

CAPACITY BUILDING OF MSMEs THROUGH SIMPLE BOOKKEEPING EDUCATION IN KEBON MANGGIS VILLAGE, JAKARTA

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Abstract

This community service activity aims to increase the capacity of Micro, Small, and Medium Enterprises (MSMEs) in Kebon Manggis Village, Jakarta, in understanding and implementing structured simple business bookkeeping. The main problems faced by MSMEs in the region include the lack of understanding of basic accounting, the absence of separation between personal and business cash, and the absence of systematic transaction recording. Activities are carried out in the form of counseling, interactive discussions, and bookkeeping practices through case studies facilitated by lecturers and students. Evaluation through pre-test and post-test showed a significant improvement in understanding, with the average post-test score increasing from 3.54 to 4.5. These findings confirm that practice-based education methods are effective in improving participants' financial literacy and bookkeeping skills. Overall, this activity contributes to improving the financial governance of Kebon Manggis MSMEs and strengthens their ability to develop their businesses and access formal financing in a more professional manner.

Keywords: MSMEs, Simple Bookkeeping, Financial Literacy, Financial Reports

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia are a very important sector in the country's economy. Since a long time ago, MSMEs have been the main drivers of the Indonesian economy with a huge contribution to the Gross Domestic Product (GDP). According to data from the Central Statistics Agency (BPS), around 60% of Indonesia's total GDP comes from the MSME sector, and this sector also accounts for more than 97% of the total employment in Indonesia. Therefore, MSMEs have a very vital role in economic, social, and community welfare. As a sector that has the largest number of business actors in Indonesia, MSMEs also play a role in income equity, poverty alleviation, and community empowerment throughout Indonesia, both in big cities and in remote areas. (Aprilia et al., 2025)

The existence of MSMEs plays a very important role in a country's economy. In Indonesia, MSMEs also play a significant role in improving the Indonesian economy, as shown by the number of business units which reaches 99% of the total business units or around 66 million business units. MSMEs are also able to contribute to Indonesia's Gross Domestic Product (GDP) by 61% or equivalent to 9,580 trillion and reduce unemployment by absorbing around 117 million workers (97%) of the total workforce in the same year. (FUJIANI et al., 2025)

According to Currently, Micro, Small, and Medium Enterprises (MSMEs) remain the main spearhead to support the national economy, especially as the driving force of the economy at the regional level. Even though their contribution is very large, MSMEs still face various challenges and problems that are quite complex. (Sofyan, 2017)

Many MSMEs face problems in financial management, especially in compiling simple but accurate financial statements. Limited human resources, lack of accounting knowledge and lack of access to training are the main factors hindering the ability of MSMEs to prepare financial reports in accordance with standards. The absence of financial statements not only makes it difficult for MSME actors to make the right business decisions, but also hinders them from accessing financing sources from formal financial institutions. In fact, financial statements are one of the main requirements to get capital loans or coaching support from the government and the private sector. Therefore, increasing the capacity of MSME actors in compiling simple books is very crucial to support the sustainability and growth of their businesses. (Syafrizal & Wahab, 2025)

Bookkeeping is an important aspect that not only serves to record income and expenses, but also provides a clear picture of the financial condition of a business. Bookkeeping helps entrepreneurs to monitor cash flow, analyze business performance, and make more informed decisions. Structured bookkeeping also allows entrepreneurs to avoid financial problems that could lead to losses or even bankruptcy. Without neat bookkeeping, business owners will have difficulty in making the right decisions related to their business operations and development.

For example, they won't know for sure how much profit is made, how much money to pay for operations, and whether or not the venture is profitable. In addition, clear bookkeeping is also an important requirement for entrepreneurs to gain access to financing from financial institutions, such as banks, which often require transparent and reliable financial statements to provide loans. Many banks or other financing institutions require prospective borrowers to present valid financial statements as a condition for applying for a loan. Without clear and detailed financial reports, MSMEs will find it difficult to gain access to the business capital needed to grow their businesses.

However, the reality is that many MSME actors do not understand the importance of bookkeeping in their business. Many of them record their income and expenses only manually, using poorly organized notebooks. Some entrepreneurs don't even record their transactions at all, so they have difficulty evaluating the financial condition of their business. The limitation in terms of knowledge and skills in the field of bookkeeping is the main problem that hinders MSMEs in managing their businesses properly. In fact, in many cases, entrepreneurs only focus on operations and marketing, without paying attention to the fundamental financial aspects. In fact, without good bookkeeping, MSME entrepreneurs are at great risk of experiencing financial difficulties and bankruptcy, even though their products have great potential in the market.

