

**ASSISTANCE IN THE PREPARATION OF FINANCIAL REPORTS
AT THE "LESTARI MANDIRI" MICROFINANCE INSTITUTION
RAGUKLAMPITAN JEPARA**

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Abstract

This service activity assists the microfinance institution Lestari Mandiri Raguklampitan Batealit Jepara. The activities of Lestari Mandiri microfinance service partners include providing savings and loan services to their members independently and visitors. The organization is owned, managed, and utilized independently by the community in the local village. The purpose of the service is to increase knowledge in terms of recording and making financial reports according to standards. The problems faced by partners are recording savings and loan transactions is still done manually so it requires accuracy and thoroughness from the manager so that it is less efficient. These things may be problems and risks in the form of data, data redundancy, and the difficulty of knowing financial information in the form of costs, income, and balance sheets, as well as difficulties in getting late and accurate payment data (2) This is the first point, causes another problem in the form of recording payments as well as the management of financing carried out by the manager. The solution provided is under business needs by (1) Providing training in financial reporting to comply with standards. (Providing training in financing management). This mentoring and training method is carried out with an in-house training approach, strengthening groups, and continuous mentoring. The results obtained are gaining new knowledge, Improving financing procedures, partners can make financial reports independently, and making it easier for partners to make decisions that are taken.

Keywords: Financial Report Assistance, Microfinance, Lestari Mandiri

INTRODUCTION

This service activity assists the Lestari Mandiri Raguklampitan Batealit Jepara microfinance institution. The activities of independent sustainable service partners in microfinance have good benefits for social development. The impact of non-economic micro-financing can be detailed as follows: (1) Increasing women's participation in business (2) Increasing the education level of family members (3) Increasing social networks (4) Increasing entrepreneur networks (5) Improving public knowledge about financial institutions. (6) Encouraging entrepreneurship. Meanwhile, the impact on the economy is (1) The growth of the number of micro-enterprises, (2) Increasing the scale of business, (3) Increasing employment, (4) Increasing people's income, (5) Accelerating local economic

growth, (6) Increasing the mobilization of public funds. . (Hazmi & Nafisah, 2021). The service partners are in Batealit District. Geographically the area is mountainous. The existence of institutions in the village is very helpful in increasing the social role of women in society. Microfinance institutions as an easier entry point for micro-enterprises to get access to capital to grow and develop. (Wijaya, 2011)

The number of micro-enterprises in rural areas will help absorb labor, increase income, and accelerate economic growth in rural areas. The location of the area in rural and mountainous areas causes formal financial institutions to be less interested in reaching these areas, therefore residents and local community leaders establish Microfinance Institutions (MFIs) independently to prevent the community from informal financial services whose payout ratio is very large, public funds continue to circulate. in the village and does not flow out of the village. The existence of an MFI formed by the community independently will maintain both capital and rewards to continue to revolve around the local community to improve their welfare. Informal Financial Services that set high rewards such as moneylenders and middlemen will not be able to improve the welfare and capitalization of small businesses. Territorially, LKMS will be closer to the lower level of society, so that in the future it will become an alternative positive solution for micro and small entrepreneurs in developing their business in an onslaught of a moneylender octopus that is still a quite strong gripping. (Jenita, 2017)

The Lestari Mandiri micro business group is a non-formal Microfinance Institution (LKM) engaged in the savings and loan sector. The potential it has is that the MFI is purely owned, managed, and utilized by residents, and has been running and able to survive well for more than 10 (Ten) years since 2008, Its assets are growing along with its members every year. LKM Lestari Mandiri is located at Raguklampitan Village, Batealit District, Jepara Regency. The business carried out by the Women's Lestari Mandiri Cooperative is primarily engaged in short-term savings and loans ranging from 10 months to one year. There are 211 members of the cooperative in 2019. It is recorded that 98% of the members are women in the village. With total assets of Rp. 207,393,000,- in 2019. The domicile of the members is around the village and some are far from their home village due to population movement. Because MFIs are formed, owned, and managed by residents, the sense of belonging and loyalty among members is very high. Institutional governance is still social, collective, and familial. There are no employees from outside the cooperative. Rewards for administrators and managers are still social, so labor costs are minimal and not an operational constraint.

The credit distribution model developed by the partners is group microcredit. Group microcredit is a choice for various microfinance difficulties in rural areas where cooperatives are located. Group channeling can be interpreted as an activity of channeling funds or providing capital for groups to be forwarded to their members who have activities to finance. (Ismail, 2020) in another sense, group credit is the provision of funds for business capital or other consumer needs with group guarantees or joint responsibility. Benefits of group credit (1) Through the character group of prospective loan recipients it will be easier to know because group members are people who are already known among their members (2) Group interaction that has been formed in the community is social capital that can be controlled within the organization (3) Collateral alternative in the form of social capital can

be accepted as a substitute for collateral assets. The benefit of this group is that micro business actors can be helped to grow their business without having to have material collateral, but must have a commitment to togetherness in the group and take responsibility for each other among its members.

