

TRAINING OF MSME BOOKKEEPING: INCREASING FINANCIAL PERFORMANCE OF “ARIMBI” BATIK BUSINESS GROUP, PURWOREJO REGENCY

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ABSTRACT

Batik craft is one of the businesses in the creative industry. The batik craft business is an alternative business for the residents of Kedungkamal Village, Grabag District, Purworejo Regency. This batik craft business is classified as a small and medium business. Batik craftsmen are members of the Arimbi Batik Group. The production process is carried out by batik craftsmen while the sale of the products is carried out by the Arimbi Batik Group. The management and members of this group have not implemented an effective bookkeeping system for business development. This is because the level of awareness of batik craftsmen in implementing bookkeeping is still low. Business bookkeeping is considered complicated. The service activity aims to provide 1) an understanding of the benefits of bookkeeping for businesses, 2) training in bookkeeping practices that are suitable for batik craft businesses, and 3) increase the motivation of participants to manage finances professionally to be able to improve the sustainability of their business. Methods: Service activities are carried out in the stages of preparation, training, mentoring, and evaluation. The implementation of activities includes the provision of material with lecture techniques and question and answer followed by discussion. The material is given face-to-face and in a personal consultation. Results: The management and members of the Arimbi Batik Group can identify financial transactions can record financial transactions can compile simple financial reports. The motivation of activity participants to manage finances properly is increasing. Conclusion: The implementation of the activity was attended by all administrators and members of the Arimbi Batik Group. Participants realized that recording business books was very important to improve the sustainability of their business. Participants were enthusiastic to learn more about computerized bookkeeping.

Keywords: training, MSME bookkeeping, batik craft business, ARIMBI

1. BACKGROUND

Micro, small and medium enterprises (MSMEs) can become the backbone of the national economy. MSMEs are considered capable of encouraging investment and employment that can boost economic growth. MSMEs need to be empowered optimally to develop their business potential. One way to empower MSMEs is to apply correct and appropriate accounting for business actors in running their businesses. The accounting function for MSMEs is fundamental to making decisions. The fundamental thing in the MSME accounting system is related to the presentation of simple financial statements. MSMEs have unique characteristics so they need to apply accounting according to the needs of MSMEs themselves (Putranto 2020). As the business grows, it requires micro-enterprises to connect with the company's external parties. The bank or financial institution as an external party will usually require financial reports to assess the creditworthiness of the business so that the management of working capital can be identified (Bustomi, et al. (2021). Istanti et al (2020) stated that the main problems faced by MSMEs are: limited knowledge possessed in business management related to the preparation of financial statements. Financial reports will help MSME owners a lot in developing their businesses, besides that information on business prospects can also be known.

MSMEs in Purworejo Regency are engaged in various industrial fields, including food and beverages, crafts, agriculture, and so on. One of the MSMEs in the craft sector is the batik craft. A batik craft business is an alternative business for residents of Kedungkamal Village, Grabag District, Purworejo Regency. The existence of the batik craft business was initiated by the efforts of the Purworejo Regency Government to empower the community. One of these efforts is to provide batik training to housewives. After the batik training, the trainees were given facilities to open a batik business. Until now batik craftsmen are still operating, so the government of Purworejo Regency provides continuous training and promotional facilities through exhibitions. This batik craft business is classified as a small and medium business. ARIMBI Batik Business Group is a forum for batik craftsmen in Kedungkamal Village, Grabag District, Purworejo Regency. The production process is carried out by batik craftsmen while the sale of the products is carried out by the Arimbi Batik Group.

The management and members of the ARIMBI Batik Business Group have carried out simple financial records but have not implemented a systematic bookkeeping system. Systematic bookkeeping is useful for obtaining business financial information, for example, profits earned, and production costs, and can be used as a condition for MSME

actors to obtain external funding or government assistance. MSME actors in general have not implemented the bookkeeping system properly. The level of awareness of MSME actors in implementing bookkeeping is still low, assuming that implementing a bookkeeping system is a difficult and complicated activity (Agustina et al, 2019). This is also felt by the Management and Members of the ARIMBI Batik Group. One solution to overcome this problem is to provide training in bookkeeping practices to the Management and Members of the ARIMBI Batik Group in Kedungkamal Village, Grabag District, Purworejo Regency.

This service activity aims to provide 1) an understanding of the benefits of bookkeeping for businesses, 2) training in appropriate bookkeeping practices for batik craft businesses, and 3) increase participants' motivation to manage finances professionally to be able to improve business sustainability.



