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MSME Financial Administration Management Training in Argomulyo Village, Sepaku District, North Penajam Paser Regency

Miswaty^{1*}; Didik Hadiyatno¹; Hairul Anam¹; Misna Ariani¹; Dwi Susilowati¹; Wiwik Saraswati¹; Winda Lestari¹; Tutik Yuliani¹; Henny Oktapiyani¹

¹Faculty of Economics, Balikpapan University, Indonesia

^{1*}Email: miswaty@uniba-bpn.ac.id

Abstract

Financial management training in Argomulyo Village, Sepaku District, North Penajam Paser Regency. The article aims to provide understanding and improve the skills of the MSME group regarding calculating, recording, bookkeeping and managing business finances so that their businesses can develop further, thereby having an impact on increasing the skills of the Argomulyo Village MSME group regarding calculations and recording, and bookkeeping and financial management so as to improve MSME business and have an impact on increasing competitiveness and community welfare. This activity was carried out through training and mentoring, starting with a survey of training participants which showed that the majority of MSME owners had not separated business assets from personal assets. Training is carried out by providing worksheets that have been designed to be filled out by training participants so that participants can use them to record and calculate each participant's business finances. It is hoped that the results of the training can improve business financial management skills better. Based on the calculations they prepare during the training, they can be examples for participants to carry out in their business practices and they can also determine selling prices, develop investment plans and increase appropriate sources of funds so that they are expected to have an impact on increasing income and developing the business to be more advanced.

Keywords: *financial management, training, MSME performance*

1. Introduction

In running a business, finance is the spearhead of a business. Therefore, wise management of money, costs and budgets is very important for the continuity of a business (Wasiman, Syaifullah, & Suhardi, 2023). If money is not managed carefully, income and expenses will not be controlled properly, which can result in bankruptcy. Financial management is important to learn for those of us who want to use their money as effectively and efficiently as possible (Ratu et al., 2023; Candra & Fatwanto, 2023).

MSME businesses in Argomulyo Village face challenges to develop to become more advanced and known to the wider community. The existence of MSMEs with much wider product markets causes this. Argomulyo village MSMEs must be able to be adaptive and agile to changes that occur in a technology-based business environment that uses social media as a tool to market products. MSME players are aware of the need to immediately shift to digital-based business based on reliable accounting records and reporting as a provider of information in making optimal business decisions (Wardiningsih et al., 202; Setyahuni et al., 2023).

Advances in information technology today have developed rapidly and cover various aspects of human life. In line with advances in information technology,

more and more public and private organizations are able to utilize new information technology that can support their effectiveness, productivity and efficiency (Atmojo, 2022; Rozaki et al., 2022). Small and medium business actors lack knowledge about administration and finance, such as financial policies, accounting systems and reporting. Administration and finance learning is dynamic learning and close to everyday life (Yulianto & Setiawan, 2021). Therefore, administrative and economic learning must be prepared according to the needs to face the challenges that will be faced so that transparency and accountability can be realized in financial management (Kusjono et al., 2021; Setyahuni et al., 2023). Therefore, the financial administration training for managing small and medium enterprises by the community service team from the Faculty of Economics, Balikpapan University provides an opportunity for the community to take part in various kinds of socialization regarding this matter and recommends MSMEs in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan as a village that should get socialization about administration and economics.

North Penajam Paser Regency is a district in East Kalimantan the capital is Penajam. This district borders Kutai Kartanegara Regency to the north, to the

east it borders the Makassar Strait and Balikpapan City, to the south it borders Paser Regency and to the west it borders West Kutai Regency. Penajam is an expansion area of Paser Regency. The area of this Regency is 3,333.06 km² with a population of 110,240 (2002) people. North Penajam Paser Regency is located between 00° 48' 29" 01° 36' 37" South Latitude and 116° 19' 30" 116° 56' 35". The formation of North Penajam Paser as a district was carried out on March 11, 2002. It consists of four sub-districts, namely Penajam, Waru, Babulu and Sepaku sub-districts. The vast area of the North Penajam Paser district provides enormous potential for the development of local commodities. Currently, the greatest potential is oil palm plantations and the potential for fish cultivation in ponds and processing of fishery products (Melianti, 2019).

