



STRENGTHENING THE ROLE OF UMKM (K_nK KOFFEE RESOURCES) THROUGH SO-CIALIZATION AND COMPLETION OF THE COMPOSITION OF FINANCIAL STATEMENTS AND TAX REPORTS (Study in the Home Industry Processing Coffee Beans Supply 75% Coffee Shops in Semarang)

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ABSTRACT

The activities of community services conducted by the Community Services Team of Universitas Negeri Semarang (PPM Unnes) with a target audience of micro small and medium enterprises (SMEs) in the city of Semarang, namely Knk Koffee Resources. The home industry of coffee processing is the stockist of 60 (supplier 75%) coffee shops in Semarang, the average incomes is 100 million per month. The purpose of the PPM activities to provide reinforcement to the PPM program partners by providing solutions to the problems faced. KnK Koffee Resources does not yet have a regular financial statement, relying solely on billing recap and sales receipt. Recognition from the owner that it is still difficult to make a good decision when relying solely on bookkeeping reports that have been owned. Therefore, this PPM activity is carried out in the form of socialization, training and mentoring with the provision of materials (lectures and simulation practices) related to the preparation of financial statements and tax reports. Expected to improve the knowledge and skills of owners and employees of the administration (bookkeepers and treasurer) in conducting financial management, financial and tax report preparation, increasing sales income and facilitating funding for business expansion. Semarang Mayor is very supportive, give positive appreciation and make the example of KnK Koffee Resources as a coffee processing home industry that has successfully penetrated business penetration, not dwell in the market of Semarang only. With the improvement of financial reporting system to KnK Koffee Resources triggers the creation of a young business ecosystem of startups in Semarang.

INTRODUCTION

1. Fact of The Community Services

Local cafes growth as well as the industry for brewing coffee, coffee is now an exploration activity that is increasingly favored by the people of Indonesia. Even some areas began to try to introduce local coffee to the wider community. This industry is increasingly popular, both of the village and urban levels. Looking at the history, coffee plants were developed into the oldest plantation crops in Indonesia. In 1699, the Dutch East Indies companies brought Arabica Coffee to Indonesia. In 1707, the VOC developed Arabica coffee in the Priangan, Cirebon, the Tanah Tinggi Toraja, Lati-mojong, South Sulawesi and in the South Tapanuli. In 1725, Indonesia became the first coffee plantation outside of Ethiopia and Arabia and in 1834 Arabica coffee production reached 26,600 tons / year. But in 1900 Arabica coffee production was canceled due to rust. In 1902, the Dutch colonial government brought a type of Robusta coffee which was more resistant to disease. But in 1920 the celebration of this type of collection was only carried out. Currently in Indonesia the contribution of coffee products by 27% is filled by Arabica coffee, 72% by Robusta coffee, and 1% by Liberika coffee, but the price of Arabica coffee is 2-3 times that of Robusta coffee prices.

Economically, Semarang coffee has a large market in Europe. Exports of Coffee to the Central and Eastern Europe region lasted quite a long time. In 2013 exported 40 containers (\$ 1.48 million), in 2014 exported 40 containers (\$ 1.62 million), until May 2015 exported 12 containers worth (\$ 520 thousand). The data shows that the level of coffee consumption continues to increase to 1.2 kg per capita per year while this number is still lower when compared to Japanese consumption (3.4kg per capita per year). Ironically, goods may not always be available in the capacity that buyers want and not many farmers know that the coffee market in Indonesia is growing and has great potential. The role of the City of Semarang cannot be ruled out in the development of the coffee industry in Indonesia. There are many players in the coffee bean processing industry that are widely used by coffee shops throughout Indonesia, one of which is the biggest product is packaged coffee (Kopi Luwak). But on the other hand, Micro, Small and Medium Enterprises (MSMEs) also took part. A home-based coffee bean processing industry owned by a young man in the city of Semarang, which is the KnK Koffee Resources, has been pioneered by Agung Kurniawan since six years ago.

Starting from a hobby of drinking coffee, the owner of KnK Koffee Resources has opened a coffee shop business in Jalan Dewi Sartika No 5, Gunungpati, Semarang. At the moment, KnK Koffee Resources has 10 employees and fostered 2 coffee farmers in Bojor, Temanggung and Wonokinasih, Gunung Kelir, Ambawara. The KnK Koffee Resources product has been used by more than 60 (75% suppliers) of coffee shops in Semarang and outside the region. Hendrar Prihadi (Hendi) mayor of Semarang really appreciates the taste

of Agung processed coffee, as well as the business he started. KnK Koffee Resources is an interesting thing to be an example of a young person in the city of Semarang who has succeeded in penetrating out-of-business, not just struggling in the Semarang Market. Hendi said that if the KnK Koffee Resources was to encourage a better start-up youth business ecosystem in the Semarang City.

