

FINANCIAL MANAGEMENT AND BOOKKEEPING OF MSMEs LEATHER CRAFTSMEN SUKARENGGANG

Indupurnahayu ^{1*}, Sparta ², Bramastyo Bontas Prastowo ³, Shanty Lysandra ⁴

^{1,3} Universitas Ibn Khaldun Bogor

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

Email: indupurnahayu@uika-bogor.ac.id

² 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

⁴ 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

Abstract

This Community Service Program (PKM) aims to enhance leather artisans' understanding of the importance of bookkeeping in business at the Sukaregang Leather Centre, Garut City. The problems faced by MSME leather artisans include a lack of knowledge and skills in financial management, bookkeeping, and the preparation of basic financial statements. The solution offered is to provide training on financial management and bookkeeping. The results of this program show a significant improvement in knowledge regarding financial record-keeping, bookkeeping, and the preparation of basic financial statements. Thus, this Community Service Program (PKM) has had a positive impact on enhancing the potential of Garut's MSME leather artisans for the future.

Keywords: Financial Management, Record-Keeping, MSMEs

INTRODUCTION

The Micro, Small and Medium Enterprises (MSMEs) sector plays a role as the backbone of the Indonesian economy, as shown by its contribution of more than 60% to the national Gross Domestic Product (GDP) and absorbs almost 97% of the workforce, and to date the number of MSMEs has reached more than 64 million business units (Coordinating Ministry for the Economy, 2024).

In addition to contributing to GDP, MSMEs also play an important role in job creation. In the midst of high unemployment and underemployment rates in Indonesia, MSMEs are one of the important solutions in providing job opportunities for the community. Based on data from the Central Statistics Agency (BPS), MSMEs provide jobs for millions of people across the country, especially in rural areas that are often undertouched by a large investment.

Gross Domestic Product (GDP) is a measure of economic performance that reflects total national income and expenditure on goods and services (Naila & Abubakar: 2024). The purpose of GDP is to summarize economic activity in the value of money over a period of time.

Neoclassical economic growth theories, such as Solow's model, explain the interaction between capital growth, labor force growth, and technological advances in the economy. This model helps to understand how these factors affect the output of goods and services of a country as a whole (Safina, et al:2024). In the context of this theory and concept, economic growth is the main focus in analyzing and understanding the economic dynamics of a country. With a good understanding of economic growth, economic policies can be designed to stimulate sustainable growth and improve people's well-being.

MSMEs play an important role in a country's economy by providing jobs, encouraging innovation, and supporting inclusive economic growth (Sartika et al., 2023). The crucial role of micro, small, and medium enterprises along with their development limitations has made the development of micro and small businesses one of the strategies taken by the government to encourage economic growth. Financial management plays a vital role in the context of MSMEs, where finances that are managed transparently and accurately can have a positive impact on the business. However, the lack of attention from MSME actors to the importance of financial management can be an obstacle to the sustainable development of MSMEs in the framework of economic development. However, MSMEs often face challenges in managing their finances efficiently and effectively. Some of the main problems faced by Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the economy in many countries in the world, both developed and developing. In Indonesia, MSMEs have a very vital role for the economy. Its biggest contributions include: MSMEs contribute more than 60% to Indonesia's GDP, MSMEs absorb more than 97% of the total workforce in Indonesia, MSMEs are spread throughout Indonesia and become economic drivers at the local and regional levels, MSMEs provide various goods and services needed by everyday people, from food and beverages to clothing and household furniture. In carrying out MSME activities, they still face the following challenges: (Muhammad Suras et al., 2024).

1. **Limited access to financial resources:** Many MSMEs struggle to get access to enough capital to start or grow their businesses. Financial institutions are often hesitant to provide loans to MSMEs because of the perceived high risk.
2. **Lack of financial management knowledge and skills:** Many MSME owners have good business skills, but they may lack understanding of financial aspects such as bookkeeping, financial planning, and financial statement analysis.
3. **Inadequate cash management:** MSMEs often face problems in managing their cash flow. Ignorance about how much money is coming in and out of the company can lead to liquidity issues and result in business failure.
4. **There is no separation of personal and business finances:** Many MSME owners mix their personal finances with business finances. This can lead to difficulties in monitoring business performance and managing taxes.
5. **Inability to deal with financial risks:** MSMEs often lack effective risk management strategies to cope with market fluctuations, inflation, and policy changes.
6. **The use of advanced technology** that is always evolving. MSMEs that are far away are experiencing problems so that they can interfere with their activities

