

Enhancing Financial Literacy of Rural MSMEs through Service Learning: Daily Cash Recording Training

¹Jusuf Satriani*, ²Mohammad Ja'far As-Shodiq, ³Citra Alissya Yustisianti, ⁴Rhendica,

^{1,2,3}UIN Sayyid Ali Rahmatullah, Tulungagung, Indonesia

⁴UIN Sultan Aji Muhammad Idris, Samarinda, Indonesia

*Corresponding author

E-mail: satriani@gmail.com

Volume

2

Issue

2

Page

xxx-xxx

Year

2024

Keyword

MSMEs;

Record-Keeping;

Literacy;

Village;

Micro Enterprise;

How to cite

Satriani, J., As-Shodiq, M. J. A.-S., Yustisianti, C. A., & Rhendica, R. (2024). Enhancing Financial Literacy of Rural MSMEs through Service Learning: Daily Cash Recording Training. *Kerigan: Jurnal Pengabdian Masyarakat*, 2(2), 87-94. <https://doi.org/10.21274/kjpm.2024.2.2.87-94>

Abstract

Purpose: Micro, Small, and Medium Enterprises (MSMEs) play an important role in strengthening the rural economy; however, many MSME operators still face limitations in managing financial administration. The lack of systematic financial records makes it difficult for business owners to evaluate performance and access financial support. This community service activity aims to improve financial literacy and basic financial recording skills among MSME operators in Talang 1 Village through direct education.

Method: The activity employed a Service Learning (SL) approach that integrates student learning with community engagement. The implementation stages included preliminary observation, identification of community needs, preparation of training materials, and the delivery of a seminar entitled “*The Importance of Financial Recording for Micro Enterprises*.” The materials were presented using a participatory and practical approach, supported by case studies and simple daily cash-recording worksheets.

Practical Applications: The seminar involved 15 local MSME operators who had not previously received similar training. Participants gained knowledge of basic financial recording, income and expense tracking, and strategies for separating personal and business finances. The participants showed strong enthusiasm and expressed willingness to apply financial recording practices independently.

Conclusion: This activity demonstrates that context-based financial education can effectively improve financial literacy among rural MSME actors and support better business governance.



Pendahuluan

Micro, Small, and Medium Enterprises (MSMEs) contribute 61% to Indonesia's Gross Domestic Product (GDP), equivalent to Rp 9,580 trillion, and absorb 97% of the total workforce. This contribution is higher than that of other ASEAN and G20 countries (Ayuningtyas, 2025). Nevertheless, despite their strategic role, Micro, Small, and Medium Enterprises (MSMEs) are among the important pillars of Indonesia's economic structure. The existence of MSMEs not only supports national economic growth at the macro level but also creates employment opportunities, alleviates poverty, and drives economic activity in rural communities. However, despite their substantial contribution to national GDP, MSMEs at the village level still face various classical problems, one of which is the weakness in recording and managing financial administration.

In various rural areas, including Talang 1 Village, Sendang District, Tulungagung Regency, the majority of MSME operators are individuals or families running informal businesses without orderly and systematic financial recording systems. Business transaction recording is often neglected or not conducted at all (Martadinata, 2024). This directly impacts MSME operators' inability to assess business performance, distinguish between personal and business finances, and access financing sources such as bank loans or government assistance that require basic financial reports.

This condition is exacerbated by low financial literacy and business operators' understanding of the importance of financial recording (Saputra, 2020). Many of them still perceive financial recording as necessary only for large companies, not for micro enterprises such as grocery stalls, home-based food businesses, or handicrafts. In fact, financial recording constitutes the foundation for making business decisions, such as determining selling prices, calculating profits, and deciding on business expansion.

In response to this problem, the Community Service Program (KKN) student team from UIN Sayyid Ali Rahmatullah Tulungagung organized a seminar and business administration training activity titled "The Importance of Financial Recording for Micro Enterprises" in Talang 1 Village. This activity was implemented to enhance basic administrative and financial literacy among MSME operators at the village level, while also serving as a concrete contribution from higher education institutions to addressing community economic issues.

