

ASSISTANCE FOR MICRO SMALL, AND MEDIUM ENTERPRISES THROUGH LEARNING HOW TO MAKE FINANCIAL REPORTS AND TAX AWARENESS IN MADIDIR WERU VILLAGE

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Abstract

The purpose of this activity is to provide progress for Micro Small Medium Enterprises actors in proper financial planning and management to improve the income and increase knowledge about taxes. It is found many beginner MSME business people who doesn't understand how to manage finances. Based on the phenomenon of the problems that occurs and the result of discussion with partners, The method used to improve the performance of MSME actors can carry out proper management of finances by gave training activities how to provide simple financial report and give a knowledge about taxes so the MSME actors in Madidir Weru can compete with the business world.

Keywords: Micro Small Medium Enterprises, Financial Reports, Tax Awareness.

INTRODUCTION

Financial management is a method to manage their finances, starting from planning, designing a budget, how to save funds, controlling expenses, to risk protection. The goal is to achieve economic stability in the future. According to Purba et al., (2021) financial management is planning, organizing, directing, and controlling financial activities such as procuring and utilizing business funds. Meanwhile, according to Anwar (2019) financial management is a scientific discipline that studies company financial management both in terms of finding sources of funds, allocating funds, and sharing company profits. Financial management comes from the word management which means managing and finance which means matters related to money such as financing, investment and capital. It is concluded that financial management can be interpreted as all activities related to how to manage finances starting from obtaining funding sources, using funds as best as possible to allocating funds to investment sources to achieve company goals (Armereo et al, 2020).

Al Falih et al (2019) argues that MSMEs have not been able to manage and develop their business properly, so it is not uncommon for them to experience failure in their business. The results of the study show how financial management and business development are carried out by MSMEs, namely financial management behavior that is still simple seen from the method of financial recording that does not meet standards, while in developing business opportunities

there are strengths and opportunities. Kuswadi (2005) financial analysis is a financial foundation, can 'provide an overview of the company's financial health both now and in the past, so that it can be used for decision making for company managers related to it in order to improve performance in the future. There are four basic frameworks for financial management: 1) Planning is an activity of setting organizational goals and choosing the best way to achieve these goals. Financial planning activities, one of which is formulating annual and long-term financial goals, as well as financial budgets. Budgeting is a process to help carry out effective planning and control functions. According to Sulistyowati et al. (2020) A budget is a company plan that is prepared in an integrated manner and explained quantitatively for a certain period or according to a predetermined time period. Planning is the most difficult part of the management function due to the uncertainty of the future. Planning needs to be carried out continuously because with the passage of time, companies need to recompile and revise previous plans (Sulistyowati et al.: 2020). 2) Recording is an activity of recording financial transactions that have occurred, writing and systematically. Recording is writing transaction in the journal, the posting them to the ledger. 3) Reporting is the next step after posting to the general ledger and subsidiary ledgers. 4) Control is the process of measuring and evaluating the actual performance of each part of the organization.

MSMEs not only know about how to make a financial report but also have tax awareness. The contribution of MSMEs to tax revenues very small, which is approximately 0.5% of total tax revenue. UMKM is an indication that the obedience level of MSMEs in fulfilling tax obligations is still very low (Hsakim and Nangoi, 2015). Tax is a very important component for the benefit of the country's development. Based on Law Number 16 of 2008 the official definition of tax reads "Tax is a mandatory contribution to the state owed by an individual or entity that is coercive by law, by not receiving direct reciprocity and used for the needs of the state for the greatest the great prosperity of the people.

IMPLEMENTATION METHOD

The implementation of Community Service activities is carried out using lecture methods, tutorials, and demonstrations on how to make correct financial reports. The systematics of implementing this service activity is as follows:

a) Lecture Method. Participants were given motivation to have the will to know about financial management and promotion of tourist attractions. In addition, participants were given general overview material on how-to do-good management and the important role of financial report and about tax awareness. b) Tutorial Method: Training participants are given material on financial management and knowledge about taxes. c). Practice Method. Training participants are given the opportunity to find out how to make simple bookkeeping to financial reports that can be used by entrepreneurs to find other investors who can invest their capital, and how to report our tax from the income

RESULT AND DISCUSSION

Community service activities held on Tuesday, May 9, 2023 at 8:00 am by providing material about financial report and know about applicable taxes. This activity was carried out at the Madidir Weru Village Office which was attended by MSME actors. The expert speakers and counseling material that have been given are presented by Lenny Evinita (for accounting and financial material) and Michael Miran (for Tax material) . The activity lasted 5 hours where the resource person also gave a workshop on the practice of make financial report and procedure to have NPWP and to report tax. The participants give question to the informant and answer directly after the participant give questions, the participant paid attention to the explanation given by the speaker.

The result from this program are the MSME actors are expected to understand the importance of knowledge regarding tax rules for MSMEs, how to register an NPWP and when to be taxed for the income they get from the business they own.



Figure 1: Activity Participant in the community service



Figure 2: Group Photo

CONCLUSION

The conclusion for this activity was effective to improve the knowledge MSME actors in Wadidir Weru Village. Partners' knowledge of financial records, taxes is getting better and partners are able to apply the material provided to overcome some of the problems that occur.

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