



## EDUCATION AND ASSISTANCE IN PREPARING MSME FINANCIAL STATEMENTS FOR ACCESS TO FINANCING

### PENDIDIKAN DAN BANTUAN DALAM PENYUSUNAN LAPORAN KEUANGAN UMKM UNTUK AKSES PEMBIAYAAN

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#### Abstract

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the national economy but still face challenges in accessing financing from formal financial institutions. One of the main obstacles to financing access is the limited ability of MSME owners to prepare systematic, accurate, and standardized financial statements. Many MSMEs do not maintain proper transaction records, mix personal and business finances, and lack formal financial reports required for financing applications. This community service program aims to provide education and mentoring on simple financial statement preparation to improve financial literacy and financing readiness of MSMEs. The activities were carried out through socialization, basic accounting training, intensive mentoring on transaction recording, preparation of financial statements, and financing application simulations. The program was conducted for one month targeting Warung Rindu Malam MSME located in Poka Village, Ambon City. The results indicate an improvement in participants' understanding and skills in financial recording and preparation of income statements, simple balance sheets, and cash flow statements. The targeted MSME successfully produced organized financial documents that are ready to be used for financing applications. This program is expected to encourage more professional and sustainable MSME financial management.

**Keywords :** MSMEs, financial statements, financial literacy, access to financing.

#### Abstrak

Usaha Mikro, Kecil, dan Menengah (UMKM) memiliki peran penting dalam perekonomian nasional, namun masih menghadapi kendala dalam mengakses pembiayaan dari lembaga keuangan formal. Salah satu penyebab utama keterbatasan akses pembiayaan tersebut adalah rendahnya kemampuan pelaku UMKM dalam menyusun laporan keuangan yang sistematis, akurat, dan sesuai dengan standar akuntansi. Sebagian besar UMKM belum melakukan pencatatan transaksi secara tertib, mencampurkan keuangan pribadi dan usaha, serta tidak memiliki laporan keuangan formal yang dapat digunakan sebagai persyaratan pengajuan pembiayaan. Kegiatan pengabdian kepada masyarakat ini bertujuan untuk memberikan edukasi dan pendampingan penyusunan laporan keuangan sederhana bagi UMKM



guna meningkatkan literasi keuangan dan kesiapan akses pembiayaan usaha. Metode pelaksanaan kegiatan meliputi sosialisasi, pelatihan akuntansi dasar UMKM, pendampingan intensif pencatatan transaksi, penyusunan laporan keuangan, serta simulasi pengajuan pembiayaan. Kegiatan dilaksanakan selama satu bulan dengan sasaran UMKM Warung Rindu Malam yang berlokasi di Desa Poka, Kota Ambon. Hasil kegiatan menunjukkan adanya peningkatan pemahaman dan keterampilan pelaku UMKM dalam melakukan pencatatan keuangan serta menyusun laporan laba rugi, neraca sederhana, dan laporan arus kas. UMKM sasaran juga berhasil memiliki dokumen keuangan yang lebih tertib dan siap digunakan sebagai persyaratan pengajuan pembiayaan. Kegiatan ini diharapkan dapat mendorong pengelolaan usaha yang lebih profesional dan berkelanjutan.

**Kata Kunci :** UMKM, laporan keuangan, literasi keuangan, akses pembiayaan.

## 1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in supporting economic growth, employment creation, and income distribution, particularly in developing countries such as Indonesia (Al-ghifary et al., 2025). MSMEs contribute significantly to local economic resilience by providing business opportunities and absorbing labor across various sectors (Nugraha et al., 2023). Despite their important role, many MSMEs continue to face structural challenges that limit their ability to grow sustainably, especially in the area of financial management.

One of the main problems faced by MSMEs is the absence of systematic financial management practices. Many MSME owners operate their businesses without proper financial records and rely on informal methods to track income and expenses. Business and personal finances are often mixed, making it difficult to measure business performance, determine profitability, and plan future development. This condition reflects the low level of financial literacy among MSME actors, which remains a major barrier to business sustainability.

Financial statements are essential tools for managing and developing MSMEs. Financial statements provide structured information regarding business performance, financial position, and cash flows within a certain period. For MSMEs, basic financial statements such as income statements, balance sheets, and cash flow statements are important for internal decision-making and external communication. However, many MSMEs lack the knowledge and skills required to prepare financial statements in accordance with applicable standards.

