

Building community financial literacy through cooperative management training in Dahai village

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Abstract

This article examines a community service program aimed at strengthening financial literacy among cooperative and community economic institution actors in Dahai Village, Paringin, Balangan Regency. The program addressed practical governance challenges, including inconsistent transaction recording, limited understanding of fund planning, weak preparation of simple financial statements, and difficulty interpreting basic financial ratios. A participatory training and mentoring design was applied through preliminary observation, lectures, guided discussions, question-and-answer sessions, worksheet-based simulations, financial statement exercises, ratio analysis practice, and participant evaluation. Thirty participants, consisting of cooperative administrators, supervisors, members, staff, and managers of community economic institutions, joined the activity. The evaluation showed that all participants completed the guided exercises in financial statement preparation and ratio calculation. Approximately 85 percent demonstrated the ability to interpret financial information with facilitator guidance, while approximately 90 percent showed improved understanding after the practical session. The results indicate that contextual and practice-oriented cooperative management training can improve community financial literacy, strengthen administrative discipline, and support evidence-based decision making. Nevertheless, participants still require follow-up mentoring to develop independent analytical ability in reading financial data. The program contributes to community empowerment by linking cooperative values with financial accountability and by demonstrating that simple financial management tools can enhance transparency, member trust, and the sustainability of local economic institutions.

Keywords: accounting literacy, educational outreach, vocational students, learning motivation, career awareness

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1. Introduction

Cooperatives and community economic institutions are important vehicles for local economic empowerment because they combine social participation with economic service. In rural areas, these institutions often function as spaces where members save, borrow, manage shared resources, and coordinate small-scale productive activities. Their contribution is not limited to financial transactions; they also build trust, social responsibility, and collective decision making. The International Cooperative Alliance emphasizes that cooperatives are member-centered organizations guided by values such as democratic control, member economic participation, education, cooperation, and concern for community. These values require accountable financial governance so that members can understand how funds are collected, used, monitored, and reported.

Despite their strategic role, many community-based economic organizations face difficulties in transforming cooperative values into daily financial management practice. Administrators may understand

the importance of honesty and service but still lack practical skills in budgeting, recording transactions, preparing reports, and interpreting financial information. When records are incomplete or reports are not systematically prepared, decision making tends to rely on memory, informal estimation, or short-term considerations. This situation may reduce transparency, weaken member trust, and create obstacles for institutional development.

Financial literacy is therefore a crucial foundation for cooperative sustainability. It refers not only to the ability to recognize financial terms but also to the capacity to use financial knowledge, skills, attitudes, and behavior in making sound decisions. The OECD/INFE 2023 survey indicates that financial literacy remains an important concern across countries, especially in relation to inclusion, resilience, and safe financial behavior. In Indonesia, the 2024 National Survey on Financial Literacy and Inclusion reported that the national financial literacy index reached 65.43 percent, while financial inclusion reached 75.02 percent. This gap suggests that access to financial services does not always guarantee adequate ability to manage them effectively.

For cooperatives, financial literacy must be connected with institutional governance. Administrators, supervisors, and members need to understand fund planning, transaction recording, asset management, financial statement preparation, and financial ratio interpretation. Simple financial reports can help institutions monitor cash flow, recognize liabilities, evaluate the use of working capital, and communicate accountability to members. Ratio analysis, although basic, provides a structured way to read liquidity, solvency, efficiency, and overall financial condition. Without these skills, cooperative actors may find it difficult to evaluate whether the institution is financially healthy or whether its funds are being used effectively.

Dahai Village in Paringin, Balangan Regency, represents a community context in which cooperative and local economic institution actors require practical capacity building. The community service activity reported in this article was designed to respond to that need. Rather than delivering abstract financial theories, the program introduced simple and applicable financial management practices through training, discussion, simulation, and guided exercises. The activity focused on the core skills needed by cooperative actors: understanding financial management functions, identifying sources and uses of funds, preparing simple financial statements, calculating basic ratios, and interpreting financial information for decision making.

This article aims to describe and analyze how cooperative management training contributed to strengthening community financial literacy in Dahai Village. The article also discusses the learning process, achievement indicators, practical outcomes, and follow-up needs identified during the program. By presenting the activity in the format of a community service journal article, the paper highlights how academic engagement can support cooperative accountability, local economic governance, and evidence-based financial decision making in rural communities.

2. Community Service Design and Method

The program used a participatory community service design. The main principle of this design was to involve participants as active learners rather than passive recipients of information. The facilitators combined conceptual explanation with practice, discussion, and case-based reflection so that participants could relate the material to the financial problems they experienced in their respective institutions. The activity was implemented through four main stages: needs identification, material preparation, training implementation, and evaluation.