Under the nature of micro actors to be able to survive through their business and want to develop they must cultivate cohesiveness and group together to help each other. The success of group loans can be seen from the group's performance through (1) Solidarity and loyalty to the group or group (2) Member participation in participating in decision-making made by and for group members (3) Commitment of group members to carry out every decision that has been made (4) There is a sense of mutual trust, trust among fellow members in the "mutual trust in the group" group. (5) Every decision or policy is taken by the group, and the members are willing to carry it out properly. (Syukri Lukman, 2008)

The development of information technology has brought many changes in business processes. Business operations are becoming easier, and faster and can reduce the error rate caused by human factors (Human Error). One area that is closely related to the use of technology in UKM Lestari Mandiri is financial reporting. At the Mandiri Lestari LKM, the financial recording activity of classifying transactions based on their accounts can only be done at the end of each year, so it is difficult to update to be able to know with certainty the condition and financial composition of the company owned. This causes decision-making cannot to be carried out optimally. Some problems that arise such as differences in loan recording. Another problem is the governance of the authority in providing approval for savings withdrawals and distribution of financing and other activities which are still centralized to the chairman of the board.

It can be concluded that the problems of service partners are (1) Do not have software or other programs to facilitate the company's financial records. (2) LKM Lestari Mandiri's bookkeeping operations are still carried out manually, through notes in books or sheets of paper documents. These conditions cause problems and risks in the form of data loss, data redundancy, and the difficulty of knowing financial information in the form of costs, income, balance sheets, and data on late installments, the difference in the number of stuck members, smoothly, quickly, and accurately. (3) There are business governance problems, it is necessary to have a division of tasks and functions in the organization. It is hoped that through this activity, service partners can prepare financial reports better and can improve competence and professionalism at work. In the long term, it will have an impact on the sustainability and improvement of organizational performance.

IMPLEMENTATION METHOD

The purpose of this community service activity is to provide training to Mandiri Lestari UKM service partners so that they can make financial reports independently and improve organizational governance. In addition, this training also provides opportunities for participants to be actively involved in making or compiling financial reports on the spreadsheets that have been provided, which in turn will help improve the work competencies of trainees which in the long term will have an impact on organizational performance. The system will facilitate internal control as well as a means of monitoring the running of the system and minimizing the occurrence of fraud in the company. (Feriyanto &

Hadian, 2014)

This community service activity was carried out in the second semester of 2019 until the first semester of 2020 at the meeting place of the Mandiri Lestari UKM meeting, Raguklampitan Village, Batealit District, Jepara Regency, Central Java Province. While the method of devotion is carried out with the following model; First with educational activities through the provision of training (Sa'diyah & Roz, 2021). The method used is in the form of training with the term (in-house training). (Khairawati et al., 2021). The activity was carried out at the UKM Lestari Mandiri head office, then the two mentors during the service period were followed by monitoring and evaluation.

RESULTS AND DISCUSSION

This service activity is carried out according to a predetermined schedule from July 2019 to March 2020 The order of implementation carried out in this service activity is in the following order;

a. Pre-training activities

Pre-training activities at the stage of service activities are carried out with details of the steps for coordinating the implementation of service with partners to re-confirm the various needs that have been identified and become a means of establishing a more compact and intense cooperative relationship between servants and partners. At the pre-training stage, data was also collected through informants, namely the management involved in the activities of the Mandiri Lestari LKM, regarding supporting data in the form of record documents, financial transactions, financial reports, and other matters to adjust the program to the needs. The sequence of activities at the pre-training stage is carried out as follows;

(First) At this stage, the preparation of partners, especially in computerization and its supporting equipment is well prepared so that the next step can run smoothly. (Second) Provide a program to create financial reports in Microsoft Excel format to facilitate the preparation of financial reports that have been adapted to the needs and resources of service partners. (Third) make operational guidelines for using the program with the aim that partners can repeat every detail of the system from program operations that are not yet understood.

The image shows a screenshot of an Excel-based financial reporting application. At the top, there is a header with various account codes (CK-1 to CK-25) and their corresponding names. Below this, there are several data entry fields and dropdown menus for selecting account types and dates. The main part of the application is a grid for recording transactions, with columns for account codes, descriptions, and amounts. At the bottom, there is a summary section titled 'LAPORAN LABA RUGI' and 'BUKU KAS HARIAN', which provides a consolidated view of the financial data for a specific period.

