

Financial Accounting and Management Accounting Training for MSMEs at the Annisa Bandung Cooperative

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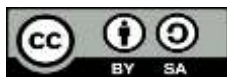
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ABSTRACT

One of the internal problems faced by MSMEs is that the transaction records is still extremely simple, and many have not even done that yet. 85.19% of MSMEs in the Annisa Bandung Cooperative do not carry out accounting records in an orderly manner. However, it is important for MSMEs to carry out the accounting recording process to support the fluidity of their business activities. For this reason, it is important to hold training, that aim to provide knowledge and understanding of financial and management accounting so that MSME practitioners be able to apply it to their business activities. The methodology used in community service activities in the form of training is a service learning approach. Meanwhile, the implementation method is preparation, implementation and evaluation. The results of the training activities, namely that the level of knowledge of participants increased by 34% and the level of understanding increased by 44.44%, were said to be successful because this value reached more than 25%. Participants will apply the accounting records that are trained in their business activities as follows: (1) cash flow as much as 48.16%, (2) cash flows, profit and loss statements and inventory books as much as 44.44% and (3) inventory books as much as 7.4%.

INTRODUCTION

The majority of businesses in Indonesia are micro, small and medium enterprises (MSMEs), reaching 99.99% of the total businesses in Indonesia or 65.5 million recorded in 2019. Meanwhile, large businesses are only around 0.01% of the total businesses or around 5.6 thousand in number. MSMEs in Indonesia include 64.6 million micro businesses, while 798.7 thousand are small businesses and 65.5 thousand are medium businesses.

MSMEs have been a pillar of the Indonesian economy because they play an important role in contributing to gross domestic product (GDP) and employment. As of March 2021, the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkopukm) recorded the contribution of MSMEs to gross domestic product at current prices at 61.07% or reaching IDR 8,574.89 trillion. In 2020 it reached 60.16% or IDR 9,285.1 trillion. In 2019 it was valued at IDR 9,580.8 trillion or 60.51%, and in 2018 it was valued at IDR 9,062.6 trillion or 61.07%.

Meanwhile, its contribution to labor absorption in 2021 is 96.9% of the total workforce. In 2020, it decreased by 39% compared to the previous year or absorbed approximately 57.92% (Yudistira, 2022). In 2019 it reached 119.6 million workers, equivalent to 96.92% of the total in Indonesia. This number increased by 2.21% compared to 2018, namely 117 million people or 97%. The growth trend for these two indicators had decreased due to the impact of the Covid 19 pandemic, but then as the economy continued to improve, the trend increased again.

However, on the other hand, there are still several internal problems faced by MSMEs, one of which, as revealed in Farwitawati's (2018) research, is that the simple transaction records of

MSMEs, namely in the form of income and expenditure records. This results in the records that has been carried out which is not reflecting the actual financial condition of MSMEs, thus causing errors in financial management and even of the decision making in the business.

Another problem that human resources, in MSMEs in Istan's research (2023), was stated that must be carried out so that the performance of MSMEs can be even (Istan, 2023). Regarding these resources, one of them is that knowledge in the accounting field is still relatively small. In fact, MSMEs need to carry out an accounting process to support the fluidity of their business activities. For this reason, it is necessary for MSME practitioners to obtain this knowledge which can be obtained through training, this is in line with the results of Zulfa's research (2017). The statement in Lusy's research (2023) strengthens this, namely that human resource competence and the application of financial accounting standards (SAK) influence the quality of financial reports (Lusy, 2023). Meanwhile, the quality of financial reports will provide accurate information so that business practitioners can make the right decisions, in line with the statement in Hanifah's research (2023) which states that accounting provides information to the decision makers to make business or financial decisions (Hanifah, 2023).

