

Financial Governance Training in MSME Business, Towards a Resilient Business

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ABSTRAK

Tata kelola keuangan dalam kegiatan bisnis menjadi keniscayaan, baik usaha skala kecil, menengah ataupun besar. Terkelolanya keuangan usaha dapat membantu meningkatkan kinerja penjualan dan unit bisnis utama. Dalam pengelolaan keuangan didapat informasi secara aktual dan terhubung dengan berbagai kepentingan bisnis, khususnya pendapatan/kekayaan. Atas latar belakang tersebut, kegiatan pengabdian ini bertujuan untuk berbagi pengetahuan dan cara dalam mengelola keuangan usaha, sehingga dapat memperkuat bisnis yang dijalani. Metode yang dilakukan dalam kegiatan ini adalah penjelasan dan praktek. Adapun peserta kegiatan pengabdian adalah pelaku usaha kecil dan menengah di Wilayah Kecamatan Rangkasbitung Lebak-Banten. Jumlah peserta sebanyak 25 orang, terdiri dari wanita dan pria. Hasil dari kegiatan adalah berupa pembekalan pengetahuan dan aplikasi membuat laporan keuangan. Para peserta juga diajarkan mulai dari tahap awal, yakni dari tahap membuat jurnal transaksi, posting, rekapitulasi, pembuatan laporan keuangan, dan membuat infografis.

Kata Kunci : Bisnis, Wirausaha, Manajemen Keuangan, Pelatihan, Membuat Laporan Keuangan

ABSTRACT

Financial governance in business activities is a necessity, whether small, medium or large scale businesses. Managed business finances can help improve sales performance and key business units. In financial management, actual information is obtained and is connected to various business interests, especially income/wealth. Against this background, this service activity aims to share knowledge and ways to manage business finances, so that they can strengthen the business they are doing. The method used in this activity is explanation and practice. The participants of the service activity are MSME business actors in the Rangkasbitung District, Lebak-Banten. The number of participants was 25 people, consisting of women and men. The results of the activities are in the form of knowledge provision and applications for making financial reports. The participants were also taught starting from the early stages, namely from the stages of making transaction journals, posting, recapitulation, making financial reports, and making infographics.

Keywords : Business, Entrepreneurship, Financial Management, Training, Financial Reports

INTRODUCTION

MSME Rangkasbitung Gallery is one of the MSMEs assisted by the Provincial Government. This MSME is located on Jalan TB Surya Atmadja Rangkasbitung, Lebak Regency, Banten. The object of research and PKM activities are members of the GSL Building (Galeri Sentral Lebak), namely the Production House and the UMKM Gallery as a result of the City Without Slums program.

The GSL building has a building area of 30 mx 20 m with several exhibition spaces for the results of community efforts, operational office space, and a large cafe that can be used for PKM activities. In addition, there are also facilities for a large parking area and a view of the rice fields around the location. This building is often used for exhibitions of products from each MSME business to be traded to tourists or local residents, as a sales facilitation place for members of the MSME Gallery, and in the future it is hoped that it will become a souvenir center for Lebak Regency.

Some residents who live around the GSL Building have various businesses including banana chips, palm red ginger, banana jam, cassava chips, instant herbal medicine, and many more. Many MSME members are still doing business in the traditional way. The sales method used is by selling in traditional markets and not selling online. The production process is still done manually. MSMEs produce their products to order and do not yet have product stock. The product packaging process still uses simple tools and has not used a scale during the packaging process, so it is possible that the weight of the product in the packaging is not the same. This causes the calculation of production output is less precise. The process of financial recording has not been well documented, where at the time of the transaction of purchasing raw materials for production and production expenditures have not been recorded.

Employment of business activities for members of the UMKM Gallery is managed by involving all family members, neighbors and friends. In implementing the payroll or wage system, it is still very simple and the work schedule does not yet exist so that the management of human resources is still largely traditional.

With the process of managing and recording finances that are still simple and not well documented, MSMEs have not been able to know the realization of income and expenditure of production costs correctly. So it can be concluded that the UMKM Gallery members do not understand and carry out financial management properly.

