

## Increasing Assistance to MSMEs through Training in Preparing Financial Reports at the Mandalamekar Village Youth Organization

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### Abstract

*Karang Taruna is a social organization as well as a forum and means for the development of every member of the community which grows and develops on the basis of social awareness and responsibility from, by and for the community, especially the young generation in the village/ district area, especially those engaged in social welfare business. Therefore, competent Human Resources (HR) are needed to produce quality financial reports. However, in reality the Financial Reports carried out by the youth organization's treasurer are still manual so this service activity is carried out to assist youth organization members in preparing financial reports that comply with accounting standards. This activity was carried out through outreach, training and mentoring to members of the youth organization in Mandalamekar Village. Based on the PKM activities that have been carried out, there were participants who were able to understand 80% of the material. Apart from that, based on the practice of making Financial Reports and how to make Financial Reports and producing four financial reports, they were arranged neatly according to what was desired and were able to present them using a laptop, not manually like before.*

**Keywords:** *Financial Accounting, Financial Reports, Youth Organization, Social Welfare*

### Abstrak

Karang Taruna adalah organisasi kemasyarakatan sekaligus wadah dan sarana pengembangan setiap anggota masyarakat yang tumbuh dan berkembang atas dasar kesadaran dan tanggung jawab sosial dari, oleh, dan untuk masyarakat, khususnya generasi muda di desa/desa. daerah kabupaten, khususnya yang bergerak di bidang usaha kesejahteraan sosial. Oleh karena itu, diperlukan Sumber Daya Manusia (SDM) yang kompeten untuk menghasilkan laporan keuangan yang berkualitas. Namun pada kenyataannya Laporan Keuangan yang dilakukan oleh bendahara karang taruna masih bersifat manual sehingga kegiatan pengabdian ini dilakukan untuk membantu anggota karang taruna dalam menyusun laporan keuangan yang sesuai dengan standar akuntansi. Kegiatan ini dilakukan melalui sosialisasi, pelatihan dan pendampingan kepada anggota karang taruna di Desa Mandalamekar. Berdasarkan kegiatan PKM yang telah dilaksanakan, terdapat peserta yang mampu memahami 80% materi. Selain itu berdasarkan praktik pembuatan Laporan Keuangan dan cara membuat Laporan Keuangan

serta menghasilkan empat laporan keuangan berhasil disusun dengan rapi sesuai keinginan dan mampu disajikan menggunakan laptop, tidak secara manual seperti dulu.

**Kata Kunci:** *Akuntansi Keuangan, Laporan Keuangan, Karang Taruna, Kesejahteraan Sosial*

## **Introduction**

Financial reports are basically the result of a reflection of the many transactions that occur within a company. Transactions and events of a financial nature are recorded, classified and summarized in an appropriate manner in monetary terms and then interpreted for various purposes. According to Hery (2020) "financial report analysis is a process of dissecting financial reports into their elements and analyzing each of these elements with the aim of gaining a good and accurate understanding of the financial report itself." According to Givan et al., 2020, the final result is to create a business proposal so that the picture of starting the business starts from capital, equipment, costs. An attitude of caring about society requires us to put aside our egos and foster empathy for society, especially for young people who are the main backbone for the nation's prosperity. This is the biggest challenge in fostering an attitude of social concern for young people who will become future leaders of the nation's successors (Suharna et al., 2020). Seeing the problems faced by the young generation today, the existence of community institutions such as Karang Taruna is considered very important because it is hoped that it can become a forum for guidance and development as well as empowerment in efforts to develop the potential of the program's target groups (Syafar, 2015).

According to Toto Prihadi (2020), financial reports are the result of recording all financial transactions in the Company. Financial reports describe transactions classified into several large groups according to their economic characteristics. This large group is an element of financial reports. Data from the Central Statistics Agency shows that the number of MSME players reaches 99% of the number of youth organizations in Indonesia, the investment value of MSMEs reaches 52.9% of the total investment. Therefore, good recording and bookkeeping is needed for MSME businesses, especially at a young age. Bookkeeping is a recording process that is carried out regularly to collect financial data and information which includes assets, liabilities, capital, income and costs, as well as the total price of acquisition and delivery of goods and services, which is closed by preparing a profit and loss report for the tax year period. Meanwhile, recording is the collection of regularly collected data regarding circulation or gross receipts and/or gross income as a basis for calculating the amount of tax payable.