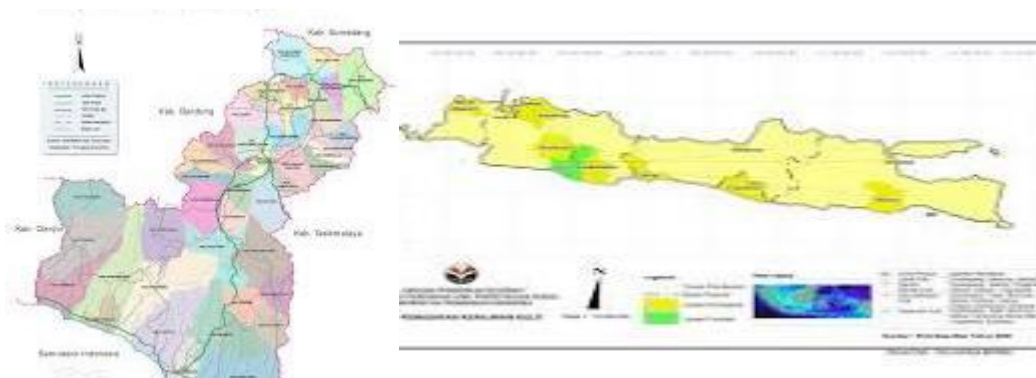
Good financial management is very important for MSMEs because it has a positive impact on various aspects of business and long-term success. This cannot be separated from the government's reach in providing financial literacy in an effort to increase the knowledge of MSME actors so that financial management is carried out properly and correctly. If financial literacy is evenly distributed, MSME actors will significantly begin to organize financial statements according to standards (Ranti & Sartika, 2024).

Regions as objects of community service to the Garut region, West Java. The Garut region was chosen because it has various kinds of peculiarities, both culinary and tourism, produced from the area. In addition, the city of Garut is also called the city of fashion, a well-known producer of leather products in Indonesia whose name has been recognized to foreign countries. In fact, it is incomplete if we do not buy the leather products when we visit this city in the East Priangan region, West Java. For those who plan to look for well-known leather products in this city which is also often referred to as the city of Intan, we just need to come to Jalan Ahmad Yani Garut or known as the Sukaregang Area

Other challenges faced by MSMEs are the development of the business progress of leather craftsmen MSMEs, including: limited mastery of technology, quality of human resources, limited skills and knowledge, market access; the difficulty of penetrating the wider market, both domestic and international, as well as against Regulations and Bureaucracy; The licensing and regulatory process is quite complicated MSME activities in Sukaregang Garut focus a lot on the development of leather crafts. The government has supported through various programs, including training, coaching, and product development to the global market.

This is an effort to achieve the welfare of the community as a whole and sustainable. One of the important solutions offered as a driver of the village economy is to develop entrepreneurship for village communities through Micro, Small and Medium Enterprises (MSMEs) (Ermawati, 2022).

Development of Sukaregang MSMEs:



MSME actors view that the bookkeeping and financial management process is not too important to be implemented and many of them do not understand the importance of recording and bookkeeping for the continuity of their business. So based on this condition, it is necessary to conduct training on financial management and bookkeeping for Leather Craftsmen in Garut who have small and medium businesses in the leather handicraft sector.

Based on the explanation in the situation analysis, the partner's problems are focused on the problems of MSME actors who do not understand the bookkeeping and financial management

process which includes systematic financial recording, so that the participants can manage their business more professionally and sustainably. With good bookkeeping, it is hoped that participants will be able to monitor cash flow, calculate profits, and make more informed business decisions.

METHOD

This community service activity is carried out through three stages, namely preparation and provision, the implementation stage, and the program sustainability plan. *First*, the mechanism for implementing community service activities includes stages: a) preparation and survey of business locations at Sukaregang Leather Centre; and b) interviews with leather craftsmen at Sukaregang Leather Centre.

