

MICRO BUSINESS' FINANCIAL RECORDING ASSISTANCE AT BANJARAGUNG VILLAGE THROUGH SIMPLE CASH BOOKKEEPING

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Abstract

Micro Business has an important role for the nation's economy, especially to reduce the unemployment rate in Indonesia. The existence of Micro Business in Indonesia is proven to be able to create jobs and absorb labors. Therefore, Micro Business' players must understand good and systematic financial management so that the business can run smoothly and sustainably. For example: to have correct financial records in recording every financial transaction and be able to make financial reports needed to make decisions for the continuity of their business. This research uses descriptive qualitative research methods, which the subjects are five Micro Businesses in Banjaragung Village, Barend District, Jombang Regency. The object of this research is a financial bookkeeping system that focuses on micro-enterprise cash bookkeeping. The result of the training and mentoring activities in making simple financial bookkeeping is that Micro Businessmen in Banjaragung Village can understand their income and expenses of respective businesses. The personal property must be distinguished from business assets. And at the end, Micro Businessmen can continuously apply simple financial bookkeeping for business activities on a daily basis. This activity can encourage businesses to grow and well developed.

Keywords : Cash Bookkeeping, Micro Business, Banjaragung Village

INTRODUCTION

The existence of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is proven to be able to create jobs and absorb labors. This is also evidenced by the data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop and UKM) which shows that 97% of employment is provided by MSMEs. Based on the data, MSMEs has an important role for the nation's economy, especially contributing to reducing the unemployment rate in Indonesia (Wahyuningsih et al., 2017). Therefore, the support from various parties is needed to develop and realize the advanced, independent, and modern MSMEs, including having the wider access funding to the banking sector or other financial institutions (IAI, 2016). However, in these funding activities, banks or financial institutions usually provide requirements in the form of basic bookkeeping or accounting information to assess creditworthiness which will be submitted through financial statements.

According to Haryono in (Wardiningsih, R., Wahyuningsih, B. Y., & Sugianto, 2020) bookkeeping is the recording of all information regarding transaction and financial

activities from businessmen regarding their accounting processes. IAI in (Wardiningsih, R., Wahyuningsih, B. Y., & Sugianto, 2020) explains that in the MSME world, businessmen need simple bookkeeping which is a small part of actual accounting practice, namely the recording of cash flows in which there is a process of receiving or disbursements either in cash or on credit.

In 2009, the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) issued the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) as a form of support for MSMEs to meet their financial reporting needs. In 2016, DSAK IAI compiled and ratified the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) to meet the need for simpler accounting standards due to the limited human resources (IAI, 2016).

SAK EMKM is intended to be used by entities, micro, small, and medium. Entities, micro, small, and medium-sized enterprises are entities without significant public accountability as defined in SAK ETAP which meet the definition and criteria of micro, small and medium enterprises regulated in Indonesian legislation. One of the laws and regulations regarding MSMEs is Government Regulation Number 7 of 2021. Based on this law (Government of Indonesia, 2021), the similarities among Micro, Small and Medium Enterprises are the productive economic enterprises owned by individuals and/or privately-owned enterprises which meet the criteria as stipulated in the law. The most significant difference is shown by the amount of venture capital and sales results.

Banjaragung village is one of the villages in Bareng District. This village consists of 4 hamlets. Banjaragung Village is located around 1 km from the center of the Bareng District Government. The majority of the population's livelihoods are farmers and micro-enterprises who produce foods and beverages. The variety of food products sold by the people of Banjaragung village are banana chips, tempeh chips, peyek, corn chips, pertulo krecek, rengginang crackers, and also produces variants of natural herbal drinks.

Five Micro Enterprises that are service partners for the KKN-T 97 group have not made financial records and still do not understand about accounting and reporting, including the separation of personal and business assets. In addition, they tend to still rely on intuition and experience in making decisions for the continuity of their business.

According to the background of the study, the KKN-T 97 group assessed the need for assistance regarding the simple financial bookkeeping. The purpose of this assistance is to provide an understanding of the need for financial records of every financial transaction and to increase the ability of ME players to carry out the simple financial bookkeeping, especially cash bookkeeping, so that they can assist Micro Business actors in making decisions.

