STRENGTHENING UNDERSTANDING OF MSME FINANCIAL MANAGEMENT IN JOHAR BARU DISTRICT, CENTRAL JAKARTA

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ABSTRACT

The partner in this community service activity program is the Johar Baru District Office, Central Jakarta. Johar Baru District has made efforts to provide proactive services to all levels of society so that they can take advantage of all Jakpreneur programs. The Jakpreneur program includes training, mentoring, licensing, marketing, financial reporting, and capital facilities. The problem faced is that there are still MSMEs, especially beginner MSMEs, who still need special treatment because they need to understand the procedures for obtaining Jakpreneur program services. The District Office can improve services to novice MSMEs by giving them a glimpse of business management before they can be included in the Jakpreneur program. This activity aims to provide knowledge dissemination about business management to employees of the Johar Baru District Office, Central Jakarta. Activity participants are expected to be able to share knowledge with novice MSMEs, especially regarding the use of digital facilities in managing business finances. The method used in this activity is by disseminating material and discussions. The District Head and Johar Baru District Office Employees attended the training. The activity began with a speech from the Head of the District, followed by the delivery of material and discussion. The activity evaluation results show that the authorities have a better understanding of business financial management, then the authorities will transfer this understanding to novice MSMEs.

Keywords: beginner MSMEs, financial management, digital bookkeeping system

1. INTRODUCTION

The regional development program, a priority for the Governor and Deputy Governor of DKI Jakarta Province, is translated into Five Jakarta Development Efforts. Jakarta's Five Development Efforts are outlined in five major sections: Human Development, Economy and Infrastructure, Apparatus Integrity, Sustainable City, and Progress Points. Human Development will be achieved by reducing poverty by 1% from the 2017 condition of 3.78% to 3.45% in 2022, accompanied by improving education, health, youth, and sports, uplifting women, protecting children, and improving services for people with disabilities. One of the DKI Jakarta Provincial Government's efforts to reduce poverty is to increase Citizen Productivity, Especially the Productivity of the Poor and Vulnerable Communities.

Efforts made through this approach include Integrated Entrepreneurship Development to create new entrepreneurs; structuring regulations (licensing, business zoning, etc.) and strengthening their implementation to support ease of doing business for Micro, Small, and Medium Enterprises; encouraging business formalization of informal business sectors; assistance and expansion of access to capital and markets through collaboration with the private sector; to the commitment to use local products produced by business actors assisted by the Regional Government; providing job training to PPKD; as well as increasing entrepreneurial capacity for the poorest groups in society. To support the government's efforts to increase citizen productivity under the Integrated Entrepreneurship Guidance and Development Program through activities;

1. Assistance for Productive Economic Enterprises (UEP) / Joint Business Groups (KUBE) for Poor Families;
2. Financial Behavior Education for Poor Families Who Recipient of UEP/KUBE And
3. Training in productive economic businesses for low-income families.

The Central Jakarta City Government, through the Department of Industry, Trade, Small and Medium Enterprise Cooperatives (PPKUKM), provides guidance and empowerment for SMEs through Jakpreneur. One of the targets of programs and activities organized by the PPKUKM Service is to empower the SME sector as a supporter of regional economic activities with a local resource base (PPKUKM Service, 2022). The Central Jakarta City PPKUKM Service has implemented various policies and programs to encourage the development of MSMEs. These policies and programs can be realized with the encouragement, contribution, and participation of the Central Jakarta City Government and the District-level Government, one of which is Johar Baru District.
Johar Baru Baru District is a sub-district in Central Jakarta City, between 106°05'19.2" East Longitude and 60°11'13.4" South Latitude. It has an area of 2.37 km²—consisting of 4 sub-districts, 14 Rukun Warga (RW) and 196 Rukun Tetangga (RT), with a population of 119,994 people (population projection). The Johar Baru District area has a border to the north with Cempaka Putih District, east with Senen District, south with Senen District, and west with Senen District. (Johar Baru District in Figures, 2021).

The Department of Industry, Trade, Small and Medium Enterprise Cooperatives (PPKUKM) provides guidance and empowerment for SMEs through Jakpreneur. Johar Baru District strives to provide proactive services to all levels of society so they can take advantage of all Jakpreneur programs. The Jakpreneur program includes training, mentoring, licensing, marketing, financial reporting, and capital facilities.

