

Implementation of Application-Based Accounting and Finance in MSMEs Gresik Regency

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Abstract

Purpose: The purpose of community service is to provide an understanding and basic practice of accounting and finance for small and medium scale business activities in Gresik that are application-based.

Method: The methods used include lectures, workshops, interactive Q&A, and practical exercises. The activity participants consisted of 29 participants in Gresik. Supporting data was collected through direct observation and interviews with representatives of the small and medium enterprises (SMEs).

Practical Applications: There are implications for the participants, including: 1) SMEs need to be disciplined in financial record-keeping, even if the financial records are simple; 2) SMEs are expected to utilize personal or business assets in the form of devices to record business finances using applications; 3) It is hoped that SMEs can continue to grow and open themselves to always learning new things in the disruptive era.

Conclusion: The results of the activity show that the implementation of community service went smoothly and received high enthusiasm from the participants. The material provided was in line with the purpose of this community service.



Introduction

According to data from the Ministry of Cooperatives and Small and Medium Enterprises in 2023, the number of Small and Medium Enterprises (SMEs) in Gresik Regency, East Java Province reached 171,206 SMEs spread across various sectors. From this data, not all SMEs in Gresik are legally established. Based on data from Bank Indonesia to encourage banking intermediation to the real sector and SMEs, there are 27 survey results in Gresik Regency that are eligible to receive financing to develop their businesses. The survey results from Bank Indonesia that are declared eligible are SMEs that have complete data, one of which is business finance with at least a balance sheet and profit and loss.

Awareness, discipline, and financial literacy of SME actors in Indonesia are still relatively low. This has initiated the Ministry of Cooperatives and SMEs to provide convenience for SME actors to manage finances using the Financial Report for Micro Businesses (LAMIKRO) application based on Android for free. Based on data from the Ministry of Cooperatives and SMEs in 2021, the number of SMEs in Indonesia reached 60 million SMEs, but only about 10,000 have utilized LAMIKRO. Even though this application was made by the Ministry of Cooperatives and SMEs as simple and practical as possible for SME actors by providing various tools for financial management and minimizing errors. Being able to download it on a smartphone adds efficiency and flexibility for SME actors.

According to Law No. 20 of 2008 of the Republic of Indonesia concerning SMEs, a micro business is a business unit that has assets of at most IDR 50,000,000 excluding land and business premises with the largest sales results of IDR 300,000,000. Small businesses are business units with asset values more than IDR 50,000,000 - IDR 500,000,000 excluding land and business premises and have sales results more than IDR 300,000,000 up to IDR 2,500,000,000. Meanwhile, medium enterprises are companies with a net worth of more than IDR 500,000,000 - IDR 100,000,000,000 and annual sales results between IDR 2,500,000,000 - IDR 50,000,000,000. According to Nayla (2014), SMEs are terms that refer to a type of business established by individuals and have relatively low net worth. Referring to the definition above, assets and sales are relatively small and are generally established and operated by individuals making the types of work carried out by SMEs very much. Starting from administration, operations, finance, etc. Having an organizational structure or operating independently, SME actors need to regard every activity and process in their business as important. One thing that needs to be done in a disciplined manner is business finance. Business finance can be done manually or digitally. Technological developments and digitization also affect how financial management is, including for SME actors.

Various financial platforms in the form of applications are widely available, but choosing to use applications provided by the government will certainly be better because in the process the application must refer to the data needs of SME actors and is expected to be appropriate. But before using it, SME actors need to know and recognize the tools provided by LAMIKRO. Indonesia applies several accounting standards for companies with their respective scales. Financial Accounting Standards for Entities Without Public Accountability or often known as SAK ETAP is an accounting system intended for SMEs. LAMIKRO has been integrated with SAK ETAP.

In channeling financing to SME actors, creditors, especially banks, apply the principle of prudence and require strict procedures before accepting SME financing proposals. One of the requirements that must be met is the presentation of structured and continuous financial statements. This is needed by creditors to know the performance and development of the business. Using an application will make it easier for SME actors to go to the provider of funds or those interested in getting financing.

Method

The implementation of a program for the dissemination and implementation of application-based accounting and finance is designed to share knowledge with SME operators in Gresik Regency. It also supports the use of applications provided by the government for the community and SME operators in Indonesia. The success and effectiveness of the implementation will be determined by the methods used in the program.

