

Improving Accounting Information at BUM Desa Mertha Buana Kayubih Bangli

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ABSTRACT

BUM Desa Mertha Buana is a microfinance institution owned by the village government located on Jalan Nusantara Kayubih, Bangli District, Bangli Regency. In its activities of producing accounting information, BUM Desa Mertha Buana uses a general journal and produces a statement of financial position and a profit and loss statement. The use of general journals to record repetitive transactions will cause the time spent doing clerical activities to be longer. The purpose of this community service is to help BUM Desa produce accounting information that is timely and in accordance with local government regulations using a worksheet-based cash receipts and disbursement special journal. The method used is science and technology substitution, accompanied by training for BUM Desa. After using the worksheet-based special cash receipts and disbursement journal, BUM Desa is able to produce financial reports as required by the Regional Government of Bangli Regency in a timely manner.

Keywords: *accounting informations, BUM Desa, accountability, special journal, microfinance institution, excel worksheet*

1. INTRODUCTION

Microfinance institutions have unique functions. On the one hand, microfinance institutions have a goal like other business entities, namely seeking profits, but on the other hand, they must be able to help improve the welfare of the community where the financial institution is established. The term microfinance can be interpreted as providing financial services to customers who have low incomes (**Rehman et al., 2015**) and who cannot get banking services because of a lack of credibility. Microfinance institutions have a very important role in efforts to increase the availability of banking services for all parties, better known as financial inclusion thus reduces poverty. Microfinance institutions were first developed in Bangladesh by Dr. Mohammad Yunus, who established Grameen Bank in 1970 (**Santoso et al., 2020**). The success of microfinance institutions in reducing poverty has received attention from developing countries, including Indonesia.

Efforts to reduce poverty in Indonesia can be seen in the authority given to villages to establish BUM Desa, or village-owned enterprises. The history of the establishment of BUM Desa did not go smoothly. In 2013, many BUM Desa were no longer operating, but with the issuance

of Regulation No. 4 of 2015 concerning villages, the growth of BUM Desa in Indonesia increased every year, where at the end of 2014 there were only 1,022 BUM Desa, increasing drastically until the end of 2017 to 32,249 BUM Desa (**Rahmati, 2020**). Established by a village or together with other villages, BUM Desa is a legal entity aiming to manage businesses, utilize assets, develop investment and productivity, provide services, and provide other types of businesses for the welfare of village communities. Types of BUM Desa activities include: (1) management of natural, economic, cultural, social, and religious resources and potential; (2) management of skills and ways of life based on local wisdom in the community; (3) local resource-based processing industry; (4) distribution and trade network; (4) financial services; (5) priority public services for basic needs, including food, electrification, sanitation, and housing; (6) intermediary goods and services, including distribution and agency; and (7) other activities that meet eligibility requirements. Based on Government Regulation No. 11 of 2021, Chapter X, concerning accountability, BUM Desa is required to make periodic financial reports. Periodic reports include annual reports and semi-annual reports. The semester report must at least contain the following: (1) report on the semester's financial position and calculation of the semester's profit and loss and explanation thereof; and (2) details of problems that arise during the semester that affect BUM Desa activities. The annual report contains the following: (1) annual calculations consisting of a report on the financial position at the end of the financial year that has just ended and a calculation of profit and loss from the financial year. the person concerned and their explanation; (2) financial position report and consolidated profit and loss report from the BUM Desa Business Unit; (3) reports regarding the condition and operation of BUM Desa and the results that have been achieved; (4) BUM Desa's main activities and changes during the financial year; (5) details of problems that arose during the financial year that affected the activities of BUM Desa; and (6) reports regarding management duties by operational executors, supervision by supervisors, and provision of advice by advisors that have been carried out during the financial year just ended.

BUM Desa Mertha Buana Kayubihi is engaged in savings and loan activities. Apart from savings and loans, BUM Mertha Buana Village also provides services in the form of ambulance rental to the residents of Kayubihi village. BUM Mertha Buana Village has an office located in the Kayubihi village office with an address on Jalan Nusantara Kayubihi, Bangli District, Bangli Regency. The management of BUM Desa Mertha Buana Village consists of three people: 1 director, 1 secretary, and 1 treasurer. BUM Desa Mertha Buana has demonstrated financial accountability in the form of a financial position report or balance sheet and a profit and loss statement. All transactions have been recorded manually in a general journal using Excel. From the preliminary data collected from the general journal used to record transactions that occurred during January 2023, it can be seen that almost all of the transactions that occurred at BUM Desa Mertha Buana were transactions with cash accounts, such as disbursement of loans, receipt of installment payments, receiving and withdrawing savings from the customer, transferring from bank accounts to BUM Desa cash accounts, and paying various types of expenses.