2. Objective of The Community Services

This community service activity aims to make the KnK Koffee Resources have ability and skills of financial management and simple financial administration so as to improve the financial performance of their business. The objectives of the training in particular are as follows:

- a. Knk Koffee Resources is able to access sources of funding from third parties to develop their business.
- b. Knk Koffee Resources is able to make the most optimal fund allocation decisions.
- c. Knk Koffee Resources is able to manage working capital well.
- d. Knk Koffee Resources is capable and skilled in recording financial transactions in journals to the preparation of financial reports and tax reporting.

3. The Significances of The Community Services

Simple financial management and administration carried out by small businesses gives many benefits which can improve the financial performance of MSMEs. Presentation of simple financial management and administration training that bases on the real situation in the MSMEs business and the use of the right approach will make MSMEs entrepreneurs understand management easily and quickly. This needs to be done because with the existence of financial reports and tax reports it will greatly help the KnK Koffee Resources business, considering this business is a supplier of 75% of coffee shops in Semarang. It is expected that through the socialization and assistance of PPM UNNES in the preparation of financial reports and tax reports, the home industry of KnK Koffee Resources coffee will stimulate a better start-up business ecosystem for young people in Semarang and can improve the Indonesian economy.



Figure 1. The Mayor of Semarang learned how to process coffee until it was ready to be accompanied by Agung Kurniawan (left) and barista at KnK Koffee Resources

2. Problem

At the beginning of his business, Agung opened

six coffee shops. Subsequently, the coffee supply was merged into KnK Coffee Resources. According to Agung, he initially like drink a coffee. After that, supply the original ground coffee from various regions, and then replace the supply of coffee beans that have been fried, so they are ready to ground when there is demand. As the coffee shop business grows, Agung wants to educate coffee lovers. Finally, he opened KnK Coffee Resources which provides coffee with a more detailed presentation process. Starting from coffee beans, frying (roasting), brewing, until enjoyed. Agung gets coffee directly from farmers and collectors. Origin of coffee there are about 25 items from Indonesia from Aceh to Papua. For example Gayo, Kintamani, Papua, Temanggung, Gunung Kelir, and Wonosobo. The most difficult to find from Papua, besides transportation is also seasonal. At the moment, he supplies coffee roasting to 75 percent of coffee shops in Semarang. Agung also opened a coffee shop Lost in Coffee for connoisseurs of coffee. Flavor of the coffee is influential, ranging from plants, post harvest, to brewing. This coffee shop we prepared for the studio flavor, education, and training for those who want to open a coffee shop. According to him, most customers like the light and medium flavor.

Many issues related to financial aspects include insignificant company financial progress, poor financial performance, hard-growing corporate profits, inability and inadequacy of business actors to conduct financial administration and others. The main problem in KnK Koffee Resources is the ignorance and inability of MSMEs to manage the business finances well and has not owned the financial administration. Every month the needs of roasting coffee as much as 200 kilograms and income every month reached an average of 100 million. However, Koffee KnK has not been able to report any financial statements and good tax reports. So far, it is only simple to record the recapitulation of billing and notes collected each month, because the limited human resources and understanding that is still not adequate related to financial reporting and taxes. Should the source of funds and the type of use of funds must be properly recorded in order not to occur irregularities in the company's financial performance and to provide an overview of financial company conditions and Corporate Sustainability. Based on the identification of the problem, financial management and financial administration are essential to develop in each MSMES. In summary, the problems faced by the owners of KnK Koffee Resources are:

1. Lack of understanding KnK Koffee Resources owner in drafting financial report for its business entity.
2. Lack of understanding KnK Koffee Resources owner in drafting tax report for its business entity.

METHOD

Based on the exposure of the above problems, the method used in community services is Participatory Rural Appraisal (PRA), which is conducting participatory assessment of the region. PRA is a set of approaches and methods that encourage people to actively participate in improving and analyzing their knowledge of their own living conditions so that they can create action plans that according to its territory. The community is facilitated by outside people such as a devotion, donor or officer to be able to analyses the condition of his life covering the potential and problems that exist in his environment. Then they are facilitated to be able to develop a program based on its potential and environment, but there is a possibility to be utilized by the community to solve the problems faced by the community.

The general process of implementing a PRA includes the following activities:

1. Preparation includes forming a PRA Team, setting the PRA Objectives, forming a PRA Activity Design, conducting an Initial Visit
2. The implementation of PRA includes the discussion, intentions, objectives and processes of the PRA, discussion of Exploration of Information, recording the results discussion, presenting the results of the discussion, compiling the Program Plan
3. Analysis of the area includes activities, field observations, documentation studies, social structure and change, topography, demographics, interviews, identification and formulation of problems and preparation of Activity Plans, including:

Tabel 1. Participatory Rural Appraisal (PRA) Stages.