Financial Reports

MSME business actors in order to have high competitiveness require financial reports, at least simple bookkeeping in calculating their operating profit (Ratnaningtyas & Swantari, 2021). The IAI Indonesia Council has inaugurated a special financial reporting accounting standard for MSMEs, namely SAK EMKM (Financial Accounting Standards for Micro, Small and Medium Entities). The Financial Statements according to SAK EMKM are based on accrual basis assumptions and are in accordance with business continuity. As a condition for presenting MSME Financial Statements, it must also be relevant, complete, easy to understand and comparative (Maesaroh, et al., 2021).

According to Harahap, the Financial Statements describe the financial condition and results of a company's operations at a certain time or a certain period of time (Fauzi, 2020). The types of Financial Statements that are commonly known are Balance Sheet, Profit and Loss Statement, or results of operations, Cash Flow Statement, Statement of Changes in Financial Position. Definition of Financial Statements according to the Indonesian Institute of Accountants in Financial Accounting Standards (SAK) No. 1 stated that financial statements are part of the financial reporting process and Financial Statements are a structured presentation of the financial position and financial performance of an entity (Komariah, 2018). Complete Financial Statements usually include a Balance Sheet, Income Statement, Statement of Changes in Financial Position (which can be presented in various ways, for example, as a Statement of Cash Flows, or Statement of Fund Flows), notes and other reports and explanatory material that are an integral part of the Financial Statements. . In addition, it also includes schedules and additional information related to the report, such as financial information on industrial and geographic segments and disclosure of the effect of price changes (Septika, et, al., 2021).

The purpose of SAK EMKM's financial statements is to provide information on the financial position and financial performance of an entity that is useful for a large number of users in making economic decisions by anyone who is not in a position to request special Financial Statements to meet the information needs (Cerya & Rahmi, 2019). The reason for the preparation of the EMKM SAK is because many EMKM or MSME business actors do not know how to make complete, detailed and comprehensive Financial Reports (Evelina, et al., 2018). While the Financial Report is an important

instrument for business activities in reporting all transactions from all MSME business activities. Basically, the Financial Statements according to SAK EMKM are prepared based on the basic assumptions of accruals and business continuity like business entities in general (Yunarni, et al., 2020).

The requirements for presenting MSME Financial Reports must be relevant, complete, understandable, and comparative. In applying the preparation of Financial Statements, there are several basic accounting principles that must be understood (Rianto & Olivia, 2020). Basically, accounting principle is a term used to describe accounting as a whole, both methods, procedures, and provisions that contain theory or practice (Hariani, et al., 2019). The use of accounting principles is very important so that there is uniformity in terms, methods, methods, certain procedures to produce a Financial Statement format that is relevant and easy to understand.

METHOD

For the successful implementation of PKM, we make preparations related to the material presented, materials and tools needed during PKM as well as other preparations needed for the event to be successful and smooth. The results of the preparation are intended so that the material can be conveyed and understood by MSME members in Rangkasbitung.

The collection of information and data related to problems faced by members of the UMKM Gallery is carried out in the work procedures of the Preparation Phase. The preparatory stages that we carried out were as follows:

1. Initial survey, at this stage a site survey was conducted and carried out by means of long-distance communication (email, whatapps, telephone) as well as collecting information through print and online media.
2. Observation. After passing the initial survey, the team observed the object, in this case the MSME Gallery participants, by visiting directly so that they could get detailed information about the object needed. At this stage, the Team collects more detailed information related to preparation for implementation and to ensure that the target participants of the activity are achieved in accordance with the targeted PKM object.

3. Committee and Class Team Coordination Meeting. At this stage the meeting is about the division of tasks, making an implementation schedule, starting from preparation, implementation, to evaluation and preparation of reports.

Realization of problem solving in this activity, one of which is with a theoretical explanation of financial governance activities, including:

1. Explained the basic principles of accounting generally accepted;
2. Explained the various types of financial reporting and its constituent components;
3. Assistance to the management of MSMEs related to the process of preparing Financial Statements;
4. Formed study groups according to the type of business to facilitate discussion in the preparation of Financial Statements.

