

Simple Financial Bookkeeping Training for MSME Actors in Cikeusik Village

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are important for economic growth and development in Indonesia. The existence of MSMEs is also able to absorb labor and reduce unemployment. Not a few people in Cikeusik Village work as entrepreneurs, especially SME entrepreneurs such as food stalls. Many business actors have been in business for a long time but have not been able to develop well. This is due to the lack of understanding of business actors in financial bookkeeping. Community service carried out is to disseminate information to MSMEs in Cikeusik Village, namely about simple financial bookkeeping so that business actors can control business finances. Based on the explanation above, this community service aims to provide insight, and knowledge and make their own about simple financial bookkeeping, so that business actors can control expenses, income, and profits and can develop well in the future. This activity is carried out using interview, discussion, and practice methods. The results of the socialization activities showed a positive response from the community as seen from the enthusiasm of business actors to make simple financial bookkeeping properly.

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are one of the drivers of the people's economy that can increase the cost of living for the better. This monetary crisis in 1998 can be seen as a rescue valve in the process of national economic recovery, both in encouraging economic growth and employment (Ciampea & Bogor, n.d.). MSMEs are one of the pillars of the people's economy to realize equal opportunities for all people to strive independently to increase living rates and are expected to reduce income inequality (Journal et al., 2021). The existence of MSMEs also contributes significantly to reducing unemployment in Indonesia. According to BPS data as of the end of 2020, the number of Micro, Small, and Medium Enterprises (MSMEs) reached 64 million, this figure reached 99.9 percent of all businesses operating in Indonesia. The contribution of MSMEs to labor absorption reached 97 percent. So it is very clear that MSMEs in Indonesia can put the brakes on unemployment and poverty.

In Cikeusik Village, Wanasalam District, with a population of more than 1,000 people, some of the residents have a livelihood as farmers and entrepreneurs, especially MSME actors such as food stalls, workshop businesses, and food businesses. Many business people have been running their businesses for a long time but have not been able to develop properly. This is due to the lack of understanding of business actors towards financial bookkeeping. According to (Wardiningsih et al., 2020) Bookkeeping is recording or recording all

information regarding transactions and financial activities from business people about their accounting processes, the results of the accounting process in the form of financial reporting or accounting reporting as a form of financial information of parties in need. By making financial bookkeeping will make it easier for business actors to take a surefire strategy to increase income.

In Cikeusik Village, there are still many business actors who are still reluctant to make financial books. Every company, including Micro, Small, and Medium scale, is required to have a financial bookkeeping system as a tool to measure business performance. Business actors also manage their businesses without having a good foundation of knowledge and skills regarding business and financial management. They only run a business with instinct and experience. Aspects of business management which include business planning, organizing, implementing, and controlling businesses are something that is rarely considered, even though it is very important in building and developing a business (Journal et al., 2021).

Bookkeeping in the business world is only a small part of accounting practice, namely recording cash flow in which there are receipts/income and expenses both in cash and credit. Although bookkeeping is simple, there are still many business actors in Cikeusik Village who do not do bookkeeping for reasons other than lack of understanding because they consider it troublesome with financial bookkeeping, consider it unimportant, and think the important thing is that they get profits without being burdened with financial bookkeeping. (Hapsari & Hasanah, 2017) in their research explained that financial bookkeeping information can be a reliable basis for economic decision-making in business management, including market development, pricing, and others. According to Budiretnowati (2008) judging from the history of its existence in Indonesia, Micro, Small, and Medium Enterprises have several important roles, namely:

- a) MSMEs are the main players of economic activity in Indonesia.
- b) Employment opportunity providers.
- c) An important player in the development of the local economy.
- d) Creator of innovation market through its flexibility & sensitivity and has dynamic linkages between company activities.
- e) Contribute to the increase in non-oil and gas exports.

To develop small and medium industries, these weaknesses must be overcome. This is where the role of students as agents of change can play a more important role in helping to overcome existing problems so that business actors can continue to develop their businesses well. Based on the description above, the purpose of this community service is to provide simple financial bookkeeping training to Micro, Small, and Medium entrepreneurs so that they can manage finances properly and correctly so that their businesses can develop properly. The target achieved in this community service is to raise a sense of desire and awareness in small and medium businesses about the importance of doing simple financial bookkeeping for the continuation of their business ventures.