Based on the results of the analysis of the existing situation, it is known that BUM Desa Mertha Buana's priority problems are as follows: First, BUM Desa Mertha Buana only makes a Financial Position Report and a Profit and Loss Report, while the Minister of Villages, Development of Disadvantaged Villages, and Transmigration Regulation No. 3 of 2021 requires five financial reports, which include: (1) Statement of Financial Position; (2) Statement of Profit and Loss; (3) Report of Changes in Equity; (4) Statement of Cash Flows; and (5) Notes to Financial Statements. Incomplete information provided will hamper the development of BUM Desa itself. From the management side, it can cause the decision-making process to be hampered or, worse still, financial losses for BUM Desa due to a misinterpretation of financial outcomes

(Suwintana et. al, 2022). From a legal perspective, it can cause problems with regulators because it is not in accordance with statutory regulations.

The second problem is the use of general journals to record transactions at BUM Desa. Using a general journal as a recording medium is not wrong, but looking at BUM Desa transactions, which are mostly related to cash receipts and disbursements, this recording process can be made more efficient and effective using a cash receipt and disbursement special journal to reduce the repetitive clerical activities. The accounting information system used in BUM Desa Mertha Buana Kayubih is shown in Figure 1.

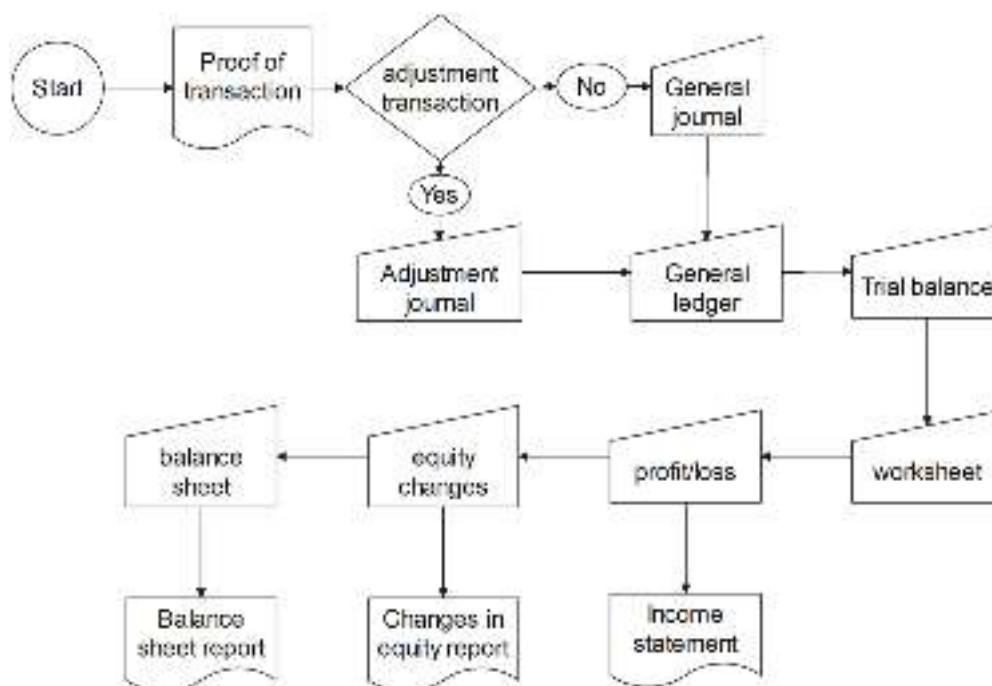


Figure 1. Accounting Information System of BUM Desa Kayubih

Based on the discussion above, this community service activity aims to improve the financial reporting performance of BUM Desa in terms of the time required to produce financial reports. Using an Excel-based worksheet that connects the journaling process with the next process automatically will increase time efficiency. Employees at BUM Desa will need less time if clerical tasks are automated, thereby increasing efficiency. The second objective is to improve the quality of financial reporting to comply with government requirements. The financial reports of BUM Desa Mertha Buana include a balance sheet and profit and loss report, which do not meet government requirements. By using Excel-based working papers, the financial reporting will include balance sheets, profit and loss reports, changes in equity reports, and cash flow reports.