Stages	Activity	Output
Preparation	Licensing	Preparation Permits and agreements with owners regarding the model of service
	Analysis of the problem is based on observation and coordination with the owners of the home industry processing coffee beans	Problems faced by MSMEs owners
	Making a PPM activity plan	Establishing a PPM Activity Plan that is in line with the existing potential
Socialization	The socialization of the socialization of the preparation of financial statements and tax reports	Strengthening the motivation of the owner and bookkeeping section to improve themselves in terms of preparing financial statements and tax reports
Training	Training on preparing financial reports and tax reports	HR or employees who handle bookkeeping are able to prepare financial reports and tax reports.
Facilitating	Providing stimulus in the form of research funds / tools to partners	Funds / tools are intended to strengthen capital and improve performance
Assistance	Assistance in preparing financial statements and tax reports	The preparation of financial reports and tax reports
Reporting	Making proposal	Proposal
	Makin Progress Reports	Progress Reports
	Making the final report	Final Report
	Making articles	Publication articles

Source: The Processed Secondary Data (2019)

DISCUSSION

The PPM activities aim is providing owners and administrative employees (bookkeepers and treasurers) as well as operational employees to gain increased knowledge and skills in financial management so to be able to present financial reports and tax reports that can be

utilized for various purposes. PPM activities through various stages as follows:

1. Preparation of Activities

a. Site Preparation

PPM place in the KnK Koffe Resources meeting room because the service is carried out during the KnK Koffe Resources opening hours so that the owners and employees can still attend the service without having to close their business activities. The location of KnK is very representative, where is not too far from Semarang State University so that it is easily accessible by devotees, resource persons and students (field assistants).

b. Tools preparation

The equipment preparation is done by purchasing various equipment needed in the training process such as making and duplicating training material modules, purchasing consumption, purchasing souvenirs that will be given to the owners and employees of KnK Koffee Resources.

2. Implementation of Activities

a. Socialization

After obtaining permission and initial meeting with the owner of KnK Koffee Resources,

Community Service Plan (PPM) design was carried out, consisting of a socialization, training and assistance plan. The socialization activity was carried out at KnK Koffee Resources on Wednesday, August 14, 2019 and was attended by 15-20 participants.

b. Training

The training is carried out by providing training materials to owners and administrative staff (treasurers and bookkeepers) of KnK Koffee Resources, expected knowledge and skills in managing and preparing financial reports and tax reports. Bookkeeping training practice is done by making simple bookkeeping, balance sheet, profit / loss statement and cash flow statement.

c. Assistance

As a post-service, PPM assistance is conducted twice a month with the target that on December 31, 2019, KnK Koffee Resources has financial reports and tax reports. The results of the mentoring show that KnK Koffee Resources is enthusiastic about bookkeeping with the models offered by the PPM team.

d. Activity Evaluation

Evaluate this activity to see whether the PPM program in the form of socialization, training and assistance has been utilized by KnK Koffee Resources. An advance PPM program is needed to design simple bookkeeping software. The owner acknowledges that there are still many weaknesses in the bookkeeping system that he has owned so far because it requires more time and a lot of work (recapitulating reports, adding up manuals) as well as weaknesses for the meaning of the numbers listed in the books. This makes it difficult for owners to make decisions based on these figures.

3. Report Preparation & Publication

a. Preparation of reports

Report preparation is carried out in three phases of preliminary reports, progress reports and final reports. This report was made as a form of accountability for the implementation of activities and use of funds to

PPM funding institutions.

b. Publication

Publication is done as a form of accountability in accordance with the promise of the PPM team in the PPM proposal. The benefits of this publication are as a reference that can be accessed by readers to be followed up with research and service in the future.

CONCLUSION

Based on PPM activities, UMKM KnK Koffee Resources has several benefits, namely increasing the knowledge and skills of owners and administrative employees (bookkeepers and treasurers) so it is easier to do bookkeeping and prepare financial reports and tax reports, increasing KnK Koffee Resources' revenue and income, increasing community welfare (more people will recruit from the surrounding community). In addition, KnK Koffee Resources can apply for loan funds to expand their business.

UMKM KnK Koffee Resources is expected to update their knowledge and skills related to financial management (bookkeeping) as well as the preparation of financial reports and tax reports. A further community service program (PPM) needs to be done by designing accounting software that can be used in the financial management of KnK Koffee Resources. After the PPM activity was held it was hoped that the home industry of KnK Koffee Resources would spur a better young pilot business ecosystem in Semarang that would improve the Indonesian economy. So this activity will be more developed if there is government assistance and ongoing program.

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