One of the methods used is lectures. This method is chosen to convey important concepts and as a foundation of knowledge that participants must understand. The lecture method, combined with appropriate illustrations, can provide a lot of material in a dense, fast, and easy manner. This method is used to open insights about general accounting and finance and the presentation of technology or applications that will be used.

Another method used is workshops. This method is used to demonstrate the use of LAMIKRO as an application that will be used in managing the accounting and finance of participant's businesses. For this reason, there needs to be a session dedicated to practicing directly or at least demonstrating to several participants to do it directly guided by an instructor. Because this application is based on Android, the participants need to bring their own smartphones to install this application and use it.

Lastly, the question-and-answer method is carried out to maintain individual interaction with the participants both technically and psychologically. This approach is carried out to deepen the understanding of participants about the materials that are still not understood. This method is also intended to confirm the understanding of the participants from the training material to the instructor. The facilitator will check the implementation of the training to measure the success of this activity. This comprehensive approach ensures that the program is effective and beneficial for all participants.

Result

Following this training, participants are expected to begin understanding the importance of analyzing business conditions, familiarize themselves with application-based business financial methods, and be able to utilize them. Furthermore, participants should have a financial report system in accordance with the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) that can be used for financing purposes. The most crucial aspect is consistency and a continuous desire to learn. The training began with coordination with the East Java Food and Beverage Producers Acceleration (APMMJ) in the Gresik region. This activity was carried out to identify SME problems related to the preparation of daily financial reports.

The activity continued with a workshop introducing and using the LAMIKRO application in front of SME participants in Gresik Regency. Participants chosen to attend this workshop are SMEs who are members of APMMJ in the Gresik region. This was done as a consideration for time efficiency and the accuracy of information delivery to the target, namely, SME participants in Gresik Regency. The activity was carried out on September 23, 2023, in the Gresik Kota Baru (GKB) area. The workshop was conducted by asking questions to obtain participant profiles and identify the problems faced by participants in preparing systematic daily financial reports. For the use of the LAMIKRO application, users must register by creating an account on the Lamikro application and then complete it with a business profile and business legality. From the report menu, there are two types of reports, namely profit and loss and financial position. Participants began to try to enter numbers according to each business's finances, such as income, costs/expenses. And for the financial position, the speaker began with knowledge related to Company assets, which will also need to be input into the application in the hope that participants can categorize the types of costs and assets.

Discussion

The training methodology employed involves presentations and interactive question-and-answer sessions. As an initial step in the training process, participants are equipped with printouts of the Lamikro application usage material. This approach provides participants with a preliminary understanding of the day's topic. The outcomes of this method are twofold: Firstly, it enhances the participants' comprehension of the Lamikro application, which is readily available for free download on Android devices. Secondly, it enables participants to apply their knowledge of recording Micro, Small, and Medium Enterprises (MSME) financial bookkeeping in their everyday lives. However, it is noteworthy that there is a need for further training to fully master these skills. The training session was a blend of various activities. It commenced with a presentation delivered by the first speaker (refer to Figure 1). This was followed by a group photo session involving the training participants and the speaker (refer to Figure 2). The session concluded with a demonstration of the initial interface of the Lamikro application (refer to Figure 3).

Figure 1. Presentation



Source: Private Documentation, 2023.

Figure 2. Photo Session



Source: Private Documentation, 2023.

Figure 3. Initial Display of the Lamikro Application

(sistem aplikasi ini sudah sesuai dengan SAK EMKM)

Nama Akun

Kata Sandi

[Lupa kata sandi?](#)

Masuk

Belum punya akun? [Daftar](#)

Source: Private Documentation, 2023.

Conclusion

This training has yielded significant results. Participants have understood the importance of analyzing business conditions and have become familiar with application-based business financial methods. They have been able to utilize these methods and now have a systematic financial report. In addition, participants who are drivers of MSMEs can directly ask questions about daily financial recording problems and obtain concrete answers from the speakers. However, based on these explanations, there are a few suggestions. First, this

training needs to be further developed to adjust to the direct problem conditions faced by MSME training participants. Second, this training requires support for direct practical activities in the field with assistance from related institutions. Thus, this training can provide greater benefits for participants.

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