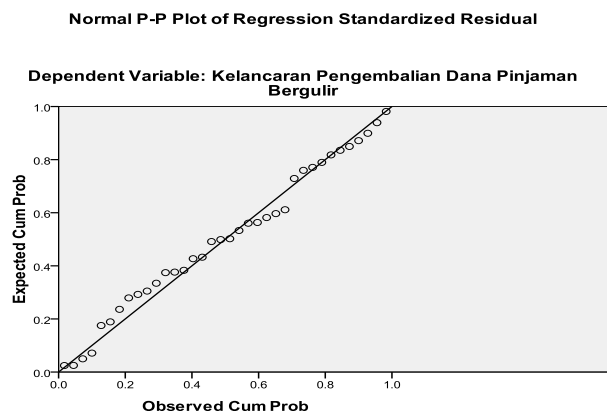

Fig.1: Normal P-Plot of Regression Standardized Residual

Based on Figure the normality test of data processed, it appears that the data used regression has followed a diagonal line. Then to more clearly determine whether the data were normally distributed testing model is carried out with one sample Kolmogorov-Smirnov test, which according to Eco (2009: 83) that sig or significant value or probability value <0.05 mean normal distribution of data while sig or significant between prob value> 0.05 means that the data are normally distributed. For more details will be presented the results of normality test of data processed by the Kolmogorov-Smirnov one sample can be seen in the following table:

TABLE V
PROCESSED DATA NORMALITY TEST WITH ONE-SAMPLE Smirnov

No..	Variables Research	Value Asimp sig	Extent Significant	Decision
1.	LAR	0.243	0.05	Normal data
2.	PAR	0.079	0.05	Normal data
3.	CCR	0.873	0.05	Normal data
4.	ROI	0.811	0.05	Normal data
5.	The smooth return of a revolving loan fund	0.133	0.05	Normal data

Source: Data processed with SPSS

Table of data processed by one sample Smirnov normality, it appears that all the variables of the study (LAR, PAR, CCR, ROI, the smooth return of a revolving loan fund) had a normal distribution, the reason for having assume sig value> 0.05. It can be concluded that all the variables of the study that will be used in testing all parametric statistical normal distribution.

B. Testing Assumption of Multicolinearity

To detect the presence of multicolinearity in Eko Nugroho (2009: 79) that if the variance inflation factor (VIF) is not more than 10 then the model free of multicolinearity. In conjunction with the description aas it can be processed by the data presented multicolinearity by using SPSS version 17 which can be seen by the following table:

TABLE VI
PROCESSED DATA COLINEARITY STATISTICS

Regression Models	Colineritas Statics	
	Tollerance	VIF
LAR	0.988	1,012
PAR	0,884	1,131
CCR	0.953	1,049
ROI	0.873	1,146

Source: Data processed through the SPSS data

From the above results it can be seen that the value of the variable inflation (VIF) is: LAR, PAR, CCR and the ROI is not more than 10, so that the conclusions that can be drawn is in the study had no multicolinearity problems.

C. Regression and Correlation Analysis

In this study used multiple regression models with the dependent variable (dependent variable) in the form of the smooth return of a revolving loan fund (Y) and the independent variables (independent variables) in the form of

variable LAR (X1), Dubai (X2), CCR (X3) and ROI (X4). Model of the relationships formed in this study are as follows:

$$Y = 0.004 + (-0.421) + (-0.414) + 0.316 + 0.352$$

Of the equation that has been said above, the interpretation of the results will be presented as follows:

1. Influence Loan at risk (LAR) of the smoothness of the Revolving Loan Fund Returns

   Regression of the data processed between LAR with smooth distribution of revolving loan funds then obtained a coefficient of -0.421 with a value of p value = 0.002. This suggests that a 1% increase in loans at risk (LAR) will result in the smooth return on a revolving loan fund will decrease by 0.421%. Thus it can be concluded that the higher the risk of a revolving loan refund the smoothness of a revolving loan fund returns would be lower (down).

2. Effect of Portfolio at Risk (PAR) to the smoothness of the Revolving Loan Fund Returns

   Effect between PAR with smooth distribution of revolving loan funds negatively affect the smooth distribution of revolving loan funds. This suggests that a 1% increase in participation at risk (PAR) will result in a decrease in the smooth return of a revolving loan fund. Thus it can be concluded that the higher the risk of a revolving loan refund the smoothness of a revolving loan fund returns will fall. Then p value is seen from the value of 0.004, due to the value of 0.004 p value <0.05, meaning it can be concluded that there is a negative and significant effect between PAR with the smooth return of a revolving loan fund, the reason being that has a value of p value <0.05.