2. METHODOLOGY

Work procedures explain the stages of activities to be carried out, as shown in Figure 2. Activities starting with socialization and material provision, assistance in preparing special journals for cash receipts and disbursements using the excel programe that created by the accounting team, reclassifying accounts, and preparing financial reports. The next stage is technical guidance on the use of special journals for cash receipts and disbursements, technical guidance on the preparation of financial reports, and finally evaluation.



Figure 2. Procedure and Working Plan

Based on work procedures, the activities carried out in this community service are as follows:

- a. Socialization to BUM Mertha Buana Village to convey the activities that will be carried out over six months as well as the exploring the problem faced by BUM Desa Mertha Buana. The result of interview showed that the process of financial reporting can be improve using the help of excel worksheet. Also the hardware used by BUM Desa can be replaced by more modern hardware.
- b. Assistance in using special journals for cash receipts and disbursements using Microsoft's Excel that have been created and save in the new personal computer donated to BUM Desa Mertha Buana. The assistance activities conducted several times during April until August 2023, resulting the BUM Desa employee be able to operate the excel worksheet.
- c. Assistance with the reclassification of accounts used so that the presentation of financial reports is in accordance with the Regulation of the Minister of Villages, Development of Disadvantaged Villages, and Transmigration No. 3 of 2021, during April until August 2023, resulting the BUM Desa able to report according to the Regulation of the Minister of Villages, Development of Disadvantaged Villages, and Transmigration No. 3 of 2021
- d. Assistance in preparing financial reports in accordance with Minister of Villages, Development of Disadvantaged Villages, and Transmigration Regulation No. 3 of 2021
- e. Training on the use of worksheet-based special cash receipts and disbursement journals to both the employee and supervisor of BUM Desa Mertha Buana from the Accounting Department team. The training program also included student from Accounting Department of Bali State Polytechnic.
- f. Training in preparing worksheet-based cash flow reports and changes in equity reports and financial statement analysis from the Accounting Department team.
- g. Evaluation of activities is carried out to determine the achievement of activity output targets.

3. RESULT AND DISCUSSION

Based on the problems described previously, a solution was found that could overcome these problems, which refers to the use of a special journal for recording BUM Desa transactions. This solution has also gone through a discussion process with BUM Desa Kayubihi so that it is right on target. The solutions offered can be explained in detail as follows:

- a. Recording transactions in the general journal and posting them to the correct general ledger accounts will take time. In a general journal, a simple transaction requires three lines: two lines to list the account and one line to describe the transaction. Transactions must then be posted to each general ledger account. If the transaction affects the controlling account, posting must be done twice: once to the subsidiary ledger account and once to the controlling general ledger account. To speed up this process, BUM Desa can use a special journal to record repeated transactions that affect the same set of accounts and have consistent descriptions. Such transactions can be documented on one line in a special journal. Then, instead of posting individual entries separately, the totals for each column are posted at the end of the accounting period. Using a special journal for cash receipts and disbursements will speed up the process of recording transactions.
- b. Assistance and training of technical guidance for using special cash receipts and disbursement journals based on microsoft's excel.

By considering the results of discussions between the community service team and BUM Desa Kayubihi, to overcome the first problem, a simple Microsoft Excel-based application will be created to replace the method that has been used by BUM Desa Kayubihi. It is still common practice to utilize spreadsheet programs like Excel in conjunction with other programs to make accounting procedures more effective (**Chaamwe and Shumba, 2016; Lee et al. 2018**). Excel can be used for financial reporting as a stand-alone or supplemental tool (**Olusegun, 2016**). Either as a stand-alone or supplemental tool, Excel is excellent for developing, producing, and analyzing data. The beginner level can utilize the application with ease (**Wicaksana, et al, 2020**).

