

**DEVELOPING UMKM BUSINESS THROUGH ACCOUNTING
EDUCATION IN AN EFFORTS TO IMPROVE THE ECONOMY IN
KADUDAMPIT VILLAGE, SUKABUMI REGENCY**

Indupurnahayu^{1*}, Shanti Lysandra², Catherin³, Sparta⁴, Ahalik⁵

¹ Universitas Ibn Khaldun

Jl. Sholeh Iskandar, RT.01/RW.10, Kedungbadak, Kec. Tanah Sereal, Kota Bogor, Jawa Barat 16162, Indonesia

² Universitas Pancasila

Jl. Lenteng Agung Raya No.56, RT.1/RW.3, Srengseng Sawah, Kec. Jagakarsa, Kota Jakarta Selatan, Daerah
Khusus Ibukota Jakarta 12630, Indonesia

³ Universitas Bunda Mulia

Jl. Lodan Raya No.2, RT.12/RW.2, Ancol, Kec. Pademangan, Jakarta Utara, Daerah Khusus Ibukota Jakarta
14430, Indonesia

⁴ Indonesia Banking School

Jl. Kemang Raya No.35 7, RT.6/RW.1, Bangka, Kec. Mampang Prpt., Kota Jakarta Selatan, Daerah Khusus
Ibukota Jakarta 12730, Indonesia

⁵ Institut Bisnis dan Komunikasi Swadaya (SWINS)

Jl. Raya Jatiwaringin No.36, Cipinang Melayu, Kec. Makasar, Kota Jakarta Timur, Daerah Khusus Ibukota
Jakarta 13620, Indonesia

Email: ^{1*} indupurnahayu@uika-bogor.ac.id, ² santhilyandra@univpancasila.ac.id, ³ cnelson@bundamulia.ac.id,
⁴ sparta@ibs.ac.id, ⁵ ahalik@swins.ac.id

Abstract

The purpose of this community service activity is to contribute to accounting education for MSMEs by implementing several stages, namely bookkeeping and calculating the cost of products that can improve skills in MSME businesses. The implementation of community service activities consists of several stages: The planning stage by conducting observations and preliminary interviews with prospective partners. The stage of carrying out activities in the form of accounting education. The monitoring stage carries out post-test activities which aim to see the problems being faced by MSMEs in preparing financial reports independently. This community service was carried out in Kadudampit village on June 29, 2024. Accounting education was attended by 31 business actors consisting of three villages, namely tourism MSMEs, processed food MSMEs, trade and agriculture MSMEs. The results of the community service evaluation showed that there had been an increase in knowledge in accounting records, although it was not optimal. The preparation of inadequate financial reports and the calculation of the cost of production that was not yet accurate would have an impact on determining the selling price. In this case, there still needs to be assistance until they can be independent in efforts to improve the economy with MSME business strategies in the Kadudampit village environment.

Keywords: Business Strategies, Education, MSMEs

INTRODUCTION

Situation Analysis

The existence of MSMEs plays an important role in Indonesia which is expected to improve the economy of the surrounding community and the Indonesian economy. However, for the existence of MSMEs, the government must provide support for the progress of MSMEs in the future. MSMEs are one form of business that can survive the economic crisis that has occurred in Indonesia and are one of the focuses of the development program initiated by the Indonesian government to continue to develop and advance (Puspita, 2021).