The problem faced is that there are still MSMEs, especially beginner MSMEs, who still need special treatment because they need to understand the procedures for obtaining Jakpreneur program services. The District Office can improve services to novice MSMEs by giving them a glimpse of business management before they can be included in the Jakpreneur program. This activity aims to provide knowledge dissemination about business management to employees of the Johar Baru District Office, Central Jakarta. Activity participants are expected to be able to share knowledge with novice MSMEs, especially regarding the use of digital facilities in managing business finances. The service activity team chose business financial management material based on the results of previous studies, which showed that MSMEs that had just started their business very quickly have their finances falter and most likely not even continue their business because of bookkeeping problems that did not reflect the financial condition of the company they were running.

The District Office can improve services to novice MSMEs by providing novice MSMEs with a glimpse of understanding business management. This is a challenge and obstacle for civil service employees because it is outside their expertise. The solution to this problem is to carry out training regarding personal and business financial management bookkeeping for MSMEs both manually and digitally by Accounting Standards for MSMEs. Budi Luhur University, especially the Faculty of Economics and Business, acts as an academic party responsible for strengthening understanding of MSME financial management in the Johar Baru District area, Central Jakarta.

2. METHOD

Initial observation activities were carried out on Thursday, December 1, 2022, to coordinate, synchronize, and strengthen training materials by involving partners. This PKM activity is designed for six months and will be implemented through 3 activity stages, namely Preparation, Implementation, and Evaluation. The implementation stages are as follows:

1. Preparation Stages

The team collected information regarding the duties and problems of employees in the Johar Baru District, especially the community service department.

2. Implementation Stage

Activities to strengthen understanding of business financial management were carried out on Monday, April 17, 2023. The material was given in the form of a discussion. The team provides an understanding of MSME management, the differences between personal and business finances, and the importance of recording and bookkeeping systems for business actors. This activity uses persuasive messages to improve the services of Johar Baru District Office Employees to provide community satisfaction, especially novice MSMEs.

3. Evaluation Stage

The evaluation stage is carried out to provide solutions to the problems partners face when providing services to the community. The indicator of success at this stage is that participants can explain to guests (beginner MSMEs) if they have questions about bookkeeping.
3. RESULTS AND DISCUSSION

Community Service Activities with the theme of strengthening understanding of MSME financial management at the Johar Baru District Office, Central Jakarta, are the result of an agreement between the Service Implementation Team and Mrs. Dra Nurhelmi Savitri, MA. as Head of Johar Baru District, Central Jakarta. This activity is expected to provide additional knowledge and insight into MSME financial management and socialize simple bookkeeping applications that MSMEs can use. Knowledge and understanding about financial management will be transferred to MSMEs in Johar Baru District who need it. This knowledge transfer will improve the services of the Johar Baru District Office, Central Jakarta.

District Office Services adhere to the values of accountability: responsible, professional, transparent, careful in acting, and reliable. The problem of MSMEs is a challenge for the Johar Baru District Office, Central Jakarta, to improve their services to the community. This service activity was carried out to provide insight and knowledge about financial management and applications that MSMEs can use at the Johar Baru District Office, Central Jakarta. Furthermore, officials can transfer their knowledge to MSME actors who come to submit complaints regarding their business bookkeeping.

The activity participants were Johar Baru District Office community services section employees. The activity began with an introduction and understanding of bookkeeping to the participants, which emphasized the importance of financial management so that they could find out the profit or loss position of the business. The training continued by providing outreach about bookkeeping applications that MSMEs can utilize.

There are five groupings used in bookkeeping records, namely:

1. Assets, resources controlled by the entity due to past events and future economic benefits that the entity is expected to obtain.
2. Liabilities: Current obligations of an entity arising from past events whose settlement results in an outflow of the entity's resources containing economic benefits.
3. Equity, residual rights to the entity's assets after deducting all its liabilities
4. Income: increase in economic benefits during the reporting period in the form of cash inflows or increases in assets or decreases in liabilities resulting in increases in equity that do not come from capital investment contributions.
5. Expenses, decreases in economic benefits during the reporting period in the form of cash outflows, increases in assets, or increases in liabilities resulting in decreases in equity not caused by distributions to investors.

In the practice of recording, the main thing that needs to be done to prepare books is to create or collect evidence of transactions, such as receipts, purchase or sales receipts, or invoices. The next step is:

1. Each proof of transaction is then recorded in a daily cash book containing cash inflows and outflows. Not only a cash book, but it is also necessary to register a receivables and payables book because in business processes, debts and receivables often occur. These debts and receivables cannot be recorded in the same book as the cash book. Therefore, there is a need for a receivables book and a payables book.
2. For outgoing and incoming merchandise, it is necessary to record it in the merchandise inventory book to determine the number of goods sold and remaining in the warehouse.

3. If there is development so that there are more and more transactions every day, then the existing bookkeeping records can be used as a financial report consisting of a profit/loss report, financial position report/balance sheet.