The aim of this community service is to help BUM Desa produce accounting information that is timely and in accordance with local government regulations using a special cash receipts and disbursements journal based on Microsoft Excel. To be able to produce efficient and effective accounting information, it is necessary to implement an information system that is easy to use and capable of producing output that is in accordance with what is needed in a shorter time. The information system previously used at BUM Desa, although it used computers, was still done manually. Operators must enter data many times to produce two financial reports, namely a balance sheet and an income statement. Figure 3 shows the information system, which is expected to be able to increase the effectiveness and efficiency of the Village BUM information system.

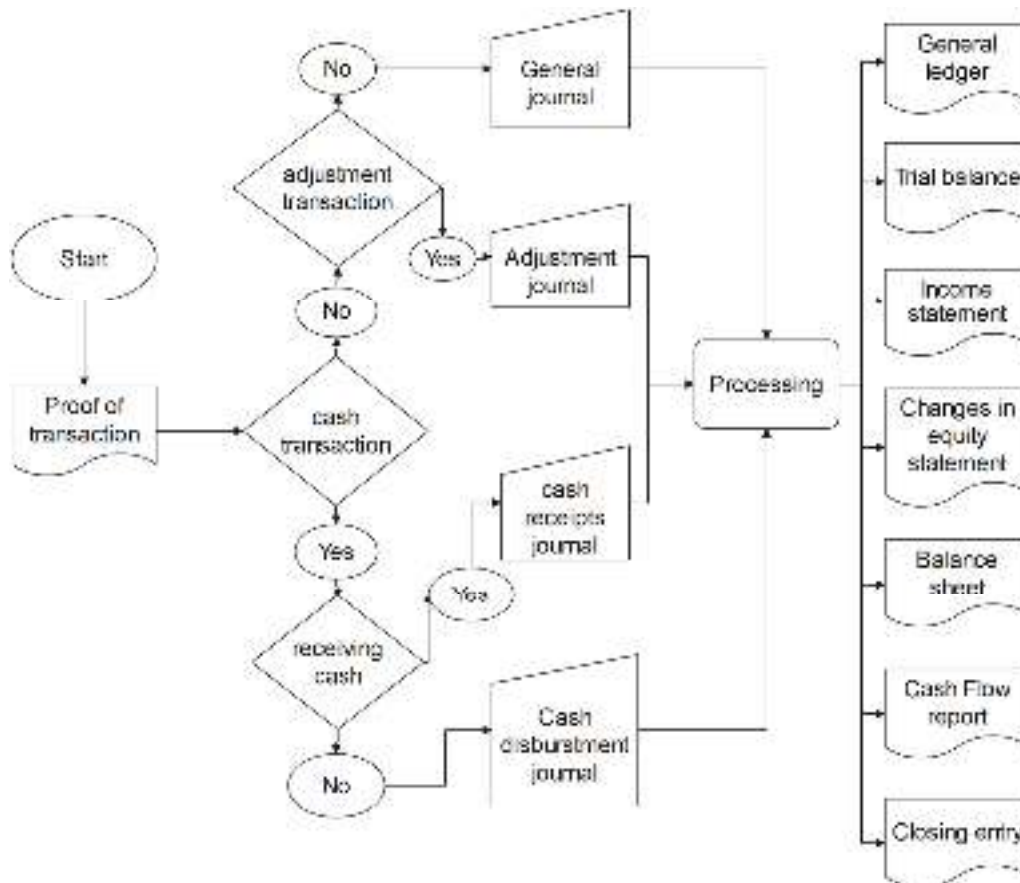


Figure 3. New Accounting Information System

Operating of the new system starts with a proof of transaction. Proof of transaction is analyzed first, whether it is a cash transaction or not. If it is not a cash transaction, it will be analyzed again to see whether the proof of transaction is an adjustment required by BUM Desa. If yes, the operator will select the adjusting journal menu; if not, he or she will select the general journal menu. On the other hand, if the transaction evidence relates to cash transactions, then it will be analyzed further to determine whether the cash transaction will cause an increase in BUM Desa's cash. If yes, then the operator will select the cash receipts journal menu., as shown in Figure 5 Cash Receipt Journal. If the transaction reduces cash, a cash disbursement journal will be used as shown in Figure 6 Cash Disbursement . In the next step, the operator enters it manually into the appropriate journal, Microsoft Excel, then processes it to produce a ledger, trial balance, income statement, change in equity report, balance sheet, cash flow statement, and closing entry.

