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ANALYSIS OF THE APPLICATION OF SIMPLE FINANCIAL ACCOUNTING TO IMPROVE THE EFFICIENCY OF MSME FINANCIAL MANAGEMENT

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Abstract
Good financial management is a crucial factor in the success of Micro, Small, and Medium Enterprises (MSMEs), which contribute significantly to the Indonesian economy. However, many MSMEs, including those managed by Yayasan Darul Anwar Banten, need help in structured financial recording, which impacts cash flow management and business decision-making. This research aims to provide counseling and training on effective, simple financial record-keeping for MSMEs. The methods used include interviews, lectures, and evaluation through pre-tests and post-tests to measure participants' understanding. The training results showed that 80% of participants experienced increased knowledge about recording and preparing financial statements. The conclusion of this activity emphasizes the importance of continuous training in financial management to improve the operational efficiency of MSMEs. Suggestions include the need for constant counseling and soft skills development to support the ability of MSMEs to face industry challenges.
Keywords: MSMEs, financial management, financial recording, training, Darul Anwar Foundation.

INTRODUCTION

Good financial management is a crucial factor in the success of Micro, Small, and Medium Enterprises (MSMEs). MSME stands for Micro, Small, and Medium Enterprises. MSME is a term used to describe small and medium-sized businesses that have relatively limited production and sales capacity. The criteria for being categorized as an MSME usually vary by country but are generally based on the number of employees, the level of turnover, and the assets owned. Individuals or small groups typically own MSMEs and have limited business capital. Nonetheless, MSMEs play an essential role in the economy as they create jobs, strengthen consumer purchasing power, and contribute tax revenue to the country. In recent years, MSMEs have also become increasingly popular in the digital realm, such as online stores, digital marketing consultants, and website development service providers (Ompusunggu, D. P., & Elisa, M. 2023).

In general, especially in the financial aspect, only a few MSMEs have experienced developments in terms of their economic performance. It cannot be separated from the unawareness of MSME actors of the importance of managing their business finances (Sulistyowati, Y. 2017). MSME actors who have implemented the preparation of financial reports correctly and in accordance with financial accounting standards will provide more wisdom in allocating funds to improve their business (Alkamalat A. et al, 2024).

This research focuses on the need for a structured financial recording system in many MSMEs, including MSMEs managed within the Darul Anwar Banten Foundation, which often causes difficulties in managing cash flow and making the right business decisions. According to Harahap (2010: 10), regular financial records can help companies control cash flow effectively and make the right business decisions. It is supported by Sugiyono's (2014: 9) opinion, which reveals that a financial recording system carried out in a structured and consistent manner is essential to ensure long-term business continuity.

Martani et al. (2024) argue that accurate and transparent financial reports are essential for management to analyze the company's financial condition appropriately. Their research concluded that detailed and structured records of money flow in and out make it easier for business owners to make the right business decisions based on accurate information and evidence. In addition, the study's results also revealed that management needs detailed financial information to know each business line's profit and loss level and early detect potential obstacles to business continuity.

METHOD AND PROCEDURES

This community service activity was carried out through planning, interviews, lectures/counseling questions and answers, quizzes, and distributing questionnaires through Google Forms to get input from participants. The lecture material was presented using PowerPoint images. The Pamulang University PKM team conducted a pre-test and post-test to measure student understanding of the material presented. The results of these two tests can be used as feedback for evaluation and improvement of future training. The Pamulang University PKM team made preparations before conducting community service.

The problems that have been described in the previous section that will be carried out in community service activities at the Darul Anwar Banten Foundation are counseling/training in preparing financial reports with simple bookkeeping techniques as follows:

1. Assisting partners in improving the expertise of MSMEs managed by the Darul Anwar Foundation in preparing and recording financial reports.
2. Helped putAs for the implementation, help put together financial reports.

This PKM activity is offline to help partners make and prepare financial reports.

RESULTS

The results and discussion of community service in this period can be explained in this section.

1. Anggun Anggraini, S.E., M.M., M.Ak, gave an initial presentation on the preparation of financial statements. In this section, we will find various ways to record the company's financial data during the accounting period, which can be used to describe business performance. These financial statements are created to provide helpful information to those who make investment and credit decisions. MSMEs are expected to understand the meaning of financial statements and their types;

describe and explain the purpose of preparing financial statements; the characteristics of financial statements; the reasons for examining financial statements and who has the right to do so; and which parties have an interest in the financial statements prepared.

2. Indawati, S.E., M.M., M.Ak, provided the second material based on accounting.
   This material discussed accounting processes and stages such as recording, classifying, and reporting. Students who want to become experts in accounting must understand and grasp the basics of accounting. One of the objectives of this lesson is for MSMEs to learn how to record accounting, explain, and report financial statements in a way that allows others to make judgments and clear decisions.
3. Dr. Endang Ruhiyat, S.E., M.M., CSRA, CMA, discussed evaluating or assessing financial statements to produce an independent opinion or opinion from a third party on financial statements that are accurate, complete, relevant, fair, and by accounting principles. This material aims to help MSMEs understand if there are errors in the financial statements.

The enthusiasm of the MSMEs managed by the Darul Anwar Foundation when hearing the explanation of the resource person shows that this community service activity is quite successful. The post-test results showed that 80% of the students gained additional knowledge from the material presented by the resource person. Recording and preparing financial statements takes much work. MSMEs do not understand accounting principles in terms of recording. It shows that the knowledge they gained at school has yet to reach the highest level.

Figure 1 Symbolic keepsake

Figure 2 Community Service Activity Team

CONCLUSION

As a result of community service activities conducted with MSMEs managed by the Darul Anwar Foundation, it was concluded that these enterprises need a stronger understanding of how to record and prepare financial reports based on proper accounting principles. The training sessions provided practical knowledge and tools, enabling participants to grasp the fundamentals of financial recording and reporting. Post-training evaluations revealed that 80% of the MSMEs demonstrated a marked improvement in their knowledge and understanding of these processes. Additionally, the enthusiastic response from participants indicated a genuine interest in applying what they learned to their businesses. This eagerness reflects their commitment to improving their financial management practices, ensuring better accountability, and ultimately contributing to the sustainability and growth of their enterprises.

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