The proliferation of MSMEs in the young age group is because young people have passionate enthusiasm, have creative business ideas and the courage to take risks. However, the courage to become an MSME activist is not always balanced with knowledge regarding financial management. So far, the focus of MSME activists has been to try to maintain customer trust by maintaining quality, maintaining prices and providing good service. Gaining customer trust is an important thing Rimawati & Ervanto (2021) because it will be able to make the business continue to survive and even develop. Apart from that, customer trust in sellers can increase buying interest (Kusumawati & Diyani, 2021). MSMEs have

the potential to develop even if they are handled by young beginners, as long as they are managed professionally. There are many things related to the financial management of MSMEs that need to be addressed, and from the results of discussions and exploration, (three) 3 problems were found by MSME activists in Jatireja village, Bekasi Regency that needed assistance in handling them, namely: Not yet carrying out orderly financial management administration, Not knowing how to carry out analysis. feasibility of investing in opening a new business branch, Not yet understanding how to monitor the development of MSMEs. With the 3 (three) problems faced by MSME activists, the training and mentoring topics provided by the resource persons are topics that are appropriate to the partners' problems so that they can provide the desired solutions partner. The financial management problem that MSMEs often face is the difficulty of separating household finances from business finances (Tanan & Dhamayanti, 2020) and (Ghasarma et al., 2022). It is difficult to be firm in financial management because the overall operations of MSMEs are usually handled by one family consisting of husband, wife, younger siblings, children and sometimes parents, nephews and even in-laws are involved in all MSME activities from start to finish. Apart from family relations, a place of business is sometimes also a place of residence. This condition causes household expenses to often be mixed with expenses for business needs. Financial matters are often overlooked in importance. This is because there is a lack of knowledge and work related to finance is often considered a troublesome job (Safrianti, Sintia and Puspita, 2021)

Financial performance is a description of every economic result that the Company can achieve in a certain period through the Company's activities to generate profits effectively and efficiently (Riswan, 2014). Meanwhile, according to Achadiyah (2019), technology-based accounting records are still very rare, especially in medium to lower scale business activities or what are often called micro, small and medium enterprises (MSMEs). Recording and bookkeeping is every transaction from a business activity which is initial information that must be recorded and processed, so that a financial report is formed. Another mistake that business actors have is in the field of financial management. Business success requires proper financial control, especially in terms of cash flow. One of the fatal mistakes of entrepreneurship is failure to develop strategic planning. Insufficient planning can occur because they buy and sell spontaneously, only buy and sell at certain times, buy merchandise or investments in large quantities without thinking about their existing financial capabilities. Financial reports are information that users need as consideration in making decisions (Kieso, 2011).

Some of the limitations of the Company's financial reports are that financial reports are prepared based on history where data is taken from past data, reports are only made general, the preparation process cannot be separated from certain estimates and considerations, financial reports are conservative (Kasmir, 2018). In the financial report, it can also be seen whether the costs incurred are related to the profits obtained (Indrawan & Nainggolan, 2019). According to previous research, the results of this mentoring activity can be seen from the active role of MSE actors to start having a positive impact so that it can be recommended for further mentoring activities with other focuses. The implementation method for this activity is carried out in the form of training. The result of implementing this activity is increasing the knowledge of the MSME players who are members and

their training in preparing computerized financial reports using the MYOB application.

### **Devotion Method**

#### 1. Location and time of implementation

The research was conducted in September 22 September 2023 at the office of the Head of Mandalamekar Village, Cimenyan District, Bandung Regency, West Java.