There are quite a few people in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan who work as entrepreneurs, especially MSME business actors such as processed food players, snack & catering business people, and so on. There are MSME business actors who are still pioneering business activities, but there are also business actors who have been carrying out business activities for a long time but their businesses have not been able to develop well.

Based on a pre-survey in the field, it shows that the high level of business activities carried out by business actors has not been accompanied by an understanding of the supporting factors in carrying out business activities such as simple bookkeeping so that business actors only focus on profit without paying attention to the supporting factors of the business. Many of the MSMEs in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan are engaged in culinary and herbal medicine, packaged powders and snacks with the majority of MSMEs being housewives.

This community services is in accordance with the results of research conducted by which found that small traders in traditional markets organize and do not use accounting information in managing their business (Yuniyarti et al., 2018). One of the problems that is often overlooked by MSME business people is financial management (Kusjono et al., 2021). The impact of neglecting financial management may not be obvious, but without effective accounting methods, it is likely that managers will not be able to understand the business completely (Astuti, 2021). Bookkeeping is still considered trivial and there is no separation between personal assets and business assets, (Mashudi et al., 2023) most business actors still do not understand accounting and financial reporting and the urgency of their use. stated that the main obstacle currently faced by MSMEs, apart from the marketing aspect, is also difficult access to financial institutions

because there are still many MSMEs who do not realize the importance of correct financial records and bookkeeping (Herman et al., 2023). One of the obstacles most often faced by business actors is the problem of preparing financial reports, this is understandable because not all micro business actors have an accounting background, whereas hiring an accountant is still not financially feasible (Prayitno et al., 2022).

MSME players still experience problems in setting the right selling price, making it difficult to determine profits accurately (Prayitno et al., 2022). They have not felt the benefits of maintaining bookkeeping. According to in detail, the benefits of accounting for MSMEs are facilitating business activities, evaluating company performance, carrying out effective planning and convincing outside parties (Widhiastuti et al., 2019; Kusjono et al., 2021). Meanwhile, according to Mubarok (2011), the benefits obtained by SMEs when compiling financial information (reports) include knowing information about financial position, financial performance, changes in capital, owners in the past, which is one of the ingredients in decision making (Anam et al., 2022). Know the value of changes in cash and its distribution and fulfill one of the requirements in applying for credit to certain financial institutions (Jumhana et al., 2022; Mashudi et al., 2023). As one of the reporting materials for taxes, preparing cash budgets, determining selling prices, and preparing break-even analysis. The main purpose of accounting is to provide economic information about a company that is needed by both internal and external parties of the company (Setyahuni et al., 2023).

Based on this illustration, MSME business actors need an understanding of especially the MSME owners in the Argomulyo Village area, Sepaku District, North Penajam Paser Regency - East Kalimantan, numbering thirty people with the majority being housewives and engaged in the culinary business. Packaged powdered herbal medicine and snacks to support business activities so that they can develop well in the future.

Thus, MSME business actors in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan need to be given counseling related to simple bookkeeping training, because the majority of business actors do not understand how to prepare simple bookkeeping, the main function is to know every business transaction, both income and expenditure. Community service is carried out focusing on MSME business actors in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan as a program target with the aim of providing MSME business actors with an understanding of bookkeeping so that this understanding can be applied in business activities and can improve the quality of existing businesses. They

can determine costs and calculate how much profit they earn.

The community service that will be carried out by our team is located in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan. Not a few people in Argomulyo Village, Sepaku District, North Penajam Paser Regency - East Kalimantan work as entrepreneurs, especially MSME entrepreneurs such as processed food, snack businesses, packaged powdered herbal medicine and others. There are MSME business actors who are still starting business activities, but there are also business actors who have been doing business for a long time but their businesses have not been able to develop well. Based on surveys conducted in the field, it was shown that the high level of business activities carried out by business actors was not accompanied by an understanding of the supporting factors in carrying out business activities such as simple bookkeeping so that business actors only focused on profits without paying attention to the supporting factors of the business. Based on this illustration, MSME entrepreneurs need an understanding of simple bookkeeping to support business activities so that they can develop well in the future.