The objective of this activity is to provide in-depth understanding to MSME

operators about the importance of financial recording in their business operations (Setiani, 2024). Through this seminar, participants were invited to understand the benefits of financial recording, recognize the types of business transactions that need to be recorded, and be introduced to simple recording methods that are easy to implement, such as daily cash books and simple profit-and-loss statements. Additionally, this activity also encouraged business operators to begin separating personal and business finances as an initial step in building a healthy financial system.

The seminar implementation method was conducted participatively, beginning with the identification of MSME operators in the village, the distribution of invitations, the execution of the seminar with student presentations accompanied by Field Supervisory Lecturers (DPL), and culminating in discussion sessions and recording practice. In this activity, participants were provided with simplified financial recording worksheets to be easily followed by business operators with diverse educational backgrounds and technical capabilities.

This activity received a positive reception from the community, especially MSME operators, who felt assisted as they had never received similar training. They realized that financial recording is not merely a formality but a basic necessity for the sustainability of their businesses. Several participants even expressed their intention to begin recording daily business transactions and preparing simple reports periodically.

This seminar demonstrates that a targeted yet straightforward educational intervention can have a significant impact on rural MSME operators. This seminar also created a space for dialogue between business operators and students serving as field facilitators, thus establishing a collaborative relationship to enhance community economic capacity. Furthermore, this activity demonstrates the importance of higher education institutions' active role in bridging the economic literacy gap in rural communities through community service programs based on local needs.

With this background and objectives, this community service article is compiled to describe the implementation process of the seminar, the approach used, and its results and impact on MSME operators in Talang 1 Village. It is hoped that this activity can serve as a best-practice example, replicable in other regions with contextual and sustainable approaches.

Method

This community service activity was implemented using a *Service Learning* (SL) approach, namely *Service Learning* (SL) is a pedagogical approach that integrates academic learning with meaningful service to the community, accompanied by structured reflection to deepen understanding and build civic responsibility. This approach was selected because it can provide dual benefits: for the community (concrete solutions to financial literacy problems) and for students (contextual learning and professional competency development). The DEAL Model (Describe, Examine, Articulate Learning) by Ash and Clayton serves as the reflection framework that guides students to describe experiences, analyze their impact on academic learning and personal growth, and formulate follow-up action plans (Bringle, 2023). This learning method integrates community service experience with academic learning, critical reflection, and meaningful social contribution. This approach was selected because it is considered capable of combining students' academic competencies with concrete societal problems, thereby producing applicable solutions with direct impact.

The implementation stages of the activity began with field observation and needs mapping through informal interviews and discussions with village officials and MSME operators in Talang 1 Village (Fathiyah, 2024). From the initial identification results, it was found that the majority of micro enterprise operators did not yet have an adequate understanding of the importance of financial recording and had not implemented orderly business administration practices.

Based on these identification results, the student team compiled an educational program comprising a seminar and simple financial recording training, designed to be easily understood and implemented by MSME operators with varying educational backgrounds. The materials prepared included: an introduction to the importance of financial recording; types of business transactions; separation of personal and business finances; and recording techniques using daily cash books and simple profit-and-loss statement formats (Fu'aida, 2023).

Seminar implementation was conducted face-to-face with a participative approach. Students acted as facilitators and resource persons, using presentation media, worksheets, and real case studies. Participants were allowed to practice recording their business transactions with students. Question-and-answer sessions and interactive discussions became important parts of the program to deepen

participants' understanding (Mahanani, 2024).

Following implementation, a **simple evaluation** was conducted through questionnaires and interviews with participants to determine their understanding, satisfaction, and commitment to applying financial recording in daily business activities. Additionally, students also conducted **internal reflection** as part of the Service Learning process, noting experiences, challenges, and successes during program implementation.

Through this method, community service not only addresses problems faced by village residents but also serves as a meaningful learning vehicle for students to sharpen their academic, social, and professional capabilities holistically (Farhat, 2025).

Results and Discussion

The seminar activity, titled "Pentingnya Pencatatan Keuangan Usaha Mikro" organized by KKN students from UIN Sayyid Ali Rahmatullah Tulungagung in Talang 1 Village, was successfully held with active participation from local MSME operators. A total of 15 participants attended this seminar, most of whom came from home-based microenterprises, including food sellers, grocery stall owners, and craftspeople. This activity became highly relevant because most participants had never received formal training in managing their business's financial administration. Prior to the seminar, business operators generally ran their businesses without systematic recording, thus lacking accurate information regarding cash flow, profits, and their financial position.