This problem of poor financial management does not only apply at the MSME level in general, but also is very felt at the MSME level in Jakarta, especially in Kebon Manggis Village, East Jakarta. Many MSME actors in this region run small businesses with considerable market potential, but face major obstacles in terms of financial management and bookkeeping. Based on the results of an initial survey conducted by the service team, almost all MSME actors in Kebon Manggis do not have a well-structured bookkeeping system. Most of them only do manual recording in personal notebooks or don't even record financial transactions at all.

For example, some entrepreneurs in Kebon Manggis rely on recording income and expenses by simply writing them down on paper or in a diary. Often, the transactions recorded are incomplete or not recorded correctly. This makes it difficult for them to clearly see the cash flow in their business. When there is an urgent need to know the financial condition of the business or to apply for a loan to the bank, they cannot present valid financial statements. In fact, without neat and structured bookkeeping, it is very difficult for MSME entrepreneurs to get financing, both from financial institutions and investors.

In addition, several MSME actors in Kebon Manggis also face problems in understanding the financial statements produced by the bookkeeping they do. Although some of them have tried to use simple bookkeeping applications, they have difficulty in reading and analyzing the financial statements. Many of them don't have a basic knowledge of accounting or proper bookkeeping, so they can't leverage the data available to make smarter business decisions.

These difficulties in bookkeeping are also closely related to time and resource limitations. Most MSME actors in Kebon Manggis have to run their businesses with limited labor and many are directly involved in daily operations, such as production or sales. So, they do not have enough time to manage their business books properly. Financial management is often considered less important than other operational needs. However, the inability to manage finances properly can actually cause large losses for the business. MSME entrepreneurs in Kebon Manggis also have difficulty accessing financing from financial institutions, be it business capital loans or credit. Most banks or other financing institutions require structured and clear financial statements to provide financing. Without valid financial statements, it is very difficult for MSME entrepreneurs to get access to the capital needed to grow their businesses. This makes many MSMEs trapped in limited capital and difficulty to develop.

Seeing the problems faced by MSMEs in Kebon Manggis, especially in terms of bookkeeping and financial management, it is important to provide proper education about simple and systematic business bookkeeping. One of the solutions that can be provided is to conduct a service or workshop that provides an understanding of bookkeeping that is simple, easy to understand, and practical for MSME entrepreneurs to use. By providing basic knowledge on how to do the right bookkeeping, MSME entrepreneurs in Kebon Manggis can increase the financial transparency of their business and have a clearer picture of their financial condition.

Education about business bookkeeping can also help MSME entrepreneurs in gaining access to financial institutions from financial institutions. With good bookkeeping, entrepreneurs can show accountable financial statements, which will increase the confidence of financial institutions in providing loans or business capital. In addition, with a better understanding of bookkeeping, MSME entrepreneurs can also manage their cash flow more efficiently, reduce unnecessary operational costs, and make better strategic decisions for their

business development. Therefore, the business bookkeeping education program for Kebon Manggis MSMEs is very important to help them overcome this problem and strengthen their business foundation in the future.

RESEARCH METHODS

This community service activity is carried out in one day consisting of several stages that include theory, discussion, and hands-on practice to ensure that this service is not only theoretical but can also be directly applied by the participants. The implementation method is arranged in several systematic stages as follows:

The Preliminary Stage, is the stage of collecting data and information related to the condition of Kebon Manggis MSMEs, especially those related to the bookkeeping system that they have implemented. This data can be obtained through direct interviews with entrepreneurs and an examination of the way they record financial transactions. The purpose of this data collection is to understand the challenges faced by MSME actors related to business bookkeeping, so that the material provided can be adjusted to the needs and real conditions in the field. The implementation team consisting of lecturers and students from several universities will coordinate to compile service materials that include basic MSME bookkeeping, the use of digital bookkeeping applications, and financial report preparation practices. The material is prepared with a theoretical and practical approach so that participants can immediately understand it. After that, the team prepared facilities and infrastructure for activities at the Kebon Manggis Village Hall, East Jakarta, including ensuring the availability of adequate projectors, computers, tables, and chairs.

The implementation stage, the activity was carried out on November 15, 2025, starting at 08.00 and ending at 13.00. During the five hours of the activity, the participants were equipped with knowledge and skills that can be directly applied in their daily business.