Figure 1 Excel Financial Report Application

b. Description of activity implementation

The implementation of activities is carried out in the form of in-house training, namely training given in a company to improve professional qualifications and employee skills aimed at reforming or improving the company's operational and product capabilities (Valkanos & Fragoulis, 2007). The training was carried out 2 times. The training activities were carried out at UKM Lestari Mandiri with 19 training members and 2 administrators. The activity was carried out on July 14, 2019, and on August 25, 2019, at the head office of UKM Lestari Mandiri Raguklampitan Batealit Jepara. Activities are carried out jointly with several administrators with the aim that the implementation of activities can be followed up and supported by the management, bookkeeping department, managers, supervisors, and organizational administrators. The tutorial and practical activities are intended so that the daily implementers of the Lestari Mandiri micro business group can understand and get clarity about changes in the rhythm and transaction model going forward, for bookkeepers to get clear information and direct practice of using the program.



Figure 2 Inhouse Training 1

House Training is very useful for partners considering the changes experienced by partner organizations. Some of the things achieved in this training include;

1. Managers and administrators gain new experience and knowledge, especially regarding technological advances. By practicing hands-on with computer equipment and hands-on tutorials participants gain new skills and apply new methods and processes to doing work.
2. By practicing directly, it will reduce the gap between theory and practice, in addition to getting a tutorial, participants can also directly apply it to existing equipment.
3. Through this in-house training, participants can directly make changes or new adjustments in work methods as well as handle existing internal problems.
4. The presence of administrators and managers in the same room encourages administrators and managers to be able to redesign operations and organizational changes that require new competencies, and increased tasks, and together face changing partner conditions that require new job positions or even different content (for quality, variations, personal service, and new products or services).

The results of this service are (1) The increased ability of partners in financial reporting is achieved through educational activities and the provision of accounting

programs. The program was created by displaying several accessible menus, accompanied by modules and instructions for use (Kariadinata, 2014) (2) Improvements to financing procedures are changes in transaction authorization and financing approvals by a delegation of tasks so that the financing process is not delayed due to waiting for approval. The task delegation model is in the form of giving a transaction limit to the group leader to approve financing and withdrawals up to a certain limit which previously lasted longer because they had to go through the approval of the manager/center chairman. (3) Provide suggestions for improvements to the addition of Officeless Financial Services for Financial Inclusion (Lakupandai) through the fintech payment application provided by one of the state-owned banks so that transactions at Mandiri Lestari SMEs become wider with additional purchasing, payment, transfer services. interbank and allows it to be carried out without face to face. Next to (4) is the regeneration process with the inclusion of several new members in the management to adjust to the times and developing technology.



Figure 3 Inhouse Training 2

c. Community Service Excellence

Some of the advantages of this activity include; First, this activity helps the organization to develop better, especially for the development of its human resources, this activity is carried out with support from the management of partner organizations, in addition to the support of officers who have a strong desire to make improvements to the governance of the organization's activities at Lestari Mandiri. Second, this activity can help the managers and administrators of UKM Lestari Mandiri to equalize perceptions about the financial reporting standards made by managers. Third, the existence of Inhouse Training which is carried out jointly by the manager and attended by the management gives motivation to participants to want to become human learners who are always ready to adapt to changing times.

d. Evaluation of the implementation of community service.

(Fifth) Monitoring and Evaluation It is hoped that through intense monitoring and evaluation, implementation constraints will be overcome easily. Monitoring is needed so that early errors can be immediately identified and improvements can be made, thereby reducing greater risks. Meanwhile, the objectives of program monitoring are (1) To observe/know developments and progress, identify and solve problems, and anticipate/solve them. (Taufeni, 2013) (2) Ensure that changes in application usage can be implemented under the

goals and objectives, (3) Find errors as early as possible to reduce greater risk. (4) Modify the policy if the monitoring results require a re-modification. (Zaim, 2015), with the objectives as stated, the service team will continue with monitoring activities after in-house training so that the conditions of service partners can be by what was originally planned.

While the evaluation (Khairawati et al., 2021) is carried out to be able to know for sure whether the achievement of results, progress, and obstacles encountered in the implementation of the development plan can be assessed and studied to improve the implementation of development plans in the future. The main focus of the evaluation is directed to the outputs, outcomes, and impacts of the implementation of the development plan. Therefore, planning that is transparent and accountable, must be accompanied by the preparation of the performance of the implementation of the plan, which at least includes; (i) inputs, (ii) outputs, and (iii) outcomes/benefits. (Iqbal Nailul Murod, Brahim Isnanda, 2020)



Figure 4 Monitoring and Evaluation

CONCLUSION

The training participants who are business managers gave a positive response to this service activity. The materials and training presented are very useful in useful practices for facilitating financial management at MFI Lestari Mandiri. Although the accounting process can be completed more quickly if using a computer, because the trainees are still not accustomed to using computers for recording transactions, the implementation still faces obstacles. However, continuous education is expected to make the managers of MFI Lestari Mandiri familiar with computers and accounting systems. The participants gave suggestions that this training is carried out with additional monitoring every month until the end of the year so that it can have a maximum impact due to the problems faced by the managers in the form of the ability to use computers that are still minimal.

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