

Assistance of MSMEs in the Practical Method of Preparing Financial Statements in the Joint Business Group (KUB) Berkah Pemalang

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ABSTRACT

The purpose of this community service activity is to help MSMEs of the Joint Business Group (KUB) Blessings of Karangasem Pemalang Village compile their financial reports simply, encourage orderly bookkeeping of transactions that occur daily, and motivate MSME participants to be able to record books so that expenses can be measured. Revenue and profits earned and knowing how your business is doing. For mentoring, using participatory techniques, participants participate in group discussions, share positive and negative experiences, and explore new lessons together. And after mentoring is carried out, participants are asked to implement what has been learned accompanied by the servicer. In conclusion, the activity went smoothly. All participants enthusiastically participated in the event until it was over and were optimistic that they would feel the benefits of mentoring for the progress of their business.

Keywords: Community Service, Preparation of Simple Financial Reports, MSMEs.



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INTRODUCTION

Many MSME players consider bookkeeping and financial management not something important and urgent (Yatminiwati et al., 2021; Indrianasari, 2020). They consider that without proper bookkeeping and financial management, their business continues to run smoothly and make a profit (Mosteanu & Faccia, 2020). The MSMEs feel that in their business everything is running normally despite the fact that they have not experienced development (Sulistyan & Paramita, 2021). When there are interviews from outside parties who will help them (e.g. banks that will lend or institutions that will provide development assistance from the government), they find it difficult to convey the results of their efforts in nominal terms. They can only show their tangible assets (land, houses, vehicles and others) that they claim are the result of their efforts. It often happens, the fact is that these tangible assets are obtained not only by the results of their business turnover but are supplemented by personal property from sources other than business. In fact, these assets are not only used for business purposes but are used for personal interests without any separation of books. This causes the financial performance of the business cannot be clearly known. As a result of improper financial management (Mayr et al., 2021), it also causes many MSMEs to not last long. Improper cost of goods sold in turn leads to biased losses that lead to bankruptcy. Therefore,

financial management that begins with the correct bookkeeping will be very necessary for MSMEs to become their financial management solutions (Mazzarol, 2014; Rohmatin et al., 2021).

According to Johnson (2012) in Suryanto (2015) there are several mistakes that are generally made by MSME actors in their financial management, namely: 1) over-investment, 2) not paying themselves, 3) not considering the worst possibilities, 4) mixing business and personal assets, 5) using business cash for personal purposes and 6) not having financial statements. This mistake is not caused by the intentionality of MSME actors to do so, but because of the ignorance of MSME actors in carrying out good and appropriate financial planning and management and positive behavior in regulating business and family income and expenses.

Referring to the opinion of Ganjar Isnawan (2012) in Gunaedi, Nastiti and Yudhia (2018) in detail, systematic recording of financial statements has the following benefits:

1. Streamlining Business Activities

Using accounting, all business activities are recorded clearly and regularly, following a chronological sequence of events for each transaction. Knowing production costs, other operating costs, inventory, and sales figures. Consumers who buy in installments or on credit, can be well monitored for their payments and avoid the risk of losing income. The profit gain that is the main goal can be well known.

2. Performance Evaluation Materials

The company's performance can be evaluated through the presentation of financial statements. How well the sales target is met, how efficiently the production cost expenditure is, and how well the operating profit target is met. Financial data allows the company to acquire a strategy that is applied in relation to its financial situation in order to keep the company ahead and developing.

3. Conducting Effective Planning

From the financial statement data, business managers can formulate sales development strategies, production efficiency strategies, and finally strategies to achieve certain profit targets. This strategy can only be executed effectively if it has precise and accurate financial information. This can be obtained if the bookkeeping of business transactions is carried out with accounting rules.

4. Convincing Parties Outside the Company

Companies can do business with parties outside the company, such as governments, potential investors and banks. As the business grows, the company needs additional capital, such as additional capital from government subsidy programs, submitting business proposals to private investors, and obtaining business loans from banks. Of course, to ensure the capital raising process, companies must present their financial statements appropriately, based on the rules of accounting science, using consistent language that can be understood by other parties.

Random interviews with MSMEs in Karangasem Pemalang village often reveal internal problems that make it difficult for MSMEs to develop. The problem of financial management is one of the problems faced (Zang, 2020). In general, MSME activity actors in Karangasem Village start their business with enthusiasm capital alone without long-term capital planning and (Radovilsky et al., 2018), do not have the management skills and knowledge needed for entrepreneurship.