Evaluation stage, this stage is the stage of monitoring the effectiveness of the activities carried out. The evaluation approach carried out is through pre-test and post-test. Pre-test is an approach to test the audience's understanding before the activity is carried out. Meanwhile, we do a post-test to test the audience's understanding after a series of activities we do. To ensure that this service has a positive impact on participants, evaluation and monitoring will be carried out on an ongoing basis after the service is completed. Initial evaluation will be carried out during the activity through the provision of pre tests to find out the ability and level of knowledge of MSME partners in bookkeeping Further monitoring will be carried out after the service through a post test which can be done by knowing the ability and skills of MSMEs in bookkeeping after the service is carried out

RESULTS AND DISCUSSION

This community service activity was carried out for one day on November 15, 2025. The series of activities began with the registration process of participants, then continued with an opening session by the PKM Coordinator and remarks from the Kebon Manggis Village Head. At the initial stage, participants were introduced to the purpose of implementing the activity, which is to improve the understanding and skills of MSME actors in implementing simple, structured, and practical business bookkeeping to be integrated into daily operational activities.

The next stage focuses on delivering core materials that include the concept of business financial management, the urgency of simple bookkeeping, and a basic understanding of taxation for MSME actors. The material was delivered by a team of lecturers from several universities who have competence in the field of accounting and financial management. To improve participants' understanding, the presenter provided illustrations and concrete examples that allowed participants to compare the bookkeeping practices they have been carrying out with practices that are in accordance with simple accounting principles.



Figure 1. Presentation by the presenter to the participants of PkM

After the theory session, participants were given the opportunity to take part in a practical session through a simple bookkeeping case study. At this practical stage, participants were asked to identify transactions, record incoming and outgoing cash flows, compile accounting equations, and produce simple financial reports. Technical assistance is carried out by students so that participants who experience difficulties can get direct guidance.



Figure 2. Participants practice through simple bookkeeping case studies

The results of the activity showed a significant increase in participants' understanding. This is reflected in the comparison of pre-test and post-test scores given before and after training. The average pre-test score of 3.54 shows that the participants' initial understanding is still limited, especially related to the separation of personal and business cash, cash flow management, and transaction recording capabilities. After participating in the training series, the average post-test score increased to 4.5, which indicated a substantive improvement in the participants' financial literacy. This improvement proves that an interactive and practice-based learning approach is very effective in improving MSME actors' understanding of business bookkeeping.

In addition to improving the cognitive aspect, this activity also revealed several factual conditions related to the bookkeeping practices of MSME actors in Kebon Manggis. Before the training, many participants still mixed personal and business cash, did not understand financial recording as a managerial function, and did not have the ability to read simple financial statements. In fact, some participants did not record transactions systematically. However, after following the practice, participants began to understand how to compile simple bookkeeping and realized its benefits, especially in assessing the financial position of the business, controlling cash flow, and preparing documents for financing submissions.

Interactions during discussion and question and answer sessions showed a change in participants' perspective on bookkeeping. They began to understand that bookkeeping is not just an administrative obligation, but a strategic instrument that can support business performance analysis, cost control, and more accurate business decision-making. This new understanding is one of the important achievements of service activities, because it is directly related to increasing the capacity of MSMEs in maintaining sustainability and business competitiveness.

Overall, this service activity has a real positive impact on improving the financial literacy of Kebon Manggis MSME actors. The increase in participants' knowledge, the ability to record transactions, and the understanding of the preparation of simple financial statements show that this activity has succeeded in meeting the basic needs of MSMEs in the aspect of financial management. In addition to providing short-term benefits, this activity also forms an important foundation for improving the bookkeeping system and financial governance of MSMEs in the

future. With this increase in competence, Kebon Manggis MSMEs are expected to be more independent, able to develop their businesses, and have greater opportunities to obtain access to financing from financial institutions in a more professional manner.

CONCLUSIONS

Community Service Activities regarding Simple Bookkeeping Education for Kebon Manggis MSMEs succeeded in improving the literacy and financial skills of MSME actors. The results of the evaluation showed a significant increase in understanding, as seen from the increase in the average pre-test score of 3.54 to 4.5 in the post-test. These findings indicate that a combination of methods of delivering materials, discussions, and practices through case studies is effective in strengthening participants' understanding of basic bookkeeping, separation of business and personal cash, and the preparation of simple financial statements. This activity also succeeded in building a new awareness that bookkeeping is a strategic instrument in business management, not just an administrative task, so that it has the potential to increase business accountability and sustainability in the future.

As a follow-up, it is recommended that there be a continuous mentoring program to ensure that participants are able to implement bookkeeping consistently in business operations. The use of digital bookkeeping applications also needs to be encouraged so that the recording process becomes more efficient and accurate. In addition, the expansion of training materials to other areas of business management, such as determining cost of goods sold, cash flow management, and digital marketing, is important to comprehensively strengthen the capacity of MSMEs. Closer collaboration with local governments and financial institutions is also recommended to open access to capital and support for further assistance. Through these efforts, Kebon Manggis MSMEs are expected to be able to develop more professional financial governance and increase business competitiveness.

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