The aim of this training activity is to train MSMEs in Argomulyo village, Sepaku sub-district, North Penajam Paser Regency to start carrying out bookkeeping records neatly and to improve the financial administration recording system by separating cash owned by the business and personal cash so that business management becomes better. clear boundaries of responsibility and business ownership. The methods used in this training are program socialization, observation, interviews regarding priority needs, presentation of material using lecture and simulation methods, bookkeeping. The results of this training activity are that the activity runs smoothly, on time, and as expected. Have the awareness to separate personal finances from business finances. Have the awareness to record every financial transaction, no matter how small, and keep all financial transaction notes neatly. Can record financial transactions neatly according to standard financial accounting rules

The output target that will be produced through this program is how to help the community's economy by providing knowledge and skills, especially to small and medium businesses. With knowledge in managing finances properly and correctly, it is hoped that it will increase the value of the business that has been run. Competitive advantage will have an impact on empowering village communities and is expected to have an impact on increasing the economic level of the community through increasing the skills and knowledge they have.

2. Method

The methods used in the implementation of this community service program was socialization and education. Its was carried out using the method of field observations, lectures, tutorials and discussions with the community. Implemetation of Community service on Saturday, February 18, 2023.



Figure 1. Observation MSME in Sepaku Village

Coordination with the village government, meetings with village heads and groups of small and medium business actors in Argomulyo Village, Sepaku District. Then determine the implementation schedule and materials that must be prepared by the group and the lecturer prepares the materials and tools needed for the training. The training is carried out by involving participants directly by providing material and repeating the material given to the participants to check whether the participants really understand the training provided by the lecturers. Business financial management training is intended so that business actors can carry out correct records and also be able to predict future business developments. Lecturers prepare reports regarding the implementation of the training carried out accompanied by documentation relating to the implementation of training for small and medium business actors in Argomulyo Village, Sepaku District.



Figure 2. Financial Administration Materials

Argomulyo Village is one of the villages located in Sepaku sub-district, North Penajam Paser Regency. The people of Argomulyo Village generally work as farmers and fish pond managers. The abundant agricultural and fishery products are not fully absorbed by the market. Therefore, the people of Argomulyo Village have begun to further process agricultural and fishery products into products that have more economic value, such as processing palm sugar into ant sugar, red ginger drink powder and tamarind turmeric, milkfish amplang, and so on. The rise of the entrepreneurial spirit grows and gives rise to MSMEs in Sepaku village.

3. Result and Discussion

Implementation of this community service program begins with obtaining permits and coordinating with the Argomulyo Village, Sepaku District, North Penajam Paser Regency, East Kalimantan and MSME actors as community service partners. After obtaining permission from the RT management from Argomulyo Village, Sepaku District, North Penajam Paser Regency, East Kalimantan and the Sepaku MSME actors, the Community Service team carried out activity outreach, implementation and evaluation of activities.

The Community Service Team identifies partner problems in general, the problems faced by the MSME management of Argomulyo Village, Sepaku District are Priority Problems, namely financial reporting problems.

Problem Details are there is no administration system for MSME financial documents, there is no adequate financial reporting for MSMEs and not yet separating business capital and personal money

The impact of this problem:

- a. This creates difficulties for MSMEs in creating business budgets and controlling operational costs.
- b. Recording is limited to money coming in and money going out so there are no financial reports that can measure the performance of MSMEs
- c. This makes it difficult for MSMEs to develop their businesses because they run out of capital which can be used for personal interests

From the analysis of the mapping of weaknesses in financial management and the preparation of financial reports for MSME Sepaku, it was found that MSME Sepaku program partners have weaknesses, including that MSME Sepaku does not have adequate financial management administration. MSMEs never keep records of activities related to their business. Every time a purchase, sale or payment occurs for the implementation of a business there is no recording so that MSMEs do not know in detail the costs they have incurred and how much business capital they have

provided for their business. Apart from the problems above, there is a more fundamental problem, namely that MSME actors do not have the ability to prepare simple financial reports for their business performance reports. This causes difficulties for MSME players when they plan to apply for credit at a bank or lending institution. Financial reports are very meaningful for business actors because there are notes that describe the separation of functions as owners or business actors. This separation of functions will be reflected in the financial position report where there are asset, liability and equity accounts.

Based on the financial position report, business actors can use this information to plan, prepare business budgets and manage their businesses as efficiently and effectively as possible. Meanwhile, Sepaku MSMEs do not yet have the ability to prepare financial reports. Therefore, training and mentoring is carried out by implementers. Training and mentoring focuses on improving the quality of financial management and preparation of financial reports for MSMEs, including: training in preparing good financial administration for MSMEs, preparing financial reports and preparing accountability reports that better separate business capital and personal funds.

