



PREPARATION OF FINANCIAL BOOKKEEPING TO IMPROVE THE FINANCIAL PERFORMANCE OF HOUSEWIVES' UKM GAMPONG SIMPANG EMPAT LHOKSEUMAWE

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Abstract

Gampong Simpang Empat, located in Banda Sakti Sub-district, Lhokseumawe City, Aceh Province, has people with various livelihoods such as fishermen, farmers, laborers, civil servants, and business actors in the service sector. With the growth in population from 171,163 in 2010 to 190,624 in 2017, the need for financial management for MSME players, including housewives, is increasingly urgent. Bookkeeping is an important process in recording income, cash flow, liabilities, and assets to analyze financial performance, which serves as an evaluation tool for business efficiency and effectiveness in achieving sustainable growth. This service aims to improve the skills of housewives and MSME players in preparing simple financial bookkeeping through economic literacy-based training. The training involves a group learning method with a focus on hands-on practice, from preparation to preparation of financial statements. This type of research uses a quantitative descriptive method with the research population being mothers in Gampong Simpang Empat. Primary data was obtained through a Likert scale-based questionnaire, with random sampling. Data analysis was carried out using regression with the help of SPSS software. The results of this service are expected to have a positive impact on the financial management of MSME actors, especially in recording transactions in a structured manner and separating personal finances from businesses. The outputs of this activity include international journal publications, indexed proceedings, and ISBN-certified reference books. In addition, this research also aims to identify socio-economic factors that affect the income of traditional fishermen in the surrounding area, as a basis for developing more holistic and sustainable solutions. These outputs are designed to achieve technology readiness level (TKT) 3, which is the proof of concept of the research in developing local economic empowerment strategies.

Keywords: *Financial Bookkeeping, Financial Performance, MSMEs Gampong Simpang Empat Lhokseumawe.*

INTRODUCTION

Every business, whether in the service or production sector, aims to manage its operations effectively. One of the main keys in supporting business sustainability is good financial management, including accurate recording and preparation of financial reports. However, in Indonesia, micro, small and medium enterprises (MSMEs) often face challenges in terms of financial literacy. Many of them do not understand the importance of good bookkeeping as a basis for strategic decision-making and business performance evaluation (Falih et al., 2019).

In Gampong Simpang Empat, Lhokseumawe, many MSME owners, including housewives, run micro businesses as an effort to improve family welfare. However, most of them do not understand how to prepare financial reports in accordance with standards, such as SAK EMKM (Financial Accounting Standards for Micro, Small and Medium Entities). This often leads to the mixing of business and personal finances, which can hinder effective business management (Irawati et al., 2020). Financial management training is an urgent need to help MSME owners, especially in understanding the importance of simple bookkeeping. With training, MSMEs can increase their capacity to detect income and expenses more accurately, and manage finances more

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efficiently (Aribawa, 2016). Programs like this also support the government's initiative to improve financial literacy through community-based economic empowerment (Yohana, 2019). In addition to helping MSMEs, this training also provides additional benefits by increasing women's participation in the business world. Housewives who run micro-enterprises have great potential in supporting the family and regional economy. With financial recordkeeping training, they can be more confident in managing their businesses, improve their competitiveness, and contribute to the local economy (Nurgiyantoro & Hemuningsih, 2023). This training program not only aims to provide practical solutions to the financial problems of MSMEs, but also a means of implementing the Tri Dharma of Higher Education. Through community service, it is hoped that business actors in Gampong Simpang Empat can be more skilled in managing finances, developing their businesses, and creating a sustainable positive impact on the regional economy.

LITERATURE REVIEW

The process of preparing and bookkeeping financial statements is very important. Bookkeeping is a routine recording process carried out to collect financial data and information covering income, cash flow, capital, liabilities, assets, and expenses, as well as the price of goods or services provided. (Munandar, Meita, & Putritanti, 2018). In addition, this training also supports government programs in developing SMEs. The importance of increasing the capacity and skills of SMEs in managing their business has been identified as very important by the government. By providing appropriate training, it is hoped that SMEs can develop better and make a greater contribution to national economic growth.

Financial performance is a formal effort to evaluate the efficiency and effectiveness of the company in generating profits and a certain cash position. By measuring financial performance, it can be seen from the prospect of the company's financial growth and development from relying on its resources. Financial performance analysis plays a very important role for MSMEs, because they must ensure that their business can survive and develop. Poor financial performance can cause MSMEs to experience liquidity problems and the ability to pay debts. Therefore, MSMEs must carefully monitor their cash flow, net profit, and debt ratios. This way, MSMEs can identify financial problems quickly and take the necessary actions to fix them (Nurgiyantoro & Hemuningsih, 2023).