Second, the implementation of community service activities took place on February 1-2, 2025 at the Sukaregang Leather Centre, involving 32 lecturers or students and 30 leather craftsmen in Garut, with lecturer resource persons who are members of the community service FDAPT IAI KAPd DK Jakarta. The series of events on the first day included a business location survey session and interviews with leather craftsmen, followed by a group discussion of material presenters. On the second day, the event continued with the delivery of material by the speakers and a discussion and question and answer session.

Third, the sustainability plan of this program targets increasing the knowledge of the MSME community in better financial management and administration, which will be supported by the material delivered by the speakers and interactions during the discussion session. It is hoped that this program can provide long-term benefits for the welfare of leather craftsmen at Sukaregang Leather Centre.

RESULTS AND DISCUSSION

MSME activities in Sukaregang Garut focus a lot on the development of leather crafts. The government has supported through various programs, including training, coaching, and product development to the global market. The implementation of Community Service with the theme "Education on Financial Management and Bookkeeping of Garut Leather Craftsmen MSMEs" was held on February 1-2, 2025. The service was held at the Sukaregang Leather Center located on Jl. Ahmad Yani No. 328, Kota Wetan, Garut Kota, Garut 44111, West Java. Counseling on financial management and bookkeeping for MSMEs was carried out in a relaxed atmosphere through the presentation of material and a question and answer discussion with MSME owners.



Figure 1 Counseling on Financial Management and Bookkeeping Materials

This community service program aims to increase the understanding of leather craftsmen about the importance of bookkeeping in business, provide basic skills in recording financial transactions, teach how to prepare simple financial statements, assist craftsmen in managing capital and cash flow of MSME actors, and provide solutions to financial challenges often faced by MSME leather craftsmen. The preparation of activities involves various parties, including lecturers, students, and MSME business actors. Facilities and infrastructure such as stationery, cash books, and presentation materials on bookkeeping are prepared to support the smooth running of training. The business partners involved in this program are mainly actors MSME businesses, especially from Garut Leather Craftsman MSMEs.

No.	Indicator	Before Training	After Training
1.	Knowledge and Skills About the importance of Financial Records	Not yet obtained knowledge and Skills about Financial Recording	Add knowledge and skills regarding Financial Records.
2.	Knowledge and Skills About the Manufacture bookkeeping and Preparation of reports Basic finance	Not yet obtained knowledge and Skills about About the Manufacture bookkeeping and Preparation of reports Basic finance	Add knowledge and skills regarding bookkeeping and preparation Basic Financial Statements

Based on the table above, it can be seen that the implementation of community service programs can be concluded in accordance with targets and objectives. MSME business partners are able to make financial statements, so that they can find out how much business profits, manage cash flow and can predict how to increase their business in the future.

With a collaborative approach, this training is carried out by involving all relevant parties to ensure that the material taught can be well received by the participants. MSME actors and the residents involved gain a better understanding of the importance of bookkeeping in running their businesses.



Figure 2 Photos with Participants (Target Partners)

This program prioritizes the practical aspect, where participants not only learn theory, but also directly apply it in the context of their business. Overall, the implementation of this community service program is running in accordance with the set targets. Business partners who take part in the training are able to manage simple financial books well, which is expected to help them in improving the continuity and development of their business. The program has a significant positive impact on participants, by improving their managerial skills in financial aspects that are critical to long-term business success.

CONCLUSION

Garut leather craftsman MSME actors who have participated in the financial and bookkeeping community service program can be summarized as follows.

1. **Increased Understanding:** Trainees can understand how important financial recording is in leather business.
2. **Practical Skills:** All trainees are able to record and make books and compile simple financial reports.
3. **High Enthusiasm:** The participants actively asked questions and discussed the financial obstacles they faced and overcoming their respective problems.

Suggestion

There is a need for follow-up assistance to be able to record transactions to the preparation of financial reports and be able to implement the results of training in their business fields. It is hoped that these business actors can be independent in developing their businesses with innovation and financial support.