Implementation Stage

In each activity, the author also holds questions and answers and in-depth discussions so that the understanding of the MSMEs sepaku administrators as partners becomes deeper. Each question and answer session is quite interesting because usually the partner members will convey detailed problems they are facing and then they will be discussed to find the best solution. After some time, the implementation of financial management and preparation of MSME financial reports at partner locations showed good progress.



Figure 3. Financial Administration Management Training

The location for carrying out community service activities is at MSME Argomulyo District, in North Penajam Paser Regency, East Kalimantan. Priority problems that have been identified by partners are tried

to be solved and resolved by involving the partner's participation. Implementation of community service designs activities in accordance with the problems that arise and the negative impacts of these problems.



Figure 4. Team of Community Services and MSME actors

At the implementation stage, the author, who is also the executor, carried out financial management analysis and prepared financial reports for the MSME's Argomulyo District that has gone this far, then map out the existing weaknesses and deficiencies. Next, the implementers hold discussions regarding the mapping findings and formulate the activities to be carried out.

Community Service Activities carried out in the form of assistance in preparing financial reports. The methods for implementing problem solving in this service are training and assistance in the procedures for creating and filling out documents for implementing MSME financial administration, training and assistance in preparing MSME financial reports and training and assistance in preparing MSME financial reports.

The method for implementing problem solving is to create concise and applicable modules and complete document formats for MSME management. The community services team held workshops on MSME financial administration, training on preparing financial reports and formatting financial report models that are simple but meet good accountability requirements.



Figure 5. Socialization and Discussion

Mentoring was carried out after financial management and administration training was carried out in Argomulyo Village. During mentoring, training participants can ask again more intensely about training material that they have not understood. Apart from carrying out training, mentoring also continues via WhatsApp or email. Some participants who still have questions about the training that have not been asked directly during the training or mentoring are welcome to ask the presenters via WhatsApp or email. The importance of mentoring is to monitor so that training participants understand the material being presented. Apart from that, mentoring also aims to ensure that training participants prepare their financial transaction records based on financial accounting standards.

The solution to the problem of financial recording is assistance in carrying out financial recording. In the early stages, in accordance with the problems faced regarding financial control, especially regarding the cash flow that occurs in the business, we recommend that business owners use a note system to record expenses and income. In terms of expenses, for example for purchasing raw materials, always ask for a note from the buyer, if there is none then record it using a blank note. Likewise, if there is a sale, then record the transaction using a note. After that, it is recommended to keep the note, and carry out checks once a month to monitor the condition of incoming and outgoing money.

Regarding the problem of using money, especially for personal needs, it is finally recommended to set aside a portion of the profits obtained from each transaction. This separation is done so that business owners do not take business money for their personal needs. Apart from that, this is useful so that working capital needs are maintained, especially for purchasing raw materials.

Form of Outcome Target: The output target that can be produced later is to have your own book that is used for recording. Apart from that, it is also expected to have simple financial report records to control cash flows and to determine financial position. The expected results of this financial administration management assistance and training activity include helping Argomulyo MSME administrators to prepare good financial administration, training in preparing MSME financial reports, making it easier to understand how to read financial reports, in this case MSME actors, to increase confidence regarding MSME business performance and increasing the ability to organize the financial administration of MSME actors through preparing financial reports and documenting MSME business activities

This service activity was attended by MSMEs in Sepaku village. The participants were very enthusiastic

about listening to the business financial management process. The enthusiasm of the participants was seen in the discussion session where many asked questions related to MSME financial management. The obstacle for participants in managing their business finances is not knowing the separation between personal assets and business assets and managing them so that business finances are not well planned and hinder business development. This socialization made the participants very grateful so that they could develop MSMEs and improve the economy of the community in Sepaku Village.

4. Conclusion

The implementation of community service has been carried out and is running smoothly. This community services aims to improve the ability to make good financial administration, the quality of financial management and preparation of financial reports at MSME Argomulyo District. The football. From the results of implementing this program, the implementers concluded that there had been an increase in the ability to manage finances and prepare financial reports in the MSMEs of Argomulyo Village, Sepaku District. Argomulyo district is also becoming more lively, thus triggering the enthusiasm of the community to synergize in business in the Argomulyo MSME community, Sepaku sub-district for the better.

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