



Financial Recordkeeping Training for SMEs to Enhance Business Transparency and Accountability in Central Cikarang SMEs

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ABSTRACT

This paper presents the implementation of a training program titled "Financial Recordkeeping Training for SMEs to Enhance Business Transparency and Accountability in Central Cikarang." The primary aim of the program was to improve the financial management practices of small and medium enterprises (SMEs) in the Cikarang Pusat area by enhancing their knowledge of financial recordkeeping, transparency, and accountability. The training covered key topics such as basic bookkeeping techniques, the preparation of financial statements, and the role of transparency in sustaining business operations. The program was assessed using the Three Box Method, categorizing participants' understanding into three levels: Low, Medium, and High. The results showed that most participants achieved a medium level of proficiency, indicating a moderate improvement in their financial management capabilities. A smaller group of participants demonstrated a high level of proficiency, suggesting they were able to effectively implement the new practices in their businesses. This paper concludes that the training successfully improved participants' financial literacy and contributed to better business transparency and accountability.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) serve as a cornerstone of Indonesia's economic development, contributing substantially to job creation, poverty reduction, and GDP growth. The sector accounts for over 60% of the nation's GDP and employs more than 97% of the workforce. Despite these significant contributions, MSMEs face persistent challenges in managing their finances effectively. Financial transparency and accountability, vital for sustainable growth and access to external funding, remain inadequately addressed by many MSMEs (Saputri & Firmansyah, 2022).

The challenges are particularly pronounced in Cikarang Pusat, a region recognized for its concentration of MSMEs. Here, the lack of formalized financial systems and limited financial literacy have become significant barriers. Many MSMEs rely on rudimentary or inconsistent bookkeeping practices, which hamper their ability to make informed business decisions. This has also led to challenges in building trust with stakeholders, including investors, creditors, and customers, as well as difficulties in complying with tax regulations and accessing government support programs. These issues collectively weaken their competitiveness in the market (Dasman et al., 2023).

The urgency of addressing these issues stems from both practical and theoretical perspectives. From a practical standpoint, poor financial management reduces stakeholder confidence, limiting opportunities for investment and partnerships. Additionally, inefficient bookkeeping and non-compliance with regulations expose businesses to financial and legal risks. Theoretically, this initiative contributes to the body of knowledge by examining how targeted financial training can enhance operational efficiency and business sustainability for MSMEs. It offers a replicable model that can be adapted to similar regions with comparable challenges (Yulianti et al., 2023); (Machfuzhoh et al., 2020); (Danna Solihin, 2018).

Recent studies support the importance of financial literacy and structured training in improving MSME performance. Research by Purba et al., (2024); Mashuri & Ermaya (2021) highlights how financial literacy empowers business owners to analyze their financial health and make informed decisions. Similarly, Muslim et al., (2024); Nuvitasari et al., (2019) found that structured financial training positively impacts revenue growth and regulatory compliance. Furthermore, Wulandari et al., (2024) demonstrated how improved financial transparency enhances stakeholder trust and expands funding opportunities.

This community service initiative addresses the specific needs of MSMEs in Cikarang Pusat by providing targeted training in financial management. The program focuses on teaching basic bookkeeping techniques, enhancing cash flow management skills, and improving the ability to create and interpret financial reports. These efforts aim to foster a culture of financial accountability and transparency, equipping MSMEs with the tools needed for sustainable growth and improved competitiveness.

The novelty of this program lies in its localized and tailored approach. Unlike generic financial training initiatives, this program incorporates real-

world case studies and interactive sessions designed to address the unique challenges faced by MSMEs in Cikarang Pusat. By empowering local business owners and managers, the initiative not only strengthens the regional economy but also contributes to the academic and practical understanding of how financial literacy enhances business transparency and accountability.

IMPLEMENTATION AND METHODS

Implementation

The community service program was conducted in Cikarang Pusat, a region characterized by its high concentration of micro, small, and medium enterprises (MSMEs). This area was selected for its potential to benefit significantly from financial literacy improvement initiatives, given the challenges MSMEs often face in managing their finances effectively.

Program Timeline and Venue

The program was carried out over two weeks, from December 9 to December 23, 2024, at a central location in Cikarang2024 Pusat, providing easy access to participants. The venue was equipped with multimedia facilities to support interactive and hands-on learning.

Participant Selection

Participants were chosen based on the following criteria:

- a. Active involvement in managing MSME operations.
- b. Willingness to participate and apply the knowledge gained in their businesses.

The training targeted both MSME owners and key personnel responsible for financial management, ensuring that the most relevant stakeholders were involved. A total of 12 participants from various business sectors attended, representing retail, manufacturing, and service industries.

Participant Backgrounds

Participants had diverse levels of financial knowledge:

- a. Some had limited exposure to formal financial management and lacked structured bookkeeping systems.
- b. Others had a basic understanding but sought to enhance their skills and adopt more advanced practices.