Using the system will speed up the process of recording, classifying, and summarizing accounting information and then producing the required reports. This system produces a cash flow report and a report on changes in equity, which previously could not be produced by BUM Desa. Apart from increasing the effectiveness of the financial reporting process, this system also shortens the operator's working time in producing financial reports, so that the time allocation required to produce financial reports becomes more efficient. The main menu of this application is shown in Figure 4, Figure 5 show Cash receipt journal, and Figure 6 show cash disbursement journal.

Improving Accounting Information at Bum Desa Mertha Buana Kayubih Bangli

BUMDESA MERTHA BUANA		DATA PERUSAHAAN	TAHAP PENCATATAN	TAHAP PENGIRIBAHAN	TAHAP PELAPORAN
DAFTAR MENU 31 January 2023 POSISI KAS Kas: 1.640.000,00 Abstr: 1.254.000,00 ▲▼ -384.000,00 POSISI LABA RUGI Pendapatan: 9.237.000,00 Biaya Operasional: (4.306.040,00) Laba Bersih: 2.329.000,00		DATA PERUSAHAAN DAFTAR MENU DAFTAR KAS PERUSAHAAN	TAHAP PENCATATAN JURNAL TRANSKRIpsi JURNAL KAS PERUSAHAAN PERUSAHAAN	TAHAP PENGIRIBAHAN PERUSAHAAN	TAHAP PELAPORAN LAPORAN KEUANGAN LAPORAN PERUSAHAAN LAPORAN PERUSAHAAN LAPORAN PERUSAHAAN LAPORAN PERUSAHAAN

Figure 4. Main Menu Display

BUMDESA MERTHA BUANA														
JURNAL PEMERIKAHAN KAS														
No	Perkiraan	Net	Debit	Kredit	Kas				Kas					
					Saldo	Debit	Kredit	Saldo	Debit	Kredit	Saldo	Debit	Kredit	
1	Saldo Awal			1.640.000,00										
2	Saldo Akhir			1.254.000,00										
3	Saldo Awal			1.640.000,00										
4	Saldo Akhir			1.254.000,00										
5	Saldo Awal			1.640.000,00										
6	Saldo Akhir			1.254.000,00										
7	Saldo Awal			1.640.000,00										
8	Saldo Akhir			1.254.000,00										
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97	Saldo Awal			1.640.000,00										
98	Saldo Akhir			1.254.000,00										
99	Saldo Awal			1.640.000,00										
100	Saldo Akhir			1.254.000,00										

Figure 5. Cash Receipt Special Journal

BUMDESA MERTHA BUANA										
LAPORAN PENGELUARAN KAS										
PERIODE: 01/01/2023 - 31/12/2023										
No	Uraian	Kategori	Jumlah	Detail			Saldo Awal	Saldo Akhir	Saldo Awal	Saldo Akhir
				Rekening	Uraian	Jumlah				
1	Saldo Awal									
2	Saldo Akhir									
3	Saldo Awal									
4	Saldo Akhir									
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50	Saldo Akhir									

Figure 6. Cash Disbursement

Apart from developing the system, this community service program donate Personal Computer and printer, while also provides training and assistance in using this application for BUM Desa Mertha Buana Kayubih staff. Figure 7 shows assistance in using the cash receipt and disbursement special journal, while Figure 8 shows training. The staff and the supervisor of BUM Desa Mertha Buana Kayubih.



Figure 7. Assistance of BUM Desa Mertha Buana Staff



Figure 8. Training the Staff and Supervisor of BUM Desa Mertha Buana

4. CONCLUSIONS

Community service is one of the Tri dharmas of Higher Education. The aim of carrying out this community service is to help BUMDesa carry out financial reporting administration activities effectively and efficiently using Microsoft Excel program tools. The use of Excel-based cash receipt and disbursement special journal also helps speed up the administrative implementation of making BUM Desa financial reports. Before using Excel-based cash receipt and disbursement special journal, BUM Desa Mertha Buana had not created a cash flow report, which is an important part of the financial reporting process. With this community service activity, BUM Desa Mertha Buana is able to produce reports in accordance with those required by the regional government.

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