Cooperatives are a type of microfinance institution (LKM) under the non-bank financial industry. Cooperatives are a financial institution that has an important position and plays an important role in the development of MSMEs. In Fatimah's research (2022), it was revealed that the role of cooperatives includes supporting the empowerment of MSMEs through strengthening the business activities and financing in order to actualize economic development goals (Fatimah, 2022). The foundation for the affirmation of the role of cooperatives and MSMEs in developing the national economy is strengthened through Law of the Republic of Indonesia Number 11 of 2020 concerning Job Creation. This was then confirmed and strengthened by Republic of Indonesia Government Regulation Number 7 of 2021 concerning Convenience, Protection and Empowerment of Cooperatives and MSMEs. Cooperatives are expected to play their role as the activator and the advocate of equitable national development (Indriani, 2022).

Sharia cooperatives are cooperatives whose operations are based on sharia principles. The Annisa Sharia Cooperative located in Bandung has approximately 300 members, approximately 20% of the members are MSMEs practitioners. As with the results of Farwitawati's research mentioned above, almost the majority of MSMEs in the Annisa Cooperative still carry out simple records in the form of income and expense records, and have not carried out proper financial management and made the right decisions in business. However, these MSMEs still have great potential to advance and develop which will ultimately play a role in economic development in Indonesia. Thus, it is still necessary to carry out financial accounting and management accounting training for MSME practitioners at the Annisa Bandung Cooperative. The aim is to provide knowledge and understanding of financial accounting and management accounting so that MSME actors can apply it in their business activities.

Based on the background above, the author and several facilitators from universities held community service activities using the *service-learning* methodology entitled "Financial Accounting and Management Accounting Training for MSMEs at the Annisa Bandung Cooperative". Financial accounting and management accounting training activities for MSMEs at the Annisa Bandung Cooperative are activities that have never been carried out before. Through this activity, it is expected that MSMEs, the Annisa Cooperative, lecturers and universities will get benefits.

IMPLEMENTATION METHOD

Place, time and schedule of events. This community service was carried out at the Annisa cooperative hall in Bandung. The implementation time is on Tuesday 17 October 2023 starting from 08.00 until finished, with the schedule of events including preparation, implementation and evaluation.

Target audience. The target audience for financial accounting and management accounting training participants are MSMEs who are members of the Annisa Bandung Cooperative. Participants were 30 people.

Service Methodology. The methodology used in this community service activity is the service learning approach, which is a learning method that focuses on practical aspects based on the concept of experiential learning. The service learning approach is an activity that combines academic learning, practical experience and community involvement, carried out so that the campus plays an actual role in community service activities (Afandi, 2022).

This community service activity involved several lecturers from universities from the economics faculty and administrators of the Annisa Bandung cooperative. The training is intended to increase participants' knowledge and abilities in creating accounting records, increasing understanding of finance and management accounting. The academic learning is financial accounting and management accounting. The practical experience is providing financial accounting and management accounting training for MSMEs practitioners. Meanwhile, community involvement is from MSME practitioners in the Annisa Bandung Cooperative. Through this training, it is expected that MSMEs will be able to make appropriate accounting records, financial reports and adequate business decisions.

This training is based on relevant theories, namely:

Financial Accounting is the art of recording, classifying, summarizing and reporting financial transactions in a systematic manner and based on established standards (Bahri, 2016). Accounting is an information system used to process data from a transaction into financial information, namely in the form of financial reports (Samryn, 2018). Thus it can be said that accounting activities include input, process and output. The input is in the form of financial transactions. The process are starting from journal records, classification in the ledger, and summary in the trial balance which is known as the accounting cycle. Meanwhile, the output is in the form of financial reports. Financial reports generally include: profit and loss statement or income statement, capital statement, balance sheet (statement of financial position) and cash flow report. MSME financial reports according to SAK EMKM (Financial Accounting Standards for Micro, Small and Medium Entities) consist of: (1) Statement of Financial Position (Balance Sheet), (2) Profit and loss statement, and (3) Notes to Financial Reports (CALK).

Management Accounting according to Halim (2013) in Garaika (2020), is a process that produces financial information for management as a basis for decision making in order to carry out management functions. The aim of management accounting is to present financial information that is accurate in terms of relevance and timing, to meet management's needs in making effective decisions. One of the financial information is in the form of financial reports.