3. Effect of Cost Coverage (CCR) of the Smooth Revolving Loan Fund Returns.

   Regression of the data processed between CCR with smooth distribution of revolving loan funds then obtained a coefficient of 0.316 with p value = 0.002. This suggests that a 1% increase in Cost of Coverage (CCR) will result in an increase in the smooth return of a revolving loan fund. Thus it can be concluded that the higher the smoothness CCR revolving loan fund returns will fall. Then views of the value of p value is equal to 0.021, as the value of p value 0.021 <0.05 means it can be concluded that there is a positive and significant effect between the CCR with the smooth return of a revolving loan fund, the reason for having p value value <0.05.

4. Effect of Return on Investment (ROI) on the smoothness of the Revolving Loan Fund Returns

   From the results of the regression between the ROI of data processed by smoothness of the revolving loan fund distribution coefficient value of 0.352 with p value = 0.015. This suggests that a 1% increase in return on investment (ROI) will result in an increase in the smooth return of a revolving loan fund. Thus it can be concluded that the higher the ROI, the higher the smooth return of a revolving loan fund.

   Then p value is seen from the value of 0.015, due to the value of 0.015 p value <0.05 means it can be concluded that there is a positive and significant effect of the ROI with the smooth return of a revolving loan fund, the reason being that has a value of p value <0.05, then the results of the hypothesis that previously described then after the regression test results

proved no significant effect between LAR, PAR, CCR AND ROI on the smooth return of a revolving loan fund, particularly in Sub Salewangan BKM District of Makassar, so the first hypothesis is proven. Furthermore, from the second hypothesis that ROI is the most dominant variable affecting the smooth return of a revolving loan fund. The reason is because it has the largest standardized coefficient value when compared to other variables. Then from the results of the regression analysis as described earlier, then it can be presented multiple correlation test can be seen in the following table:

TABLE VII
MULTIPLE CORRELATION ANALYSIS RESULTS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	. 707	. 500	. 436	. 94,136

Based on the table of the results of multiple correlation analysis of the obtained rate R of 0.707, indicating that LAR, PAR, CCR and ROI together have a significant relationship with the smooth return of a revolving loan fund, for positive values of R and mendekati1. Then the value of R^2 (R square) of 0.500 (50%), this suggests that the percentage effect of the independent variable (LAR, PAR, CCR and ROI) were able to explain 50% of variation of variable returns a revolving loan fund.

V. CONCLUSION AND RECOMENDATION

A. Conclusion

Based on the analysis and discussion, it will be presented some conclusions from the results of the analysis are as follows:

1. From the analysis of the influence of LAR with the smooth rotating refund loans especially at BKM Salewangang, there was a negative and significant effect between LAR with the smooth return of a revolving loan fund. Where the higher LAR then the smooth return of the lower revolving loan fund.

2. The results of the analysis of the influence of the smooth return of PAR with the help of a rotating fund that showed no negative influence between PAR with the smooth return of a revolving loan fund, where the higher PAR then the smooth return of a revolving loan fund is getting low.

3. Effect of the Cost Coverage with the smooth return of a revolving loan fund, where there is a positive and significant effect between the cost of coverage to the increased smoothness of return assistance revolving loan fund.

4. The results of the analysis of the influence of the ROI with the smoothness of a revolving loan fund at BKM Salewangang turns out there is a positive and significant effect on the smooth return of a revolving loan fund, especially at BKM Salewangang.

5. The most dominant variable affecting the smooth return of a revolving loan fund is ROI.

B. Recomendation

Suggestions to the authors in connection with the results of this study:

1. It is recommended that the need BKM of Salewangang to reduce the ratio of LAR, which by reducing the number of adverse KSM and besides it is more selective in the revolving loan fund grant to KSM.

2. It is recommended that the need BKM of Salewangang to reduce loan balances in arrears, so PAR can be decreased. This is done by doing intensive billing invoices in arrears.

3. It is suggested that the need to further increase the cost of coverage BKM this is done by way of increasing the number of revenue in the distribution of revolving funds to KSM.

4. It is suggested that one way to increase ROI is to increase profits in assistance revolving loan fund to KSM.

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