The sustainability of MSMEs is how MSMEs manage their businesses so that they continue. So in running their businesses, MSMEs must carry out financial management properly and correctly. Accounting activities are common for macro business actors, but will be a challenge for micro/MSME entrepreneurs. Good financial management certainly needs to be supported by recording, having documents and preparing financial reports in accordance with the financial accounting standards used by MSMEs. Likewise, the capital deposited in MSMEs can be used and managed transparently and accountably. So that for additional capital, creditors can provide credit to MSMEs according to the financial conditions and performance of MSMEs in the last few periods. Puspita (2021) explains the function of accounting in MSMEs and Accounting is a service activity that produces a set of quantitative information, especially financial information and is an economic entity that is useful in making economic decisions. In this case, accounting education is very important because with the existence of MSME financial reports, business developments can be seen directly in efforts to improve the economy of the community. so this service is very important in how the role of the academic community provides education, guidance to MSMEs for the preparation of financial reports. The first role of MSMEs in the Indonesian economy is as a means to equalize the level of the community's economy. Especially those who are included in the lower middle class. This is because the existence of MSMEs has spread to all corners, even to areas that are far from the development of the times.

Kadudampit District is located in Sukabumi Regency, West Java Province, Indonesia, with two adjacent mountain peaks. Administratively, the two mountains are the peak of Mount Gede and the peak of Mount Pangrango (Profilbaru.com) included in the Kadudampit District area. UMKM in Kadudampit has the potential to utilize human resources around it according to their expertise and experience. Starting from people who will be responsible for the production process, packaging, shipping, to the sales section. Kadudampit District has nine villages, namely, Kadudampit Village, Citamiang Village, Muara Dua Village, Gede Pangrango Village, Sukamanis Village, Undrusbinangub Village, Cipetir Village and Sukamaju Village. Likewise, the boundaries of the Kadudampit District in the north are bordered by Bogor and Cianjur Regencies, in the south it borders Cisaat District and Sukabumi City, while in the east it borders Sukabumi District, then in the west it borders Caringin District. The following is a map of Kadudampit District