The program's design accommodated this diversity by providing tailored content that balanced foundational knowledge with advanced applications.

Methods

The service activities were structured to maximize engagement and practical learning through a combination of workshops, lectures, and hands-on sessions.

1. Workshops

- a. Facilitation by Experts: Financial management professionals led interactive workshops focusing on essential topics, including bookkeeping principles, cash flow management, and financial reporting.

- b. **Case Studies:** Real-world examples of MSME financial challenges were presented to contextualize the training. For instance, scenarios included managing seasonal cash flow fluctuations and addressing inaccuracies in recordkeeping.
- c. **Group Activities:** Participants worked in teams to analyze financial problems and propose solutions, fostering collaborative learning.

2. Lectures

- a. **Expert-Led Sessions:** Lectures provided foundational knowledge on financial literacy, highlighting its critical role in achieving business transparency and accountability.
- b. **Key Topics Covered:**
 - 1. **Accounting fundamentals:** Preparation of balance sheets, income statements, and cash flow statements.
 - 2. **Benefits of accurate financial records** for decision-making and stakeholder trust.

3. Hands-On Training

- a. **Practical Exercises:** Participants practiced recording transactions, preparing simple financial statements, and analyzing their business finances using standardized templates.
- b. **Simulated Scenarios:** Realistic business situations, such as reconciling accounts and budgeting for operational costs, allowed participants to apply their knowledge in a controlled setting.
- c. **Peer Review:** Participants reviewed each other's work to foster mutual learning and identify common mistakes.

4. Materials Provided

- a. **Customized Training Modules:** Comprehensive manuals were developed to address the specific financial needs of MSMEs, including step-by-step guides to bookkeeping and reporting.
- b. **Digital Tools:** Demonstrations of accounting software such as Excel templates and beginner-friendly bookkeeping applications encouraged participants to transition from manual to digital systems.
- c. **Support Materials:** Workbooks with exercises and case studies were distributed to reinforce learning outside the sessions.

Program Outcomes

The training concluded with a group discussion and feedback session, where participants shared their learning experiences, challenges faced during the training, and suggestions for future initiatives. This feedback helped assess the program's effectiveness and identified areas for improvement, such as the need for advanced modules and continuous support. By combining theoretical and practical approaches, the program successfully equipped participants with the tools and knowledge needed to enhance financial transparency and accountability in their businesses.

RESULTS AND DISCUSSION

Findings and Steps Undertaken in the Implementation of the Training Program

This section details the findings and processes involved in implementing the "Financial Recordkeeping Training for SMEs to Enhance Business Transparency and Accountability in Central Cikarang SMEs" program. The primary objective of this initiative was to improve the financial management practices of small and medium enterprises (SMEs) in Central Cikarang by fostering better transparency and accountability through effective financial recordkeeping.

Training Process and Activities

The program was conducted systematically, consisting of three main phases:

1. Needs Assessment

- a. *Survey and Preliminary Analysis:* A comprehensive survey was administered to participating SMEs to identify their current practices in financial recordkeeping. The survey sought to uncover common challenges such as inadequate bookkeeping skills, lack of structured accounting systems, and limited understanding of financial reporting standards.
- b. *Data Collection:* Data was collected through questionnaires and direct interviews with SME owners. The survey also included questions on their business size, type, and financial complexity.
- c. *Gap Analysis:* The findings revealed significant gaps in financial literacy, with many SMEs relying on informal or incomplete bookkeeping methods, often leading to inaccuracies in financial reporting and lack of accountability.

2. Training Sessions

The training was designed based on the identified needs and delivered through a mix of theoretical and practical approaches:

a. Topics Covered:

1. The importance of accurate financial records for business growth and sustainability.
2. Step-by-step bookkeeping techniques, including recording income, expenses, assets, and liabilities.
3. Preparation and interpretation of financial statements such as profit and loss statements, balance sheets, and cash flow statements.
4. Understanding the role of financial transparency in building trust with stakeholders, including investors, creditors, and customers.

b. Delivery Methods:

1. *Lectures:* Provided participants with foundational knowledge of accounting principles and the benefits of transparency.

2. Practical Demonstrations: Hands-on activities allowed participants to practice setting up simple bookkeeping systems using real-world examples.
 3. Interactive Discussions: Facilitated open discussions where participants shared their financial challenges and sought advice on specific scenarios.
- c. Learning Materials: Each participant received training modules, templates for recordkeeping, and guides for creating financial statements.

3. *Follow-up and Evaluation*

- a. Implementation Phase: Participants were encouraged to apply the knowledge gained from the training to their businesses. This included adopting standardized templates for recordkeeping and preparing monthly financial statements.
- b. Follow-up Survey: A follow-up assessment was conducted two months after the training to evaluate the extent of implementation and identify areas requiring further support.
- c. Evaluation Results:
 1. Most participants reported improvements in their ability to maintain organized financial records.
 2. A subset of participants demonstrated a deeper understanding of financial statements and their importance for business decision-making.
 3. Challenges remained for a few participants who faced difficulty transitioning from informal to formal financial systems due to resource constraints or lack of time.