Success Indicators. The indicator of success of the training is the increase in knowledge and understanding of MSME cadres regarding the financial accounting and management accounting cycle in the good category by 25% which can be proven by test results before and after the training (Akbar & Suryanti, 2022).

Evaluation Method. The evaluation method used is using a questionnaire in the form of a pre-test and post-test related to training (Agustini, Nugroho, Setyowati, Tjahjadi, & Astuti, 2022).

The questionnaire includes questions related to practices that have been carried out through training. After the questionnaire is filled in by the MSMEs, it is handed back to the team.

RESULTS AND DISCUSSION

Preparation

At this preparatory stage, a problem analysis is carried out with participants and cooperative administrators to analyze training needs for MSMEs. After determining priority needs, the next step is to design the entire training program, aligning the material with the training needs for financial accounting and management accounting for MSMEs. Then, develop, compile and create training materials, evaluation materials and training event schedules.

Financial Accounting and Management Accounting Training for MSMEs at the Annisa Bandung Cooperative

This training activity is carried out on Tuesdays starting in the morning at 08.00 until finished, the series of training activities are as follows:

Pre-test

In the initial stage, a pre-test was carried out on participants. This pre-test functions to determine the knowledge, understanding and application of financial accounting and decision making of MSME practitioners (Agustini, Nugroho, Setyowati, Tjahjadi, & Astuti, 2022). The number of participants attended was 90%, namely 27 participants out of 30 who registered. Table 1 shows the distribution of participants' latest education, namely 11.11% were junior high school graduates, 59.27% were high school graduates, then 11.11% were diploma graduates and 18.51% were bachelor graduates.

Table 1. Distribution of Participants' Last Education		Table 2. Age distribution of participants	
Graduate of	Percentage	Age	Percentage
Junior High School	11.11%	20-30 years	7.41%
Senior High School	59.27%	40-50	70.37%
Diploma	11.11%	>50 years	22.22%
Bachelor	18.51%		

The age distribution of participants is shown in table 2, namely between the ages of 20 and 30 years as much as 7.41%. Ages over 30 to 40 years were 70.37% and ages over 50 years were 22.22%. Meanwhile, the distribution of business types of MSME participants is shown in table 3. 25.93% of participants are engaged in service businesses and 44.44% in trading businesses and 29.63% are engaged in processing businesses (processing from raw materials into finished goods).

Table 3. Distribution of Participant Business Types		Table 4. Performing Accounting Records	
Type of business	Percentage	Answer	Percentage
Service business	25.93%	Not yet	66.67%
Trading business	44.44%	Sometimes	18.52%
Processing business	29.63%	Already	14.81%

The participant's response to the first pre-test question asking whether the participant had previously carried out accounting records is shown in table 4. The second question, namely what records have been carried out, the answer is shown in table 5. The answer to the third question, namely whether they have ever attended similar training, is shown in table 6.

Table 5. Notes that have been made		Table 6. Have Participated in Similar Training	
Answer	Percentage	Answer	Percentage
As is known	33.33%	Not yet	81.48%
No answer	66.66%	Already	11.11%
Records correspond to the accounting cycle	-	I want to, but haven't had the chance yet	7.41%

The results obtained show that the majority of MSMEs have not carried out accounting records, namely 66.67%. Participants who had recorded their records still used simple transaction records or financial records at 33.33%, in fact 66.66% could not answer because they still lacked knowledge of financial records. Not a single participant answered whether they had kept financial records in accordance with the accounting cycle. Then, of the 27 participants, 81.48% had never participated in similar training, 11.11% had and 7.41% wanted to but had not had the opportunity to take part. So, participants are require training of financial accounting and management accounting, this is in line with Zulfa's (2017) research.