METHOD

Community service activities for training SME financial records for IRTs in Gampong Simpang Empat, Lhokseumawe City, are carried out through several stages, namely preparation and planning, training implementation, and program evaluation.

1. Preparation and Planning

Needs Identification: An initial survey was conducted to understand the main problems of the IRTs related to business financial management.

Module Preparation: Materials were prepared covering budget planning, bookkeeping, reporting, and internal auditing.

2. Training Implementation Phase

Training Methods: Conducted through interactive lectures and focus group discussions (FGDs) to encourage participant participation.

Practical Simulation: Participants were taught firsthand about recording transactions, preparing simple financial reports, and calculating the cost of goods. This simulation involves the identification of all production costs to the recording of reports.

Mentoring: The team provides guidance in preparing financial statements and helps participants separate personal finances from business. Assistance is provided until participants are able to record transactions accurately.

3. Program Evaluation Phase

Monitoring and Reporting: Conducted to ensure the implementation of the program in accordance with the objectives.



Reflection and Feedback: Participants are asked to provide feedback through a survey to assess the effectiveness of the training.

Activity Target

Housewives who own SME businesses in Gampong Simpang Empat are the main focus because most of them do not have an adequate financial recording system. With this training, they are expected to be able to compile simple bookkeeping to improve business performance.

Partner Participation

Partners were actively involved in every stage, from planning to evaluation. An initial survey was conducted to understand the partners' needs, while training and mentoring were conducted at the partners' locations. This program also supports the performance indicators of universities, especially in the work of lecturers who are connected to the community.

Through this activity, participants are expected to be able to manage financial reports properly, monitor business conditions, and improve the sustainability of their business.

RESULTS AND DISCUSSION

Contents Results and Discussion

This community service activity aims to help housewives and MSME owners in Gampong Simpang Empat, Lhokseumawe City, prepare simple financial reports that are easy to understand. This report is useful for determining profit and loss, controlling costs, identifying business financial conditions, and getting partners to support sustainable business development.

The training was conducted in three main stages. The first stage, socialization, was conducted to increase participants' understanding of the importance of structured financial records. The materials presented included budget planning, recording transactions, and preparing financial reports. The second stage, practice, involved a simulation of recording transactions to the preparation of simple financial statements, including the calculation of the cost of goods. Participants are trained to calculate costs that include raw materials, labor, direct overhead, indirect overhead, and periodic costs, in order to determine the appropriate selling price. The third stage, mentoring, focuses on hands-on application by helping participants prepare a preliminary balance sheet, record transactions correctly, and check their records to ensure completeness and accuracy.

A common mistake found during mentoring is one-sided recording of accounts, such as only recording cash increases without recording sales, or vice versa. Intensive mentoring was conducted to help businesses understand how to record more accurate and relevant records with simple standards that they can apply independently.

The results of this activity show that business owners are able to manage financial reports in a better and more structured manner. They can separate personal finances from business finances, monitor profit and loss regularly, and use financial information as a basis for decision-making. With a more organized financial report, business owners have a greater opportunity to grow their business, strengthen the sustainability of their business, and contribute to the regional economy.

Contents of Discussion Results

After conducting community service activities in the form of training and guidance on the preparation of financial bookkeeping to improve the financial performance of housewife SMEs in Gampong Simpang Empat, Lhokseumawe, in general, MSMEs have been able to prepare simple financial reports independently. Business owners now understand the flow of preparing financial statements, starting from determining the initial balance, identifying transactions, to recording in the cash book and balance sheet. The application of simple bookkeeping also supports the achievement of business objectives of SMEs. With structured, good, and systematic financial reports, businesses are expected to grow more rapidly and achieve significant progress.

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CLOSING

Conclusion

Training and guidance on Financial Bookkeeping to Improve the Financial Performance of SME Housewives in Gampong Simpang Empat, Lhokseumawe City, successfully had a positive impact on micro and small business owners. Through the stages of socialization, hands-on practice, and mentoring, SMEs began to understand the importance of good and structured financial records. They are also able to compile simple financial reports that can be used to monitor profit and loss, separate business finances from personal finances, and as a basis for making business decisions.

Suggestions and Acknowledgments

The services provided to SMEs, particularly housewives in Gampong Simpang Empat, Lhokseumawe City, indicated a need for continuous skill building in preparing financial statements on a regular basis. Continuous training, technical guidance, and hands-on practice are essential to improve the financial management of their businesses in a structured manner. Given the focus on one village, it is recommended to expand similar training programs to other villages in Lhokseumawe City. This expansion aims to broaden the impact and improve financial management skills for more micro and small business owners.

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