RESEARCH METHODS

The implementation of the study uses a qualitative descriptive research method with the research subject of Micro Enterprises (UM) in Banjaragung village. The object of the research is the MU financial bookkeeping system. The assistance on simple financial bookkeeping methods will be provided to 5 ME players in Banjaragung Village using four stages. The method of devotion activity is carried out in stages and at different times. The following is the explanation of the four stages:

Stage I

At the first stage, the activity was observations and interviews with five ME players. KKN students accompanied by village officials, visited every UM place directly to observe the activities and find out the problems of study.

Stage II

The second stage is the implementation of the first core activity, namely UM counseling by the Cooperatives and Micro Business Office at the Banjaragung Village

Hall. The material presented was about the importance of business financial bookkeeping and the importance of separating personal and business assets.

Stage III

The next stage is the assistance of simple financial bookkeeping by KKN students through doing door-to-door at each UM.

Stage IV

The fourth stage is evaluation or monitoring in each ME to find out the progress of the bookkeeping implementation and check if there are obstacles or difficulties experienced.

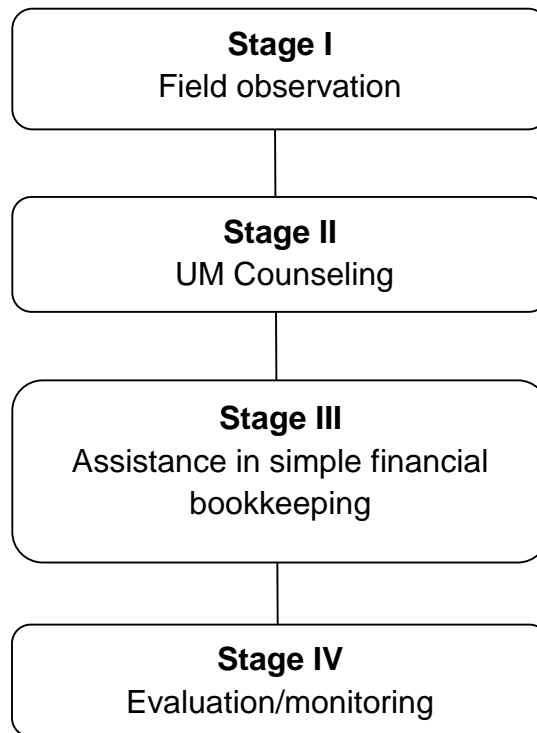


Figure 1. Stages of Activity Implementation Methods

RESULTS OF RESEARCH AND DISCUSSION

Mentoring activities took place in some stages during the period of KKN implementation from March 21 to June 30, 2022. The stages of these activities, namely:

Stage I (Field Observation)

Field observations were directed to five mentoring participants who were selected Micro Enterprises by the Banjaragung Village government. The purpose of the observation is to obtain the initial data regarding the activities and problems experienced by each ME, especially those related to direct business financial bookkeeping activities. The field observation activity was accompanied by the head of the Banjaragung Village Hamlet. The results are the participants who are the parents with an average age of over 40 years and have limited education and have never recorded financial transactions. To make simple bookkeeping, the first thing that needs to be prepared is to make a financial cash book in the form of a table (Iswara et al., 2022). Based on this, KKN students decided to provide financial bookkeeping assistance using a simple cash book table so that it could make it easier for Micro Businessmen to make initial records in easy terms and without having to use smartphone or laptop electronic devices.



Figure 2. Field Observation

Stage II (Micro Business Extension)

After doing observations, the next stage is counseling about Micro Enterprises and the importance of business financial bookkeeping. The activity entitled "Advanced Micro Business with Marketing Digitalization" on March 28, 2022, took place in the Banjaragung Village Hall and was lead by the Jombang Cooperative and Micro Business Office. In this counseling, the participants who attended were five Micro Businessmen who received assistance from KKN students as well as other Banjaragung Village Micro Businessmen, Head of Jombang Micro Business Empowerment, Drs. M. Jawahirul Ulum, S.E., M.Sc., as the keynote speaker in this counseling, said that the financial management should at least be carried out by the owners of Micro Enterprises in Banjaragung Village such as: (1) Discipline in recording financial income and expenditure, (2) Separating business assets (companies or Micro-enterprises) and personal or business-owned assets, (3) Checking financial bookkeeping , and (4) Recording finances neatly and filing in place. He also added that the poor management of company financial management will make 80% of businesses unable to run. Through this stage, participants are expected to know the importance of recording business financial transactions or bookkeeping and separating business assets from personal assets.