Financial Management Training continued with the socialization of accounting applications. This material is provided to make it easier for Johar Baru District Office officials to realize efforts to provide proactive services to all levels of society. Sub-district officials are given education to take part in financial management application training. This training aims to improve the performance of sub-district officials so that they provide more optimal services to the people of Johar Baru. This financial management system platform can be applied to MSMEs in the Johar Baru District. Financial training for Johar Baru sub-district officials can be transferred to MSMEs.

One way to empower MSMEs is by implementing correct and appropriate accounting for business actors in running their businesses. On an MSME scale, the accounting function is fundamental for making strategic decisions regarding economic activities. The whole thing in the MSME accounting system is related to the presentation of simple financial reports. MSMEs have unique characteristics in terms of business scale, business processes, and economic cycles. This is why applying accounting to MSMEs must be to the needs of the MSMEs themselves.

Accounting Bookkeeping, Accurate Online, and Zahir Online Mobile Apps are examples of mobile applications in the accounting field found on the Play Store, App Store, or Microsoft Store platforms. The SME Accounting application is one accounting application that is simple and very relevant to MSME business entities. The SME Accounting Application is a simple financial application system that can be used by micro, small, and medium enterprises for daily financial management (Putranto, 2020). Apart from supporting business needs, this application helps organize and manage finances in business entities through well-systemized digital recording with a small risk of error. The SME Accounting mobile application has its uniqueness, namely that it is an application that is provided to users free of charge without conditions, without advertising, without limits on the number of transactions that can be recorded, without limits on the number of business entities registered, without limits on the period for viewing financial reports, and can be used offline. SME Accounting mobile application developer, modules, or tutorials that can be downloaded for free.

The accounting process or accounting cycle in the UKM mobile application application is similar to accounting applications in general. The accounting process begins with journaling carried out by the user, which will automatically be processed further into the form of a ledger. Next, the ledger can be processed into a trial balance. Users can also directly process transactions in the ledger into several available financial reports, including profit and loss reports and balance sheets.

Another financial management application that can be used is the Financial Information Recording Application Information System (SI APIK). SI APIK is a financial transaction recording application that MSMEs can use to simplify business fund management. Bank Indonesia developed this application to make it easier for MSMEs to overcome difficulties in recording financial transactions and to help create financial reports that comply with accounting rules (Effendi, 2020).

SI APIK is designed systematically and based on financial recording and reporting guidelines for micro and small businesses, so this application has financial recording standards for MSMEs. SI APIK has a flagship feature where the application refers to exceptional MSME standards prepared by BI and IAI, and users can use it without needing basic knowledge of accounting (Debit/Credit). The APIK will make it easier to record financial information, which can help entrepreneurs, especially MSMEs, to be able to create balance sheets, financial reports, and profit and loss statements via Android phones. Users only input transactions in income or expenditure, which the system will then process as a financial report. All MSME entrepreneurs can use this application system by downloading the program for free via an Android cellphone on Google Playstore. This system only uses quota to download and initialize, while the recording process does not use the internet network. This means that when recording, MSMEs can use it directly without being affected by the internet connection. The mobile application used to educate MSMEs as a means of accounting records via smartphone is the UKM Accounting application. Some considerations for using the SME Accounting application as an educational tool are that in terms of cost, the application is free. Apart from that, this application also has relatively small storage space and sufficient features for MSMEs.
Discussion Results

Based on discussions with participants in community service activities held at the Johar Baru District Office, the following information was obtained:

1. Most participants increasingly understand the problems faced by novice MSMEs who come to the District Office, namely regarding financial management. Guests are usually asked to monitor training programs held at the District Office, but the schedule and materials do not necessarily suit the problems MSMEs face. Guests sometimes continue to submit complaints while District Office employees only listen because they need help understanding the process of managing business finances.

2. After carrying out training activities, participants can identify recording problems, especially regarding the bookkeeping groupings used.

3. Socialization activities for the new financial management application are limited to introducing the application only; the practice of its use has yet to be carried out due to the limited time available. However, participants' motivation is increasing to improve services for guests, especially MSMEs.

4. CONCLUSION
   a. Implement activities to strengthen understanding of bookkeeping at the Johar Baru District Office, Central Jakarta, attended by Community Services Employees. The material focuses on understanding bookkeeping groupings and how the bookkeeping process is recorded.
b. Participants in this activity are increasingly aware of the need to understand bookkeeping records to improve service, especially when invited to discuss business finances to satisfy guests.

c. It is recommended that this community service program be continued with direct business assistance to MSMEs, especially beginners.

5. REFERENCES