RESEARCH METHOD

The implementation method of this training activity on simple financial bookkeeping uses qualitative methods. According to Boghan & Biklen, qualitative research is one of the procedures that produces descriptive data in the form of speech or writing and attitudes of people observed (1975). The data used in the study are primary in the form of observations and interviews with business actors and secondary data in the form of journals, books, and information via the Internet.

The method of data collection in research has several stages, which are as follows:

a. Interview Stage

This interview stage occurs through two-way interaction directly with MSME actors. This interview aims to find out the community's picture of the core problems found in MSME actors. Preparation is carried out by preparing several questions regarding financial bookkeeping for MSME actors.

b. Socialization and Training Stage

This stage is used for the socialization and training of MSME actors. Preparation is carried out by collecting material that will be delivered to MSME actors regarding simple financial bookkeeping and what are the factors that affect financial bookkeeping to be more effective. Training participants are given a module on simple financial recording that must be done by business actors. This simple financial bookkeeping training is carried out in every business actor's home. To improve the skills and knowledge of business actors in financial bookkeeping.

c. Quarterback Monitoring/Evaluasi

The last stage is the monitoring/evaluation stage using researchers coming to the location of the trainee business actor's house to see the extent of the results of financial bookkeeping and continue to accompany them while making financial books.

LITERATURE REVIEW

Several researchers have reviewed and tried to provide input for financial bookkeeping training for MSMEs in Indonesia. These researchers, among others, were conducted by (Machfuzhoh et al., 2020) concluding that in their research there are still many MSME actors who do not know how to make and read financial statements. So far, there is no separation and calculation of production costs for family consumption, so they cannot get the real value of profit. MSME actors should be disciplined and accustomed to doing bookkeeping for their business so that they are familiar with and have financial statements to present credit or to report on business proposals.

Researchers (Sari & Indriani, 2017) see that the impact of neglecting financial management may not be obvious. But without effective accounting methods, most likely managers cannot understand the business as a whole. In general, business actors feel that accounting information is not important, because they feel too bothered with the maintenance of accounting records and they think the important thing is that they get profits without being burdened with accounting and they feel they have not benefited from bookkeeping.

Then researchers (Manoppo & Pelleng, 2018) conducted simple financial bookkeeping training for MSME actors, but there are still many obstacles faced in its implementation. One of them is the lack of concern from MSME actors to learn individually how to prepare financial statements properly. Plus, the government's role in carrying out empowerment activities in the form of training for MSMEs has not been maximized. This results in the low quality of MSME human resources in managing their business finances and results in the non-development of businesses owned by business actors.

Based on research that has been studied and developed by researchers, it turns out that there are still many MSME actors who still seem unfamiliar with financial bookkeeping. However, after conducting bookkeeping training, the lay sense of MSME actors toward bookkeeping can be overcome immediately.

a. Financial Bookkeeping

Financial bookkeeping is a recording process that is carried out regularly to collect financial data or information including assets, liabilities, capital, income, and costs to the total price of acquisition and delivery of goods or services, which is closed by compiling financial statements in the form of balance sheets and income statements for the tax year period. According to Law Number 28 of 2007, simple bookkeeping is defined as a recording process that is carried out regularly to collect financial information data. With financial bookkeeping, business actors can find out how much profit and loss they get in a certain period and can also see every transaction made.

Financial bookkeeping has the purpose of knowing the amount of profit and loss that occurs in the business within that period. Knowing the details of the transactions made, with neat and careful recording will have a good influence on the business carried out.

The simple financial bookkeeping method consists of two methods, namely single input bookkeeping and pair bookkeeping. Single-input bookkeeping is a source of bookkeeping records consisting of income and expenses only. Usually, this method is used by small businesses with few transactions. Bookkeeping in pairs consists of two accounts consisting of income accounts (debit) and expense accounts (credit). Usually used by businesses that have grown rapidly and require a more detailed system.

b. Small and Secondary Micro Ventures

According to Law No.20 Article 1 of 2008, the definition of Micro, Small and Medium Enterprises is:

- 1) Micro Business is a productive business owned by an individual or individual business entity that meets the criteria for Micro business as stipulated in the Law.
- 2) A Small Business is a productive economic business that stands alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of Medium Enterprises or Large Enterprises that meet the criteria for small businesses as stipulated in the Undnag-Law.
- 3) Medium Enterprises are productive economic businesses that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of Medium Enterprises or Large Enterprises with total net worth or annual sales proceeds as stipulated in the Law.