The target audience in this Community Service is all members of the UMKM Gallery having their address at Jalan TB Surya Atmadja, Rangkasbitung Lebak Banten. Partner participation in the implementation of the PKM program is very cooperative by giving permission to the team to carry out service to the UMKM Gallery, providing information and data needed until the implementation of training / mentoring activities later. In the development of infrastructure facilities, it is very necessary to have the participation of partners and the Regional Government/Relevant Institutions such as MSMEs, Kelurahan, BUMDes, Regional Governments and others. The Service Team took several steps to achieve the goals and objectives of the activity, including:

1. Approaching relevant agencies, namely the community through workshops and socialization and training in the form of explanations related to the preparation of Financial Statements along with simple accounting principles in an effort to create competitive MSME Gallery members. tall.
2. Delivering material related to the preparation of financial reporting;
3. Conduct training based on solutions to problems in MSMEs
4. Provide assistance in preparing financial reports

DISCUSSION

PKM counseling was held at the UMKM Gallery Building in Rangkasbitung. The event began with an opening delivered by the MC and the reading of prayers. Then the event continued with the opening of representatives from universities, urban villages and

SMEs. Next, enter the main event, namely various activities such as games and counseling regarding the Role of Financial Management to Optimize Operating Profits for MSMEs in Rangkasbitung.

At the event there was a discussion and there was a distribution of questionnaires to participants from the UMKM Gallery regarding the business being carried out including producing simple banana chips snacks. The MSME Gallery actors in the West Rangkasbitung Village do not yet have awareness about small business financial management that is in accordance with accounting standards. Based on the results of the discussion and questionnaire, it is known that most MSME actors have not recorded their business, only a few people have recorded their Accounts Payable.

Based on this, Group I then provided input and assistance regarding financial management to business actors in the UMKM Gallery by compiling simple records of Expenditure Records, Income Records, Cash Books and Stock Books to document business activities on a regular basis and prepare periodic Financial Reports.

The preparation of Financial Statements for MSMEs is in line with 10 generally accepted accounting principles including (Ayuningsih, et, al., 2020):

1. Economic Entity. Principles The Economic Entity Principle or the principle of entity unity is defined as the concept of a business unit.
2. Principles of Accounting Period. The principle of accounting period or the principle of time period is a company's financial assessment and reporting which is limited by a certain period of time.
3. The Historical Cost Principle Each item acquired must be recorded based on all costs incurred.
4. Monetary Unit Principle. In this principle, the recording of transactions is only stated in the form of currency and does not involve non-qualitative matters.
5. Business Continuity. Principle This principle assumes that an economic or business entity will run continuously or continuously without any dissolution or termination unless there are certain events that can refute it.
6. Principles of Full Disclosure. Financial statements must have the principle of full disclosure in presenting information that is informative and fully informed.
7. Recognition of Asset Revenue obtained from the sale of goods.

8. Matching expenses with revenues received in order to determine net income for each period.
9. Principles of Materiality. Accounting principles have the aim of uniformity of all rules. However, in reality, not all accounting applications comply with existing theories, so it is not uncommon for material or immaterial information to be disclosed.
10. Consistency. The methods used in preparing financial statements do not change/fix.

Thus, MSME business actors can apply generally accepted accounting principles. on simple records such as Expenditure Records, Income Records, Cash Books and Stock Books to periodically document business activities (Riza & Ariani, 2019). By compiling a simple financial report, MSMEs can get the following benefits, namely:

1. Controlling finances. By looking at company records, such as stock cards, we can control the shortage or excess of raw materials.
2. Business Development Planning. Based on the Profit and Loss Report, it can be seen that the business being run is very profitable so that it can carry out business development in the future.
3. Loan Application. Financial Statements can be used as additional information to the Bank to view the company's financial position.
4. Decision Making. As in the previous explanation that by looking at the Financial Statements that have been prepared, it can be used for decision making, whether the business activity can be developed if it is profitable, or can even be stopped if it continues to lose.
5. Neat and Professional. By compiling financial statements, MSMEs will be more professional and have their own added value if they are going to make loans as business capital.

From the whole series of counseling and training, MSMEs are expected to increase operating profit by providing understanding and skills in the process of preparing Financial Statements. In addition, it is able to improve managerial abilities in decision making by using and evaluating financial statements that have been prepared (Vahlia & Lelawati, 2019).

CONCLUSION

In Community Service, a working group will be formed to optimize the business operating profit of members of the MSME Gallery; Then carry out assistance or the formation of groups based on the type of business by sharing knowledge and experience in the preparation of Financial Statements.

In addition, encouraging the management of the UMKM Gallery to continuously provide education for members of the UMKM Gallery in studying the preparation of financial reporting. Then encourage collaborative activities with local governments. Conducting Advanced Community Service in assisting management in the preparation of Financial Reports for the efforts of MSME members.

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