#### 2. Approach method

Based on the plan to implement the Community Service Program (PKM) in Mandalamekar Village, the team has determined the approach and method of activities as follows:

##### a. Training methods

Learning does not guarantee that trainees will transfer what they learn back to work. This has an impact on distrust of the training objectives that have been designed previously. Therefore, the role of human resource managers is needed to determine the most appropriate training method to determine the most appropriate training method for employee skills. This method is used to transfer knowledge and technology with the aim of overcoming existing problems, by increasing the understanding and insight of youth organizations in Mandalamekar Village. The team has chosen this approach as a way to overcome problems and chosen this approach as a way to overcome problems and realize solutions to dare to create financial report structures.

##### b. Socialization and Mentoring

The method for developing the effectiveness of financial reports is carried out by means of mentoring. This method is carried out by preparing financial reports together with the management and supervisors (Hairunisya, 2017). The mentoring steps are carried out using a problem solving or problem solving approach (Husna & Burais, 2019), which is carried out with an initial process in the form of identifying the problem, formulating alternative problem solutions, selecting the best alternative, then implementing the problem solving and then finally program evaluation. This method aims to transfer skills to youth organizations in Mandalemakar Village in terms of increasing knowledge for preparing financial reports. This training takes place directly in the field and is delivered by resource persons who are experts in their fields.

### **Results and Discussion**

This activity is the main work program for implementing Community Service (PKM) which will be held on September 24 2023 at 01.00 WIB. This event was held by inviting members of the Mandalamekar Village Youth Organization and was held at the village office. This event was attended by around 44 people.

The training process carried out in this activity is the presentation of the material first by the resource person. In the first stage, participants are given material about the basics of financial reports, the format for preparing financial reports, and the benefits and accounting rules related to financial reports. In the

second stage, participants are asked to assist MSMEs in preparing financial reports and are given several weeks of time with the MSME partners they accompany to help prepare and produce simple financial reports for their businesses. In the third stage, participants collect financial reports that have been prepared based on the mentoring process that has been carried out with MSMEs to assess the suitability of financial reports and evaluate them. Partner responses were carried out in Pre Test and Post Test after the entire series of activities were carried out, where there was an increase in participants' understanding and ability results by 62% after the Post Test from previously 89% when the Pre Test was carried out. Meanwhile, the model for providing material in this activity is presenting the material through PPT slides which explain the basics of financial reports, the format for preparing financial reports and the benefits and accounting rules related to preparing financial reports which are explained directly by the resource person.

This second socialization activity began by explaining training on how to make good and correct financial reports for youth organization members who run businesses. To evaluate the members of the youth organization, in this case, a Pre-Test was carried out regarding training in preparing financial reports for 30% of the youth organization members in Mandalamekar Village. After the Pre-Test is carried out, the final evaluation will be a Post-Test, where the Katang cadets are asked to complete the Post-Test by 96% of the members of the youth organization in Mandalamekar Village. The impact of implementing socialization regarding training in making financial reports for youth organizations is that young people understand the process of making financial reports better.



**Figure 1. Opening of the event and remarks from the Chief Executive**

**Figure 2. Group photo with participants**

**Figure 3. Speech by the Secretary of Mandalamekar Village**

**Figure 4. Prayer reading**

## Conclusion

This community service activity is carried out based on the university's concern for the surrounding community, especially for entrepreneurs. The material presented is how to make a profit and loss report and use it as a tool for business evaluation and projections. Most participants still do not understand the components of profit and loss and have not included them as elements that should be taken into account. Business expenses are still mixed with household expenses, causing inaccurate profit and loss statements. If the information is not correct, then the business decisions taken later will also be incorrect. Participants in this activity are young people in Mandalamekar Village who have small businesses in Mandalamekar Village. Most of the participants do not have an accounting/economics educational background so that when given the material, they need more time to understand. Simple accounting practices may not be able to be carried out accurately according to applicable standard standards, but at least they can provide an overview of their business conditions. From the evaluation results that have been presented previously, this training provides both knowledge regarding the purpose of financial reports and increased public understanding regarding the preparation of financial reports, especially profit/loss reports.

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