- 4) Large Enterprises are productive economic enterprises carried out by business entities with a total net worth or annual sales proceeds greater than Medium Enterprises, which include state-owned or private national enterprises, joint ventures, and foreign businesses that carry out economic activities in Indonesia.

According to Article 6 of Law No. 20 of 2008 concerning the criteria for MSMEs in the form of capital are as follows:

- 1) Micro Enterprises are as follows:
 - i. Have a net worth of Rp.50.000.000,00 excluding land and buildings for business premises; or
 - ii. Has a maximum annual sales of Rp.300.000.000,00
- 2) Small Business is as follows:
 - i. Have a net worth of more than Rp.50.000.000,00 up to a maximum of Rp.500.000.000,00 excluding land and buildings for business premises; or
 - ii. Have annual sales of more than Rp.300.000.000,00 up to a maximum of Rp.2.500.000.000,00.
- 3) Medium Enterprises are as follows:
 - i. Have a net worth of more than Rp.500.000.000,00 to a maximum of Rp.10.000.000.000,00 excluding land and buildings for business premises; or
 - ii. Have annual sales of more than Rp.2.500.000.000,00 up to a maximum of Rp.50.000.000.000,00.

RESULTS AND DISCUSSION

The Cikeusik Village Community Service Program has the following outputs:

1. MSME actors understand the basics of simple financial bookkeeping.
2. MSME actors can make simple financial bookkeeping.

This community service activity began with a licensing activity to the head of the Cikeusik Village Rt. The participants of this activity are business actors in Cikeusik Village. The training was held for one day on September 2, 2021, which took place at the homes of their respective business actors. After the training was carried out, the mentoring continued for five days. The business actors visited were all micro-entrepreneurs. The enthusiasm of business actors in receiving financial bookkeeping knowledge is very good. This enthusiasm is shown by several questions asked by business actors on financial bookkeeping.

This community service hopes that the problems faced in business finance can be faced with a good bookkeeping process. According to researchers, during the implementation of financial bookkeeping training, it appeared that Cikeusik Village business actors were still unfamiliar with bookkeeping. Even though financial bookkeeping is very important for business development to run better. According to Abdullah Mubarak (2011; 8) The benefits obtained by business actors if they make financial books include:

- a. Knowing information about financial performance and changes in capital of business actors in the past.
- b. Be one of the ingredients in decision-making.
- c. Know the value of cash changes.
- d. Meet one of the requirements in applying for credit to certain financial institutions.
- e. As one of the reporting materials for taxes, preparing cash budgets, and determining selling prices.

This community service begins with socialization with business actors as participants in the activity. Socialization activities are carried out to approach persuasively activity participants to be ready to take part in the implementation of simple financial bookkeeping training.

The second stage explains/material regarding simple financial bookkeeping. Such as understanding, the types of bookkeeping, how to make simple financial bookkeeping well, and the benefits of simple financial bookkeeping.

After explaining the material to business actors, the next stage is discussion as well as question and answer with business actors so that there is two-way interaction and to see how far business actors have understood the financial books that have been explained.

Furthermore, conducting financial bookkeeping training and applying material to business case questions. The training is carried out by recording cash books, accounts receivable books, and accounts payable books. The following is an example of a record filled in by business actors:

The last stage is monitoring/evaluation of business actors after making financial books. By looking at the results of bookkeeping records that have been filled in by business actors. Whether by the provisions that have been explained or not.

MSME actors were unfamiliar with financial bookkeeping, but after being given an explanation and conducting bookkeeping training, many MSMEs have understood how to record simple financial bookkeeping well. As well as a sense of awareness of MSME actors about the importance of recording financial books for

their business development. The impact and benefits of this Cikeusik Village community service activity are so that business actors can understand the basics of financial bookkeeping and make financial bookkeeping properly and systematically. To produce financial statements well and build the strength of MSMEs to create equitable community welfare. In addition, making simple financial bookkeeping can create a culture of discipline in every business actor.

CONCLUSION

Based on the results and discussion of community service activities described above, it can be concluded that simple financial bookkeeping training for MSME actors in Cikeusik Village has run well, smoothly, and safely. And conducting simple financial bookkeeping training activities can increase business actors' awareness of the importance of financial planning.

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