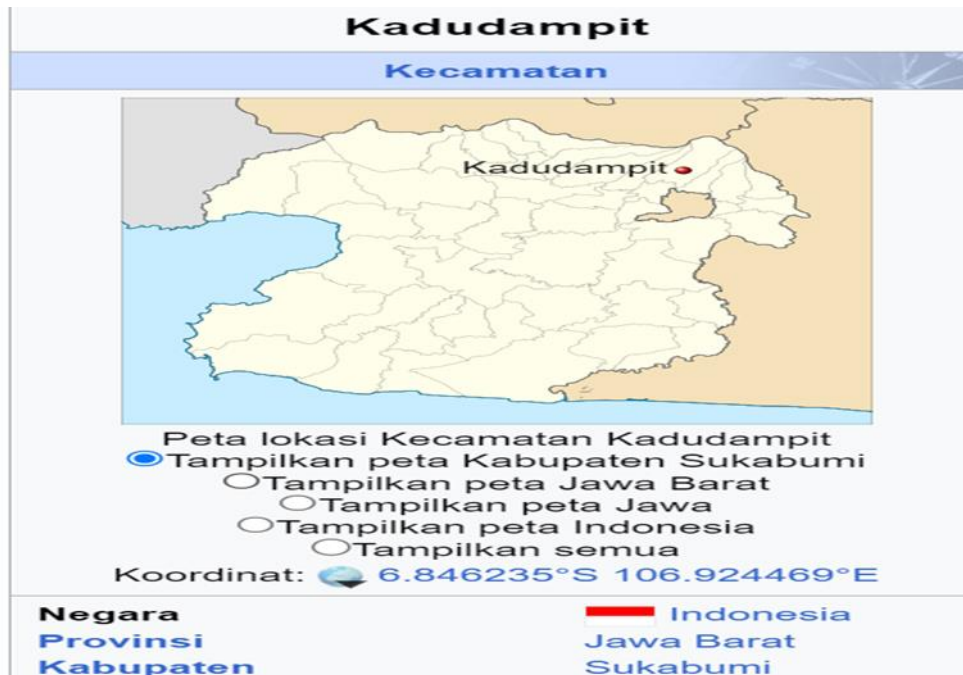


Figure 1. Location Map of Kadudampit District

The ability of MSMEs to create jobs has succeeded in contributing to village income. MSMEs in Kadudampit District, MSMEs that participated were MSMEs from Gede Pangrango Village, Sukamaju Village, Kadudampit Village. They took part in accounting education, starting from recording transactions to preparing simple financial reports. Then how to calculate the cost of production correctly which will be used to determine the selling price which has so far only been determined based on estimates so that MSMEs cannot determine whether their business is at a loss or profit. With the existence of financial reports, MSMEs can make business decisions independently. The results of previous studies that MSMEs can carry out an effective financial management process in business require knowledge of financial management, including financial planning activities, accounting records, financial reporting, and control (Syaula, et al., 2023). Financial management is also needed by MSMEs in order to be able to control finances and develop their businesses in order to improve the local village economy. The hope of this community service is that MSMEs can be independent and consistent in recording all transactions that occur until they present good financial reports, and can make the right decisions to be able to develop and increase income.

Partner Problems

Partners in this service are Micro, Small and Medium Enterprises (MSMEs) which are one of the main pillars of the economy, with the existence of MSMEs can help open new jobs and increase state foreign exchange through corporate taxes. Article 33 paragraph (4) of the 1945 Constitution emphasizes that MSMEs are part of the National Economy that is based on independence and has great potential to improve community welfare. Various efforts have been made by the government to increase the number of MSMEs in each region. The government plays a very important role in providing stimulation to MSME actors to be able to develop and contribute to improving the village economy. in accordance with the theory of industrial

attraction, it explains that the government is making efforts to restore conditions by providing incentives and subsidies, Lincoln (2015).

Likewise, stakeholder theory emphasizes the existence of a one-way relationship between stakeholders and stakeholders, where business actors as stakeholders of the government, society, creditors, and other parties are stakeholders (Ghozali 2020). From previous literature, MSMEs still have quite serious problems, including MSMEs needing the role of parties who provide education and assistance in calculating and preparing financial reports. Therefore, the role of the academic community in carrying out community service contributes to assisting MSMEs both in terms of reporting and business development strategies in improving the regional economy.

From the results of observations and initial interviews with MSME owners in Kadudampit, their understanding of accounting is not yet optimal. They still rely on traditional calculations so that capital needs and daily household needs are inseparable. Academic dedication in education is expected to be able to provide skills to MSMEs to prepare financial reports accurately and correctly. This understanding of accounting will make MSMEs aware of being able to improve their businesses which will end in a stable life/independence of MSMEs to develop their economy.

Financial management is a weakness for MSMEs. This weakness includes administration and financial recording. One of the keys that plays an important role in the progress of MSME businesses is good financial management (Ompusunggu and Sinurat, 2023; Fujianti et al. 2021; Pusporini, 2020). This is evident in many MSMEs failing due to difficulties and failures in financial management which have an impact on the family economy. Some things that cause weaknesses in financial management are that MSMEs have not separated personal assets and business assets. The weaknesses in the calculations and presentations experienced by the MSMEs in Kadudampit village are that most of them have not done bookkeeping (Fujianti et. al. 2022). Bookkeeping has not been done due to several factors as explained previously, namely it is felt to be difficult, takes up their time, and still feels that it is not a priority need.

To facilitate financial education, especially the presentation of MSME financial reports and the calculation of production costs, in this case the community service team will provide solutions to these weaknesses by conducting accounting education from recording and reporting for MSMEs. This is given a pre-test first because bookkeeping based on accounting postulates requires special skills. Meanwhile, planning and recording and determining the cost of production are much easier if you do accounting records. Puspita (2021) said that the function of accounting in MSMEs is to organize records of business activities and present reports related to business activities that have been carried out. Accounting is a service activity that produces a set of quantitative information, especially those financial in nature and is an economic entity that is useful in making economic decisions.