The inability to prepare proper financial statements also affects MSMEs' access to financing. Financial institutions generally require financial reports as the main basis for assessing creditworthiness and business feasibility. MSMEs that are unable to present standardized financial statements are often perceived as high-risk borrowers and face difficulties in obtaining formal financing. As a result, many MSMEs depend on informal funding sources with limited capital and higher financial risks.

To address this issue, the Indonesian Institute of Accountants introduced the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), which are designed to simplify financial reporting for MSMEs. Although these standards are relatively easy to apply, their adoption remains limited due to the lack of education and continuous



assistance. Therefore, community service activities focusing on education and assistance in financial statement preparation are needed to improve MSMEs' financial literacy and readiness to access financing.

## 2. RESEARCH METHOD

This study employed a community service-based research method with an educational and participatory approach. The method was chosen to directly address practical financial management problems faced by MSMEs and to ensure active involvement of participants throughout the program.

### a. Location and Program Participants

The community service program was conducted at Warung Rindu Malam, an MSME operating in the food and beverage sector located in Poka Village, Ambon City. The MSME was selected based on initial observations indicating the absence of structured financial records and limited access to formal financing.

### b. Program Design and Implementation

The program was implemented over a one-month period and consisted of several integrated stages:

- ✓ Initial Assessment and Socialization

This stage involved observation and interviews to assess existing financial practices, identify financial literacy levels, and understand business challenges related to financing.

- ✓ Financial Literacy Education

Educational sessions introduced basic financial management concepts, including the importance of transaction recording, budgeting, and financial planning.

- ✓ Basic Accounting Training

Training focused on fundamental accounting concepts relevant to MSMEs, such as assets, liabilities, equity, income, and expenses.

- ✓ Intensive Mentoring and Practice

Participants received hands-on assistance in daily transaction recording, preparation of cash books, and transaction recap.

- ✓ Financial Statement Preparation

The MSME was guided to prepare income statements, balance sheets, and cash flow statements based on SAK EMKM.

- ✓ Financing Application Simulation

Simulation activities demonstrated how financial statements are used in financing applications and how to meet documentation requirements.

### c. Data Collection Techniques

Data were collected using observation, interviews, documentation, and financial report evaluation. Data were gathered before, during, and after the program to assess changes in financial literacy and reporting practices.



#### d. Data Analysis

Qualitative descriptive analysis was used to evaluate program outcomes. Changes in financial literacy and reporting capabilities were analyzed by comparing pre- and post-program conditions.

### 3. RESULT AND DISCUSSION

#### a. Changes in Financial Management Practices

The results indicate a substantial improvement in financial management practices. Initially, the MSME did not maintain regular financial records and relied on memory to track income and expenses. After the mentoring process, daily transaction recording became a routine practice.

#### b. Improvement in Financial Reporting Skills

The MSME successfully prepared structured financial statements, including income statements, balance sheets, and cash flow statements. These reports provided clearer insights into business performance and financial position.

#### c. Impact on Financing Readiness

With standardized financial statements, the MSME demonstrated improved readiness to apply for formal financing. The financial reports fulfilled basic requirements commonly requested by banks and microfinance institutions.

#### d. Discussion

The findings confirm that continuous education and mentoring significantly enhance MSMEs' financial literacy and reporting capabilities. The community service approach effectively bridges theoretical knowledge and practical application, supporting MSME professionalism and sustainability.

### 4. CONCLUSION

This study concludes that continuous mentoring has a significant and positive impact on improving MSME financial management and reporting practices. The mentoring process transformed previously informal practices, where financial information was tracked through memory, into disciplined daily transaction recording routines. As a result, the MSME was able to prepare structured financial statements, including income statements, balance sheets, and cash flow statements, which provided clearer and more reliable information on business performance and financial position. These improvements enhanced the MSME's readiness to access formal financing, as the standardized reports met fundamental requirements of banks and microfinance institutions. The findings underscore the importance of sustained education and hands-on mentoring in strengthening financial literacy and practical reporting skills among MSME actors. By effectively linking theoretical concepts with real business practices, the community service approach supports increased professionalism, accountability, and long-term business sustainability.



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