Some of the problems of general financial management that are often encountered in MSMEs of the Joint Business Group (KUB) Blessings of Pemalang Regency include, among others, the mixing of the owner's personal finances with business finances and the poor method of recording transactions carried out. The implementation of community service in Karangasem Village, Petarukan District, Pemalang Regency aims to provide knowledge on the importance of recording financial transactions and help MSME actors orderly record every financial transaction in the Berkah Joint Business Group (KUB). The Service Team took the initiative to hold MSME Assistance for Practical Methods for Preparing MSME Financial Reports in the Berkah Joint Business Group (KUB) as one of the solutions to answer the problems of MSMEs in Karangasem Pemalang Village. The assistance aims

to increase the knowledge and understanding of MSME actors of the Kelomok Usaha Bersama (KUB) Berkah in Karangasem Pemalang Village about accounting bookkeeping in a simple manner, motivate the orderly recording of bookkeeping of transactions that occur every day and motivate MSME actors to be able to record books so that they can measure expenses, income and profits obtained and can find out the development of their business.

The output in the implementation of this community service is that the MSME group of the Berkah Joint Business Group (KUB) in Karangasem Pemalang Village can have knowledge of the importance of recording financial transactions and orderly recording every financial transaction. With this assistance, it is hoped that it will be able to increase the awareness and ability of MSME actors of the Berkah Joint Business Group (KUB) in Karangasem Pemalang Village to be able to record every financial transaction and separate business money and household expenditures. Thus, the change that occurred was that after participating in this assistance, the problems of the Berkah Joint Business Group (KUB) MSME Group in Karangasem Pemalang Village, especially those related to general financial management problems that are often encountered, can be minimized and even eliminated.

METHODS

In the implementation of this program, it is divided into three stages, namely preparation, implementation and evaluation (Sulistyan, 2021; Sulistyan, Setyobakti, & Darmawan, 2019). The details of each stage are as follows:

1. The preparation stage is the initial stage by first conducting a field survey, identifying initial problems by conducting in-depth interviews with partners, tracing secondary data and planning training and mentoring schedules.
2. The stages of implementation of activities the implementation of activities are as follows:
 - a. Introduced MSME actors of the Berkah Joint Business Group (KUB) in Karangasem Pemalang Village.
 - b. Identify problems in the field related to:
 - 1) Financial management that has been implemented so far.
 - 2) The potential of economic resources that can be developed
 - 3) The needs and expectations of MSMEs to increase income
 - c. Formulate content and techniques of mentoring and training.
 - d. Communicate plans and schedules of mentoring and training activities
 - e. Conducting assistance and training according to the schedule that has been prepared.

RESULTS AND DISCUSSION

The community service activities carried out on May 5, 2022 went well. MSME Assistance Practical Method of Preparing MSME Financial Statements was attended by MSMEs of the Blessing Joint Business Group (KUB) in Karangasem Pemalang Village, Pemalang Regency. During the implementation of the activity, the enthusiasm of the participants was seen with various questions raised. Prior to the implementation of Community Service, MSME actors who were present recorded financial transactions. So this Simple Bookkeeping training activity is very helpful for MSME actors in recording every financial transaction related to their business. The material presented by the lecturer of the Service Team from STIE Assholeh Pemalang in training for topics took approximately 120 minutes, then continued with a question and answer session in three sessions. During the presentation of the material, participants seemed enthusiastic by directly asking questions, and there were also several participants who were also interested in learning more about simple bookkeeping for the smooth running and development of their business.

Some indicators of the success of the implementation of this activity can be seen from:

1. Attendance of participants is at least 75% of those invited. In this activity, 27 MSME actors were present from 30 MSME actors who were invited.
2. Participants are actively involved during training activities.
3. Participants are able to record financial transactions.
4. Participants are able to apply Simple Bookkeeping in their business
5. There are participants' expectations for continuity after this service so that MSME actors can really implement good and correct business management and financial management.



Figure 1. MSME Assistance Activities Practical Methods for Preparing MSME Financial Statements in the Joint Business Group (KUB) Blessings of Karangasem Pemalang Village

CONCLUSION

Based on this community service program in the form of MSME Assistance practical methods for preparing MSME Financial Reports at the Joint Business Group (KUB) Blessings of Karangasem Pemalang Village, it can be concluded that training activities went smoothly. All participants are enthusiastically involved until the end and optimistic that they will feel the benefits of mentoring and training in the progress of their business. Before community service is carried out, MSME participants who take part in mentoring and training do not record financial transactions, through this training they gain knowledge and understanding of recording financial transactions, and record every financial transaction in an orderly manner.

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