REFERENCES

- Dewi Sartika, Bakti Setyadi, Ade Kemala Jaya, Rosha Fitriani, & Ratri Septianasari. (2024). *EDUKASI PENGELOLAAN KEUANGAN & AKSES PEMBIAYAAN FINTECH PEER TO PEER LENDING BERSAMA MAHASISWA UMKM BINAAN UIN RADEN INTAN LAMPUNG*.
- Effendi, B. (2022). Optimalisasi Pemberdayaan Pelaku UMKM Melalui Edukasi Literasi Keuangan. *NYIUR-Dimas: Jurnal Ilmiah Pengabdian Kepada Masyarakat*, 2(2), 71–76. <https://doi.org/10.30984/nyiur.v2i2.382>
- Fadila, A., Sholihah, D. R., & Nugraheni, S. (2021). Pembinaan Pengelolaan Keuangan dan Pemasaran Digital pada pelaku UKM Kecamatan Ciomas Bogor. *To Maega : Jurnal Pengabdian Masyarakat*, 4(2), 221. <https://doi.org/10.35914/tomaega.v4i2.782>
- Faisol, Moh., Arifin, M., & Yandari, A. D. (2023). Edukasi Pengelolaan Keuangan dan Pajak untuk Keberlanjutan UMKM Pengrajin Alat Dapur. *INTEGRITAS: Jurnal Pengabdian*, 7(2), 403. <https://doi.org/10.36841/integritas.v7i2.3733>
- Fazriyah, S. N., Julianti, E. A. C., Maryama, H. M., Zalianti, R., & Damayanty, P. (2025). Peningkatan Pengelolaan Keuangan melalui Pelatihan Akuntansi Pembukuan. *PUAN INDONESIA*, 6(2), 717–726. <https://doi.org/10.37296/jpi.v6i2.352>
- Kemenko Perekonomian. (2024). *Pemerintah Dorong UMKM Naik Kelas, Tingkatkan Kontribusi terhadap Ekspor Indonesia*.
- Naila, P., Abbas, T., & Abubakar, J. (2024). PENGARUH EKSPOR, INVESTASI, DAN INDEKS PEMBANGUNAN MANUSIA (IPM) TERHADAP PRODUK DOMESTIK BRUTO (PDB) DI INDONESIA. *Jurnal Ekonomi Regional Unimal*, 6(2), 50-59.
- Ningsih et al.: Pengelolaan Keuangan Usaha Mikro, Kecil dan Menengah (UMKM): Apa saja faktor penghambatnya?
- Muhammad Suras, Darwis, & Syahriyah Semaun. (2024). PENGELOLAAN KEUANGAN USAHA MIKRO, KECIL, DAN MENENGAH (UMKM) PADA USAHA BUMBUNG INDAH KOTA PAREPARE (ANALISIS MANAJEMEN KEUANGAN SYARIAH). *Moneta: Jurnal Manajemen & Keuangan Syariah*, 2(2), 28–41. <https://doi.org/10.35905/moneta.v2i2.9003>
- Pemerintah Kabupaten Garut. (2023). *Profil UMKM Sukaregang*. Garut: BPS Garut
- Ranti, H., & Sartika, D. (2024). *Pengaruh Literasi Keuangan Financial Technology (Fintech) Dalam Meningkatkan Kinerja UMKM Dimediasi Inklusi Keuangan*
- Safina, S., Saepudin, E. A., Damayanti, A. S., Yani, L. R., Edista, L., & Cahyani, S. (2024). Analisis Ekonomi Politik Neoklasik dalam Pembangunan Infrastruktur di Indonesia. *MISTER: Journal of Multidisciplinary Inquiry in Science, Technology and Educational Research*, 1(2), 137-142.
- Sartika, D., Setyadi, B., Helmi, S., Aliya, S., Wulandari, C. M., & Mariska, L. (2023). Pengelolaan Keuangan dan Akses Pembiayaan untuk UMKM Naik Kelas di Kabupaten Banyuwangi. *Jurnal Pengabdian Kepada Masyarakat Bina Darma*, 3(3), 200–207. <https://doi.org/10.33557/pengabdian.v3i3.2618>
- Yandra, I. S., Putra Baene, J. S., & Laia, N. (2025). PENINGKATAN POTENSI UKM BATIK PLAK BARAU DI DESA TEBAT IJUK KABUPATEN KERINCI MELALUI PELATIHAN PENYUSUNAN LAPORAN KEUANGAN. *PARADIGMA PENGABDIAN*, 1(1), 78. <https://doi.org/10.36841/paradigma.v1i1.6081>

Yolanda, cindy. (2024). PERAN USAHA MIKRO, KECIL DAN MENENGAH (UMKM)
DALAM PENGEMBANGAN EKONOMI INDONESIA