Figure 1. Products of Arimbi Batik



Figure 2. Arimbi Batik

2. METHOD

Service activities are carried out in the following stages:

- Preparation. This stage is done by observation technique. Observations were made to dig up information on business processes and problems faced by batik business actors who are members of the ARIMBI Batik Group in Kedungkamal Village, Grabag District, Purworejo Regency.
- Training. This stage is carried out with lecture and question and answer techniques followed by discussion. The training materials provided are benefits and accounting procedures,
- Accompaniment. This stage is carried out employing personal consultation.
- Monitoring and evaluation. This stage is carried out by the service team to monitor and evaluate the consistency of the trainees in implementing the bookkeeping system.

3. RESULT AND DISCUSSION

Bookkeeping practice training activities are given to batik craft business actors who are members of the ARIMBI Batik Group in Kedungkamal Village, Grabag District, Purworejo Regency. The activity was carried out during July - September 2022 with stages 1) preparation by observing, 2) implementing training, 3) personal assistance, and 4) monitoring and evaluation

Preparation phase

Preparatory activities consist of direct observation, determination of training materials, and preparation of training schedules. Observations were made to dig up information on business processes and problems faced by batik business actors who are members of the ARIMBI Batik Group in Kedungkamal Village, Grabag District, Purworejo Regency. Observation activities were carried out three times during July 2022. First, telephone interviews with the management of the ARIMBI Batik Group. The information obtained is that batik business actors have made simple financial records and have not been able to practice the correct accounting system. For example, 1) Business actors do not understand the cost of batik production, especially the use of assets, and 2) Business actors do not understand the calculation of gross profit and net profit. In addition, business actors still consider the implementation of the accounting system a complicated activity. After discussing with the ARIMBI Batik Group Management, it was decided that community service activities to be carried out immediately were to conduct socialization and training in bookkeeping practices to maintain business continuity. The training activities are set for August followed by personal mentoring.

Training Activities

This activity begins with the introduction and understanding of bookkeeping which focuses on the importance of financial management practices to know the profit or loss position of the business. The implementation of activities includes the provision of material followed by discussion. The training participants are all batik craftsmen who are members of the ARIMBI Batik Group in Kedungkamal Village, Grabag District, Purworejo Regency. This activity aims to assist batik craftsmen in re-analyzing financial aspects, among others, by evaluating financial income and expenditure, classifying the types, and carrying out financial records.

The material given to participants is business finance practices. The material covers the benefits, procedures, and practices of bookkeeping. The material is adapted to the needs of the batik craft business, namely simple and systematic bookkeeping. Clear financial management, both in the form of money in and money out as well as the systematic recording will make it easier to determine operating profit, maintain business continuity and avoid business bankruptcy.

The transaction cycle in an accounting information system generally consists of a revenue cycle, an expenditure cycle, a production cycle, a human resource management/payroll cycle, and a financing cycle. Not all cycles must exist in a business entity, especially MSMEs. Large companies engaged in manufacturing can certainly contain the five transaction cycles. In contrast to MSMEs, especially micro businesses that are engaged in the production of finished goods in the form of food, from the five transaction cycles only a few transaction cycles may be included. The difference in the transaction cycle between one MSME and another lies in the complexity of the transaction cycle (Putranto, 2020). All financial transactions are recorded in the general ledger, consisting of cash, orders, inventories, accounts receivable, accounts payable, sales books, purchase books, and expenses books. In principle, one transaction requires a minimum of two books. For example, expenses will be recorded in the general ledger: cash and expenses (Hapsari et al, 2017). Every financial transaction must be proven by a document called proof of transaction, for example, receipts, invoices, and so on.

For example, recording sales and purchases transactions can be seen in the following table:

Table 1. General Ledger of transactions

<i>Sales Transactions</i>	
<i>Cash Sales</i>	<i>Credit Sales</i>
1. Sales account	1. Sales account
2. Cash	2. Account peceivable
3. Inventory	3. Inventory
<i>Purchase Transactions</i>	
<i>Cash Purchase</i>	<i>Credit Purchase</i>
1. Purchase	1. Purchase
2. Cash	2. Account payable
3. Inventory – Raw materials	3. Inventory – Raw materials

(Hapsari dkk, 2017)

Table 1 shows that in the accounting recording process each transaction will affect the recording in other books, therefore if you look closely, you will see a link between one book and another if a business transaction occurs. Based on the notes in each book, batik business actors can make a simple financial report. The financial statements prepared by small business owners consist of an income statement and a statement of financial position.

- a. Income statement is a form of financial report that contains information about income earned with expenses incurred which are recorded in a certain period.

The following is an example of Income Statement for the ARIMBI Batik.