Targets and Outputs

The targets and outputs in this service are providing solutions to problems faced by partners as previously described. In relation to the partner's problems, the solution that will be provided is the provision of training for MSME actors in preparing planning and recording MSME cash funds. The target of this solution is to increase the knowledge of MSME partners

in preparing planning and recording cash before and after training. Knowledge and understanding of accounting and the tenacity of MSMEs in a transparent manner will be able to increase the economy. The targeted outputs in this PKM are the availability of scientific articles and the articles are published in accredited national journals.

METHODOLOGY

The community service method is carried out in the following stages:

a. Initial mapping

With the aim of exploring the problems faced by MSMEs in Kadudampit Village, especially related to financial management and economic improvement.

b. Community Service Preparation

In the preparation of community service, a community service team consisting of various universities was formed to prepare materials and supporting facilities in the form of equipment, certificates and correspondence and coordination with the Village Head.

c. Community Service Implementation

For the implementation of community service, the appointed team provides accounting education in an effort to improve the economy in Kadudampit Village, Sukabumi Regency

d. Evaluation of activities

Evaluation of the implementation of community service is carried out to assess the success of the implementation of community service activities. Evaluation of the success of activities is a systematic process to assess the extent to which an activity has achieved the goals set. Evaluation helps determine whether the activity has been achieved or not in accordance with the desired results that have been achieved according to expectations. Evaluation of success in community service is carried out by providing a post-test related to the material on planning and recording of MSME cash funds. If the average answer after training compared to before training increases, it means that knowledge of the material has increased, thus the purpose of community service has been achieved.

RESULTS AND DISCUSSION

Initial survey

The initial survey was conducted by conducting observations and interviews related to MSME businesses through accounting education in an effort to improve the economy in Kadudampit village, Sukabumi district.

Based on the results of observations and initial interviews with MSME owners in Kadudampit, there are several MSME problems, including not being optimal in accounting records, not all MSMEs can prepare financial reports in accordance with financial accounting standards. The ability of MSMEs to create jobs has not been successful in maximizing their contribution in the form of income. However, MSMEs in improving the village economy are very dependent on the resources and creativity of the surrounding community.

The government is trying to pay high attention to MSME actors because they can have a direct impact on the lives of lower-middle class people. In order to provide solutions to

problems in financial management faced by MSMEs in Kadudampit village, the community service team from academics also contributed to providing education and assistance to MSMEs by providing accounting education to calculate the cost of goods sold. The correct cost of production is used to calculate the margin to be taken. This education is expected to provide skills to MSMEs in preparing financial reports correctly and improving the economy of the community in Kadudampit.

Preparation for implementation

Before the implementation of the community service activity began, the organizing team coordinated to make thorough preparations to ensure that this activity runs smoothly and effectively. This preparation is the key to success in delivering accounting education materials to MSME actors in Kadudampit Village. Preparation for community service was carried out by holding a coordination meeting with the team that would be involved in preparing for this community service, assigning tasks to each team member. These tasks include making PPT materials, those responsible for coordination in the field, those responsible for administration of correspondence and certificates, those responsible for facilities and transportation, and those responsible for finances. Community service materials include the definition of cash, types of cash, benefits of cash planning, benefits of cash recording, how to prepare cash planning and how to record cash. The material is presented in the form of a power point and compiling questions for the post-test.

With all the preparations that have been carried out carefully and comprehensively, the team hopes that this activity will make a positive contribution to improving the accounting knowledge and skills of MSME actors, and encouraging sustainable economic growth in Kadudampit Village.

Implementation of community service

Activities in Kadudampit with a total of 30 participants from a combination of MSMEs, namely from Gede Pangrango village, Sukamaju village and Dampit village.



Figure 2. Atmosphere of training participants

The community service activities were carried out in the form of counseling, practice, and mentoring for 30 participants from UMKM. The training presenters were lecturers from 15 DKI Jakarta universities which are the forum for accounting lecturers in the DKI Jakarta region-IAI KAPD universities. Lecturers were grouped into several groups (Teams) according to their fields of competence, each group provided accounting training materials according to the standards and then monitored directly at the participants' desks to find out whether the ongoing training could be understood. Thus, it is known that the abilities of the training participants and the businesses that have been run so far have been effective and efficient according to expectations.