Figure 3. Extension of Micro Business



Figure 4. Photo after Micro Business Counseling

Stage III (The Assistance on Simple Financial Bookkeeping Methods)

At this stage, KKN students carry out mentoring activities on how to do simple financial bookkeeping. They visit directly to each participant's house consisting of five

selected Micro Businessmen in Banjaragung village. In this activity, each participant gets a module that contains the understanding of bookkeeping and its purpose accompanied by a cash table format for recording transactions. In addition, each participant also receives the “Financial Records” application as a tool for a more modern and concise way of bookkeeping through a smartphone device. Participants are expected to understand how to record basic financial transactions. Based on the standard, transactions that require recording are transactions related to cash, purchases (cash or credit), sales (cash or credit), receivables and payables (Hapsari & Hasanah, 2017). Furthermore, participants are expected to be able to separate personal and business assets.



Figure 5. Assistance in Simple Financial Bookkeeping

Stage IV (Evaluation)

The fourth stage is the last stage of the implementation of simple financial bookkeeping assistance activities. The activity is the evaluation or monitoring by KKN students directly to each participant's house. The most concern at this stage is the progress of recording financial transactions that have been carried out by the participants and whether there are difficulties during bookkeeping after mentoring by KKN students.

LAPORAN KEUANGAN KAS USABA			
BILAN 31 TAHUN 2022			
Uraian	Keterangan	Debit	Kredit
12-1-1	Saldo awal		Rp. 2.000.000
12-1-2	Saldo akhir		Rp. 2.000.000
12-2-1	Saldo awal	Rp. 2.000.000	
12-2-2	Saldo akhir	Rp. 2.000.000	
12-3-1	Saldo awal		Rp. 3.000.000
12-3-2	Saldo akhir		Rp. 3.000.000
12-4-1	Saldo awal	Rp. 500.000	
12-4-2	Saldo akhir	Rp. 500.000	
12-5-1	Saldo awal		Rp. 100.000
12-5-2	Saldo akhir		Rp. 100.000
12-6-1	Saldo awal	Rp. 100.000	
12-6-2	Saldo akhir	Rp. 100.000	
12-7-1	Saldo awal		Rp. 100.000
12-7-2	Saldo akhir		Rp. 100.000
12-8-1	Saldo awal	Rp. 100.000	
12-8-2	Saldo akhir	Rp. 100.000	
12-9-1	Saldo awal		Rp. 100.000
12-9-2	Saldo akhir		Rp. 100.000
12-10-1	Saldo awal	Rp. 100.000	
12-10-2	Saldo akhir	Rp. 100.000	
12-11-1	Saldo awal		Rp. 100.000
12-11-2	Saldo akhir		Rp. 100.000
12-12-1	Saldo awal	Rp. 100.000	
12-12-2	Saldo akhir	Rp. 100.000	
12-13-1	Saldo awal		Rp. 100.000
12-13-2	Saldo akhir		Rp. 100.000
12-14-1	Saldo awal	Rp. 100.000	
12-14-2	Saldo akhir	Rp. 100.000	
12-15-1	Saldo awal		Rp. 100.000
12-15-2	Saldo akhir		Rp. 100.000
12-16-1	Saldo awal	Rp. 100.000	
12-16-2	Saldo akhir	Rp. 100.000	
12-17-1	Saldo awal		Rp. 100.000
12-17-2	Saldo akhir		Rp. 100.000
12-18-1	Saldo awal	Rp. 100.000	
12-18-2	Saldo akhir	Rp. 100.000	
12-19-1	Saldo awal		Rp. 100.000
12-19-2	Saldo akhir		Rp. 100.000
12-20-1	Saldo awal	Rp. 100.000	
12-20-2	Saldo akhir	Rp. 100.000	
12-21-1	Saldo awal		Rp. 100.000
12-21-2	Saldo akhir		Rp. 100.000
12-22-1	Saldo awal	Rp. 100.000	
12-22-2	Saldo akhir	Rp. 100.000	
12-23-1	Saldo awal		Rp. 100.000
12-23-2	Saldo akhir		Rp. 100.000
12-24-1	Saldo awal	Rp. 100.000	
12-24-2	Saldo akhir	Rp. 100.000	
12-25-1	Saldo awal		Rp. 100.000
12-25-2	Saldo akhir		Rp. 100.000
12-26-1	Saldo awal	Rp. 100.000	
12-26-2	Saldo akhir	Rp. 100.000	
12-27-1	Saldo awal		Rp. 100.000
12-27-2	Saldo akhir		Rp. 100.000
12-28-1	Saldo awal	Rp. 100.000	
12-28-2	Saldo akhir	Rp. 100.000	
12-29-1	Saldo awal		Rp. 100.000
12-29-2	Saldo akhir		Rp. 100.000
12-30-1	Saldo awal	Rp. 100.000	
12-30-2	Saldo akhir	Rp. 100.000	