The first stage was preliminary observation and coordination with local partners. This stage was conducted to identify participant characteristics, institutional needs, and common financial management

challenges. The observation indicated that participants required practical guidance in recording transactions, preparing simple reports, and reading financial information. This stage also helped the facilitators select relevant examples and exercises that matched the financial activities of cooperatives and community economic institutions.

The second stage was the preparation of training materials and worksheets. The materials covered community financial literacy, the functions of financial management, fund acquisition and allocation, transaction recording, basic financial statements, and simple financial ratio analysis. The worksheets were designed to help participants practice recording transactions, classifying accounts, preparing simple reports, and calculating ratios. The use of worksheets was intended to make the learning process concrete and measurable.

The third stage was training implementation. The activity included lectures, question-and-answer sessions, guided discussion, simulation, and practice. The lecture was used to introduce key concepts, while discussion and questions were used to connect the material with participants' experiences. Practical simulations were used to train participants in preparing financial statements and calculating simple ratios. Participants were guided step by step to reduce anxiety toward accounting terms and financial formulas.

The fourth stage was evaluation. Evaluation was conducted by observing participant attendance, participation, completion of exercises, accuracy of ratio calculation, and ability to interpret financial data. The facilitators also noted participant responses during discussions to identify topics requiring further mentoring. The evaluation focused not only on whether participants could complete calculations but also on whether they could explain the meaning of financial information for institutional decision making.

Table 1. Community Problems and Proposed Solutions

Community Problem	Proposed Solution	Expected Output
Limited understanding of financial management functions	Interactive lecture and discussion on planning, organizing, implementation, and control	Participants understand the basic logic of cooperative financial management
Inconsistent transaction recording	Guided transaction recording exercise using simple worksheets	Participants can classify cash inflow, cash outflow, and account categories
Difficulty preparing simple financial statements	Simulation of basic statement preparation from sample transactions	Participants complete simple financial reports with facilitator support
Weak ability to calculate financial ratios	Ratio analysis practice using cooperative-related examples	Participants can calculate basic ratios such as liquidity and efficiency indicators
Limited interpretation of financial data	Group reflection and discussion of ratio meaning	Participants begin to link financial figures with decision making

Table 2. Training Stages

Stage	Main Activity	Output
Needs identification	Coordination, observation, and identification of financial management challenges	Problem map and participant needs
Material preparation	Development of handouts, worksheets, examples, and evaluation tools	Training materials and practical sheets
Training delivery	Lecture, discussion, Q&A, and contextual explanation	Improved conceptual understanding
Practical simulation	Financial statement exercise and ratio analysis practice	Completed participant worksheets
Evaluation and follow-up	Review of exercises, feedback, and recommendation of mentoring needs	Evaluation notes and follow-up agenda

3. Results and Discussion

Training Implementation and Participant Engagement

The training was attended by 30 participants consisting of cooperative administrators, supervisors, staff, members, and managers of community economic institutions. Participant attendance and involvement were strong throughout the activity. The participants actively responded to the material, asked questions about daily financial problems, and worked through the exercises with guidance from the facilitators. This response indicated that financial management was perceived as a relevant need rather than merely an administrative topic.

A major result of the activity was improved understanding of the role of financial management in cooperative governance. Before the training, financial reports were commonly viewed as documents prepared only for administrative requirements. Through the training, participants were encouraged to see financial statements as decision-making tools that help evaluate fund use, institutional performance, and member accountability. This shift in perception is important because financial literacy depends not only on calculation skills but also on the willingness to use financial information in real decisions.

Achievement of Practical Financial Management Skills

The practical session showed that all participants could complete the guided financial statement preparation exercise. They were able to identify transaction elements, classify cash inflows and outflows, and compile simple report components. Although the exercises were completed with facilitator support, the result demonstrated that participants could follow the basic reporting process when the material was presented in a step-by-step and contextual manner.

The ratio analysis session also produced positive results. All participants participated in the calculation of simple ratios. However, the ability to interpret the meaning of the ratios reached approximately 85 percent. This means that most participants could relate the figures to financial condition, but some still required guidance to explain the implications of the results. The finding is important because calculating ratios is easier than using them for judgment. Follow-up mentoring should therefore focus on interpretation, not only computation.

Table 3. Evaluation Results

Evaluation Aspect	Achievement	Interpretation
Participant attendance	30 participants attended	Participants followed the activity until completion
Financial statement exercise	100% completed guided exercise	Participants prepared simple reports with facilitator guidance
Ratio calculation practice	100% performed calculations	Participants calculated selected ratios from sample data
Data interpretation	Approximately 85%	Interpretation skills improved but still require mentoring
Conceptual understanding	Approximately 90%	Participants showed better understanding after practical activities

Financial Accountability and Cooperative Governance

The activity also improved participants' awareness of financial accountability. Participants recognized that cooperative funds are collective resources and therefore need to be managed transparently. Simple recording, regular reporting, and basic ratio analysis were understood as tools to support member trust. This awareness can contribute to stronger governance if applied consistently after the training.