ARIMBI Batik INCOME STATEMENT For Year Ended December 31, 2022 (In Rupiah)	
Revenue	48.000.000
Expenses :	
Raw materials expense	12.000.000
Salaries and wedges expense	10.000.000
Transportation expense	1.500.000
Rent store expense	5.000.000
Utilities expense	1.000.000
Depreciation expense – Equipment	1.500.000
Selling and operating expense	2.000.000
Total Expense	35.000.000
Operating Income	13.000.000

Figure 3. Sample of the Income Statement

- b. The Statement of Financial Position is a form of financial report that contains information on current assets, fixed assets, liabilities, and equity (assets) of the company's owners which are made within a certain period.

ARIMBI Batik BALANCE SHEET For Year Ended December 31, 2022 (In Rupiah)	
Assets	
Cash	18.000.000
Account receivable	5.000.000
Inventory	39.000.000
Equipment	8.000.000
Total Assets	70.000.000
Liabilities	
Accounts payable	12.000.000
Total Liabilities	10.000.000
Equity	
Capital	35.000.000
Retained earning	23.000.000
Total Equity	60.000.000
Total Liabilities and Equity	70.000.000

Figure 4. Example of the Statement of Financial Position

Bookkeeping can be done manually and by application. Manual bookkeeping requires accounting knowledge which may be difficult for MSMEs to understand. Bookkeeping based on technical accounting applications has been run by the system, while the user only needs to input existing data into the application system (Fujiyanti et al, 2022). The process of manual financial recording requires more accuracy to obtain accurate results. Multiple checks need to be done to avoid errors in the calculations. Sales transactions in newly started businesses may still be carried out by manual recording, but when SMEs have made many transactions, technological assistance is needed, especially financial recording applications to facilitate the recording process in SMEs. With an effective and efficient recording process, SMEs can more easily record transactions and obtain more accurate accounting information. The use of applications can provide benefits in terms of time, energy, and thought. Several accounting applications can be used by MSMEs, such as the SME Accounting Mobile application developed by a mobile application startup called Wiinfeel Indonesia, MSME Go Online launched by the government, and SI APIK developed by Bank Indonesia.

Sistem Informasi Aplikasi Pencatatan Informasi Keuangan (SI APIK) is an application for recording financial transactions that can be used by MSMEs to facilitate the management of business funds. This application was developed by Bank Indonesia to make it easier for MSMEs to overcome difficulties in recording financial transactions and to assist in the preparation of financial reports that comply with accounting rules. SI APIK is designed systematically and simply based on guidelines for recording and financial reports for micro and small businesses so this application already has financial recording standards for MSMEs. SI APIK has a mainstay feature where the application has referred to the special MSME standards compiled by BI together with IAI and users can use it without the need to have basic accounting knowledge (Debit/Credit). The APIK will make it easier to record financial information that can help entrepreneurs, especially MSMEs, to be able to make balance sheets, financial reports, and profit and loss through android phones. Users only input transactions in the form of income or expenses, which will then be processed by the system as financial reports. This application system can be used by all MSME entrepreneurs by downloading the program for free via Android phones on Google Playstore.

Mentoring Activities

This stage is carried out employing personal consultation. Mentoring activities begin by providing practice questions that must be done by mentoring participants. Followed by identifying the data needed for the preparation of financial statements. All data is simulated in the recording table on the general ledger followed by the preparation of financial statements consisting of Income Statement and a Statement of Financial Position.

The activity was followed by a private consultation. This activity is to provide guidance to participants who have difficulty in doing business bookkeeping. It is expected that all participants will be able to prepare reports for their business during the mentoring activities. Thanks to the very high enthusiasm in participating in the training, at the end of the mentoring activity the participants were able to independently complete the Income Statement and Statement of Financial Position. Participants are expected to be able to immediately implement training materials in running their batik craft business and obtain benefits for business continuity.

4. CONCLUSION

The implementation of the activity was attended by all administrators and members of the Arimbi Batik Group. Participants realized that recording business books was very important to improve the sustainability of their business. Participants were enthusiastic to learn more about computerized bookkeeping. At the end of the training activity, the management and members of the Arimbi Batik Group can identify financial transactions, can record financial transactions, and can compile simple financial reports. The motivation of activity participants to manage finances properly is increasing. Participants expect to be given further training on digital bookkeeping practices. The implementation of further training can add aspects of monitoring and evaluation regularly to measure the effectiveness of training and mentoring. This training model can be used as a complementary mentoring model for government agencies that routinely guide batik craftsmen in Purworejo Regency.

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