Implementation of Activities

The next stage is the implementation of financial accounting and management accounting training. The first session is to provide introductory material. According to participants' needs, the material provided does not yet include a complete accounting cycle. According to the results of the needs analysis and pre-test, the accounting records required are (1) Cash Flow, (2) Profit and loss statement, and (3) Inventory Book. Therefore, the material provided is appropriate to the three types of financial records.

The second session was to practice manually by being given practice questions to work on individually with the guidance of the facilitators. In carrying out this practice, participants have been provided with financial record formats by the facilitator. In this session, first, practicing in and out cash record in the cash flow (Figure 1), then after completing the work, participants simulate if the cash balance record matches the physical amount of money in the safe. After that, simulate if the cash balance record does not match the physical amount of money in the safe, there is a difference of more or less.

The second practice is to make an proffit and loss report from the same practice questions. The proffit and loss statement in practice is very simple. The elements of the profit and loss statement are income or sales minus costs, including if the perpetrator will take business money for personal or private purposes (Figure 2). After participants calculate the results of profit or loss, they then simulate these results for subsequent business operational activities.

The final practice is to keep inventory records. Inventory records are kept in detail, including balances and every purchase or sale of inventory (Figure 3). After completing these records, participants carried out a simulation of equating the inventory balance record with the physical inventory count. From these simulations, participants can draw conclusions, including: business money is not mixed with personal (household) money, money for personal matters (prive) reduces income or sales, what will participants decide if the amount of physical cash is excessive or insufficient, when is the time to order inventory and is there enough cash to buy the inventory, what is the sales turnover and increase income.

85.19%, an increase of approximately 34%, according to Akbar & Suryanti (2022) said the training results were in the good category because they exceeded 25%. Participants who kind of understood were 14.81% of the participants who were over 50 years old. Table 8 shows the number of participants who get benefit from the training, as many as 96.3% said it was very useful while the remaining 3.7% said it was normal because these participants had already attended training and carried out financial accounting records. Table 9 shows that 3.7% of participants who will apply accounting practices in their business activities expressed doubts and 96.3% would do so, an increase of 44.44% who before the training had not carried out financial accounting records. This illustrates an increase in the participant's understanding level (Akbar & Suryanti, 2022). Table 10 is a recapitulation of participants' statements regarding what financial accounting records will be carried out: (1) 48.16% will carry out cash flow recording activities, (2) cash flow, profit and loss statement and inventory book 44.44% and (3) book inventory as much as 7.4%. Participants who stated that they would make a cash flow first because they had reason would do it in stages first, while those who would make an inventory book because they had previously made cash flow records and profit and loss statement.

Table 7. Understand		Table 8. Benefits	
Answer	Percentage	Answer	Percentage
Not yet	-	No	-
Kind of understand	14.81%	Just normal	3.7%
Already	85.19%	Very helpful	96.3%

Table 9. Will Apply		Table 10. Notebooks that will be implemented	
Answer	Percentage	Answer	Percentage
No	-	Cash Flow	48.16%
Doubtful	3.7%	Cash Flow, Profit and Loss St, and Inventory Book	44.44%
Will be done	96.3%	Inventory Book	7.4%

Activity Success

The results of the post test above illustrate the increase in participant's knowledge and understanding of financial accounting and management accounting training. This is shown by the level of knowledge of participants after attending the training, namely 85.19%, an increase of approximately 34%, where previously it was 66.66%. The level of understanding shown by the participant's need to apply the results of previous training was 96.3%, an increase of 44.44% from 66.67%.

CONCLUSION

Financial accounting and management accounting training for MSMEs at the Annisa Cooperative can be carried out well, and provide good results by looking at the results of the pre-test and post-test. The success of the training was demonstrated by an increase in the knowledge and understanding of the training participants, namely the level of knowledge increased by 34% and the level of understanding increased by 44.44%. Meanwhile, participants will apply the accounting records that are trained in their business activities as follows: (1) cash flow as much as 48.16%, (2) cash flows, profit and loss statements and inventory books as much as 44.44% and (3) inventory books as much as 7.4%.

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