The results show that financial literacy training is most effective when it is connected with the practical responsibilities of participants. In cooperative and community economic institutions, financial literacy cannot be separated from accountability to members. Administrators and supervisors need to understand not only how money moves but also how financial information explains institutional health. The

training therefore linked technical exercises with governance issues, including transparency, trust, and decision making.

One important lesson from the program is that simple tools can reduce barriers to financial learning. Participants who were initially unfamiliar with financial terms could engage with the material when the concepts were translated into daily institutional activities. For example, the distinction between cash inflow and cash outflow became easier to understand when participants connected it with member contributions, operating expenses, loan repayments, and institutional services. This practical framing helped participants see financial reports as meaningful records rather than formal documents.

Compared with conventional one-way socialization, the participatory format enabled participants to test their understanding immediately. The use of exercises made it possible to observe learning outcomes during the activity. This is particularly important for cooperative training because participants often need to transform abstract concepts into specific routines such as recording daily transactions, preparing monthly summaries, and explaining financial results to members during meetings.

The activity also supports the fifth cooperative principle on education, training, and information. Cooperative governance requires members and elected representatives to have access to knowledge that allows them to participate meaningfully in institutional decisions. By strengthening financial literacy, the program helped participants move from administrative compliance toward more informed participation in cooperative financial governance.

The program also confirmed the importance of ratio interpretation. While participants were able to calculate ratios, interpretation required deeper reasoning. This finding is consistent with the broader concept of financial literacy, which involves knowledge, behavior, confidence, and decision-making ability. A person may know a formula but still need practice to explain what the result means for liquidity, efficiency, sustainability, or risk. Therefore, future programs should allocate more time for case analysis and decision simulation.

The contribution of the activity lies in its effort to bridge academic knowledge and community practice. The training did not attempt to introduce complex accounting standards in full detail. Instead, it translated financial management concepts into accessible tools that can be used by local economic actors. This approach is suitable for community service because it prioritizes usability, participant confidence, and institutional relevance. It also creates an entry point for more advanced mentoring, including digital bookkeeping, internal control, budgeting, and annual cooperative reporting.

Table 4. Follow-up Recommendations

Area	Recommended Follow-up	Expected Long-term Benefit
Routine transaction recording	Develop a simple and standardized daily transaction book	More accurate monthly financial summaries
Financial statement preparation	Mentor administrators in preparing monthly simple statements	Consistent financial reporting
Ratio interpretation	Conduct follow-up training using cooperative case studies	Better evidence-based decisions
Digital bookkeeping	Introduce spreadsheet-based or mobile-based recording tools	Improved efficiency and data accessibility
Governance use	Integrate reports into member and supervisor meetings	Stronger transparency and accountability

However, the activity had limitations. The training was implemented in a limited time, while participants had different levels of prior knowledge. Some participants required more repetition and individual guidance, especially in interpreting ratios. The evaluation was also based on training exercises rather than long-term observation of institutional financial behavior. For this reason, the immediate learning

outcomes should be understood as initial capacity building. Sustainable impact requires repeated mentoring and monitoring after the training.

4. Conclusions

The cooperative management training in Dahai Village strengthened community financial literacy by improving participants' understanding of fund planning, transaction recording, financial statement preparation, and simple ratio analysis. The program demonstrated that financial literacy for cooperative actors should be practice-oriented, contextual, and connected to institutional accountability. All participants completed guided exercises in financial statement preparation and ratio calculation, while approximately 85 percent were able to interpret financial information with facilitator support.

The activity also showed that financial reports can be introduced as practical tools for transparency and decision making. Participants began to recognize the importance of routine recording, consistent reporting formats, and the use of financial data in evaluating institutional performance. However, the ability to interpret financial information independently still needs to be strengthened through follow-up mentoring.

Future community service programs should focus on continuous assistance in transaction recording, standardized reporting formats, financial ratio interpretation, and digital financial administration. Cooperative administrators and supervisors should also be encouraged to use financial reports in regular evaluation meetings so that financial literacy becomes part of institutional culture rather than a one-time training outcome.

For future community service, it is recommended that the program include pre- and post-activity assessment, practical worksheets, simple case studies, and follow-up mentoring. Such improvements would strengthen the evidence of program impact and help participants move from awareness to applied competence.

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