Figure 3. Presentation of product cost determination from the PKM Team



Figure 4. Presentation of accounting material by the PKM Team

The community service was carried out through lecture and discussion methods. The lecture method is a method of delivering material used to inform, share ideas, or channel knowledge to the audience verbally (Putri et al., 2023; Wahyuni et al., 2024). In this method, the audience generally sits and listens to the explanation of the material given by the speaker. The speaker team explained about cash planning and recording using a printout of the material that had been given in advance to the MSME partners, to make it easier for them to understand. The MSME participants were then guided by an accounting expert, who provided the material in a way that was easy to understand and relevant to their needs. The 30 MSME actors were invited to understand the basics of financial recording and the importance of good bookkeeping for their business. The basic material on financial recording is related to the accounting equation, where participants are given an understanding that assets are the sum of liabilities and capital, for example if a business has assets of 10 million and debts of 3 million, then the capital they have is 7 million. Another term for capital is net assets, where net assets are obtained from assets minus liabilities. Participants are directed that in business, net assets are what will be maximized by increasing sales and cost efficiency so as to generate profit. The higher the profit, the more it will increase capital or net assets. For simple financial reports, participants are given an understanding that the order of reports that must be made is a profit and loss report, a statement of changes in capital, a statement of financial position or balance sheet, and a cash flow statement. In order to improve the economy of the community and MSMEs, there are several things that must be done as explained below.



Figure 5. Discussion with PKM Participants

MSMEs must be able to establish good relationships with customers, because in building an MSME business, customers are kings with the hope of coming back to buy again. Improve the quality of the products produced, both in terms of taste, price, and packaging. MSMEs are a significant source of income for the community. MSMEs not only create jobs, but also increase community income. By focusing on developing local products and empowering small business actors, MSMEs play a key role in strengthening the local economic ecosystem. How do MSMEs know market needs and utilize social media to sell their products? MSMEs promote using online platforms. in accordance with technological developments and continue to innovate 3.4 Activity Evaluation

After the implementation of community service activities on "Development of MSME Businesses Through Accounting Education in Economic Improvement Efforts in Kadudampit Village, Sukabumi Regency", an evaluation was conducted to assess the success and impact of the activity. One of the evaluation methods used was the provision of a post-test related to the material on planning and recording MSME cash funds.



Figure 6. Participants Taking the Post Test when the counseling is finished

The post test was given to 30 business actors consisting of three villages, namely tourism MSMEs, processed food MSMEs, trade and agriculture MSMEs. The results of the evaluation showed that 90% of MSME participants were able to prepare good accounting after participating in the community service activities.



Figure 7 Photo together with the PKM Team

CONCLUSION

The community service has been implemented in Kadudampit Village, Sukabumi Regency. The community service was attended by 30 business actors consisting of three villages, namely tourism MSMEs, processed food MSMEs, trade and agriculture MSMEs. The implementation of education went according to the schedule and time specified. Monitoring in the field, the results were not optimal, but they were able to make reports according to their estimates, after the training they were able to follow. The purpose of this community service is to help solve MSME problems related to the accounting process starting from adequate accounting records to determining the cost of goods and preparing financial reports. Where financial reports can be used as a basis for decision making to develop business and creativity and the use of appropriate technology. Businesses that develop independently can improve the local village economy. The results of the evaluation conducted using the post-test method showed that 90% of MSME participants were able to prepare good accounting after participating in the community service activities. Overall, it can be concluded that the objectives of the community service implementation have been achieved, although not yet 100% maximum, and there needs to be continuous evaluation from academics in particular so that MSMEs can be independent and develop



Figure 8. Group Photo of PKM Team and Participants after the Activity

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