Figure 6. Micro Business' Financial Bookkeeping

The results obtained from the implementation of simple bookkeeping assistance activities for five Micro Business owners in Banjaragung Village, Bareng District are: the participants are able to gain knowledge and skills in separating personal finance and business finance so that they are able to understand how the progress of each business is. In addition, through the systematic financial management, participants will certainly be able to clearly see the amount of profit from each business. This is one of the main aspects that can affect the success of a business.

Some of the benefits of recording systematic financial accounting reports, such as: being able to find out financial information about the results of operations in a period, providing financial reports to assist the parties concerned in assessing a condition and business potential, and being able to provide significant information to stakeholders. Some of the materials prepared for simple financial bookkeeping assistance activities, such as: (1) providing motivation about entrepreneurship, for example: explaining the

importance of differentiating personal and business-owned finance, so that Micro Business owners in Banjaragung village can easily analyze the results of businesses. (2) Explaining to Micro Business owners in Banjaragung Village related to the material about company financial management, understanding accounting, understanding bookkeeping, bookkeeping purposes, benefits of bookkeeping, to accounting equations. (3) Filling in the financial statements of business cash books manually or using the "Financial Records" application. This simple financial bookkeeping training activity is complemented by a discussion or question and answer session.

Specifically, the results of the simple financial bookkeeping training activities that have been carried out, including: (1) the participants of mentoring on simple financial bookkeeping methods felt more motivated, and this activity was really helpful to make simple financial bookkeeping records, (2) Making simple financial bookkeeping turned out to be very easy to do, even though they do not have expertise in accounting systems, (3) The participants said that the existence of this simple financial bookkeeping training activity has given positive results, because they can understand income and expenses from their respective businesses. The participants also understood that personal property must be distinguished from business assets.

Table 1. Cash Bookkeeping of Micro Business

BUSINESS CASH BOOKING					
Soybean Drink Micro Business					
May 2022					
No.	Date	Description	Incoming	Out	Balance
1.	01/05/2022	Capital	5.000.000		5.000.000
2.	02/05/2022	Purchase of Soybeans 50 kg		660.000	
3.	02/05/2022	Purchase of 50 kg Granulated Sugar		635.000	
4.	02/05/2022	Purchase Plastic bag		70.000	3.635.000
5.	04/05/2022	Income	400.000		4.035.000
6	10/05/2022	Money loan from bank	1.000.000		5.035.000

CONCLUSION

Through the Community Service Program, namely the assistance on how to make simple financial bookkeeping runs well. The Micro Enterprises (UM) are so enthusiastic and give a positive response. This assistance has also succeeded in having a positive impact on businessmen because they can understand the income and expenses of their respective businesses that personal property must be distinguished from business assets. And at the end, businessmen continuously apply simple financial bookkeeping for business activities on a daily basis to encourage businesses to grow and develop properly.

THANK-YOU NOTE

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GLOSSARY

1. **Kemenkop** : Ministry of Cooperatives
2. **UKM** : Small and Medium Enterprises
3. **DSAK IAI** : Financial Accounting Standards Board of the Indonesian Institute of Accountants
4. **SAK ETAP** : Financial Accounting Standards for Entities Without Public Accountability
5. **SAK EMKM** : Financial Accounting Standards for Micro, Small, and Medium Entities
6. **KKN-T MBKM** : Independent Thematic Real Work Lecture Learning Independent Campus
7. **UM** : Micro Enterprise
8. **LPPM** : Institute for Research and Community Service

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