Observations and Insights

The program highlighted the critical need for capacity building among SMEs, especially in financial literacy. It also underscored the value of combining theoretical knowledge with practical, hands-on training to ensure better retention and application. Additionally, the follow-up phase proved essential in reinforcing learning and identifying ongoing challenges, suggesting the importance of sustained support for SMEs.

Summary of Results

The evaluation of the training program was based on feedback from participants, as well as an assessment of their ability to implement the financial recording techniques introduced during the sessions. The results were categorized based on the ThreeiBoxiMethod scoring system, which measures the effectiveness of the training based on the participant's understanding and application of the concepts.

Table 1. The ThreeiBoxiMethod uses a scoring range as follows:

Scores	Criteria
50.00 – 100.00	Low
100.01 – 150.00	Medium
150.01 – 200.00	High

From the initial evaluations, most of the participants scored in the medium range, indicating a moderate improvement in their understanding and implementation of the financial management practices introduced. A smaller proportion of participants reached the High range, demonstrating that they were able to apply the skills learned to improve the transparency and accountability of their business operations effectively. The table below summarizes the scores achieved by participants based on their responses to the post-training evaluation.

Table 2. Results of the ThreeiBoxiMethod Evaluation for Financial Training Participants

Participant Group	Number of Participants	Average Score	Category
Group 1 (Initial)	12	90	Low
Group 2 (After Training)	12	125	Medium
Group 3 (Advanced)	12	160	High

Source: Proceed, 2025

Discussion

The results of the training program indicate that the financial management knowledge of the SMEs in Cikarang Pusat improved significantly after attending the sessions. The Medium scores suggest that most participants were able to grasp the core concepts of financial transparency and accountability, though there is still room for further improvement in practical application.

The High scores achieved by a smaller proportion of participants demonstrate the potential for deeper engagement and mastery of these skills. Future training sessions could focus on advanced topics to elevate more participants into the higher range.

Furthermore, while the majority of participants showed improvements in their financial practices, continued support and follow-up will be necessary to ensure long-term sustainability. Monitoring the businesses over time could provide further insights into the effectiveness of the training and help tailor future interventions for maximum impact.

The program has shown that consistent, hands-on training in financial management can significantly boost the transparency and accountability of SMEs, leading to more efficient and sustainable business practices in the long term.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The training program on financial recordkeeping aimed at enhancing transparency and accountability among SMEs in Central Cikarang has shown positive results. The overall effectiveness of the training, as measured by the ThreeiBoxiMethod evaluation, indicated significant improvement in participants' understanding and application of financial management practices. The majority of the participants demonstrated a medium level of proficiency after the training, with a smaller group achieving High proficiency. This suggests that the training successfully addressed the basic financial recording needs of the participants while also providing opportunities for deeper learning for those able to apply the concepts more effectively.

Key conclusions from the program include:

1. **Increased Financial Literacy:** Participants significantly improved their understanding of financial management, including bookkeeping techniques and the importance of maintaining transparency and accountability in business operations.
2. **Practical Application:** While most participants were able to grasp the basic concepts, there is a clear need for continued support and more advanced training for further development.
3. **Positive Impact on SMEs:** The implementation of proper financial recordkeeping practices among SMEs has the potential to enhance their long-term business sustainability by improving financial transparency and accountability.

Recommendations

Based on the results of the training program, the following recommendations are made to enhance its effectiveness and ensure its sustainability:

1. **Ongoing Support and Follow-up:** To ensure the successful implementation of the financial practices learned, it is recommended that periodic follow-up sessions be conducted. These sessions could provide troubleshooting assistance, further guidance on complex financial practices, and reinforcement of key concepts.
2. **Advanced Training Modules:** For participants who demonstrated a high level of understanding, offering advanced modules in financial management, tax planning, or business strategy would help further enhance their capabilities and lead to even greater business success.
3. **Tailored Workshops:** To address specific needs, tailored workshops focusing on particular financial challenges faced by different SMEs could be introduced. For example, workshops on managing cash flow or understanding financial ratios could provide more targeted assistance.
4. **Sustainability Initiatives:** To ensure long-term benefits, it is recommended that local government or business associations work with the SMEs to establish a system of continuous learning. This could involve partnerships with professional accountants, financial

consultants, or local educational institutions to provide ongoing resources and training.

5. Broader Outreach: Expanding the program to include more SMEs in the region or even other areas could further increase the impact of the initiative. A larger scale would also allow for better data collection, enabling the measurement of long-term improvements across a broader sample of SMEs.

By implementing these recommendations, the program's impact can be enhanced, leading to better financial practices, stronger accountability, and greater overall business performance in the SME sector.

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