During the seminar implementation, participants demonstrated high enthusiasm, especially during the practical session on recording financial transactions using the simple cash book prepared by the KKN team. Students, as facilitators, explained the materials using a contextual, participatory approach, accompanied by real case studies relevant to participants' business activities. Positive responses were evident among many participants, who actively asked questions, discussed, and shared experiences of difficulties in managing business money, which is often intertwined with household finances.

After attending the seminar, participants began to understand basic concepts of the importance of financial recording, such as the separation between personal and business money, and the routine recording of income and expenditure transactions

(Lestari, 2023). Several participants even reported feeling greatly assisted by the simple, practical recording format, as they had previously considered financial recording complex and necessary only for large companies. One participant reported that with this simple recording, she can now determine her business profit for one week, which she had never previously estimated with certainty.

The tangible impact of this activity was felt not only during the seminar but also in participants' plans to begin independently recording their businesses daily (Mahanani, 2024). It demonstrates that community service is not only informative but also transformational, as it encourages changes in business operators' mindsets and behaviours regarding financial management. Several participants even requested continued mentoring from KKN students to implement financial recording in their business activities better.

Activity evaluation was conducted reflectively through final seminar discussions and direct observation during the activity. Based on this evaluation, the majority of participants found this seminar very beneficial and easy to understand. They appreciated the students' communicative approach that was not patronizing. From the students' perspective, this activity also provided valuable field-learning experience, requiring them to adjust materials and delivery methods to participants' heterogeneous backgrounds. The *Service Learning* approach used in this activity proved effective in building meaningful two-way communication between students and the community (Fathiyah, 2024).

Field findings from this activity are also supported by several previous studies demonstrating the importance of financial literacy for MSME operators. As stated by (Fu'aida, 2023), Simple financial recording is the foundation of microenterprise management and a key to business sustainability. Meanwhile, a study by Sitorus confirms that community-based educational intervention is a practical approach to enhancing rural community economic capacity in a participatory manner. Therefore, the implementation of this seminar not only provides short-term solutions to MSME financial administration problems but also contributes to sustainable community empowerment efforts (Setiani, 2024).

Overall, this seminar activity proves that practical education delivered in simple language and with a communicative approach can enhance MSME operators' understanding and skills in financial recording. Moreover, this activity serves as evidence that student involvement in community service can make fundamental

contributions to strengthening the rural community economy by enhancing basic financial literacy.

Conclusion

The seminar activity organized by KKN students from UIN Sayyid Ali Rahmatullah Tulungagung in Talang 1 Village, demonstrates that a simple yet applicable educational intervention can have a positive impact on rural MSME operators. Through a *Service Learning* approach involving the community as active partners, this training not only enhanced participants' understanding of the importance of financial recording but also encouraged them to implement financial recording systems independently in their daily business operations.

Active participation, enthusiasm in recording practice, and commitment to continue such practice indicate that this activity successfully addressed the community's real needs, especially in basic financial literacy. Beyond providing direct benefits to business operators, this activity also served as meaningful learning media for students, who could develop social, communication, and empathy skills in delivering knowledge to communities with diverse backgrounds.

Thus, this seminar proves that synergy between higher education institutions and the community can create relevant, contextual, and sustainable empowerment processes. It is hoped that similar activities can be replicated in other areas with similar MSME characteristics to strengthen community economic capacity through business management strengthened by local knowledge and simple financial practices.

References

- Ayuningtyas, A. D. (2025). *Berapa Besar Kontribusi UMKM Atas PDB Indonesia?* GoodStats. <https://goodstats.id/article/berapa-banyak-kontribusi-umkm-atas-pdb-indonesia-iZgHK>
- Bringle, R. G. (Ed.). (2023). *Research on Service Learning: Conceptual Frameworks and Assessments: Volume 2A: Students and Faculty*. Routledge. <https://doi.org/10.4324/9781003446750>
- Farhat, R. (2025). Inovasi Digital dalam Pengelolaan Keuangan UMKM: Sosialisasi Pencatatan Laporan Keuangan melalui Aplikasi Teman Bisnis. *ALKHIDMAH: Jurnal Pengabdian dan Kemitraan Masyarakat*, 3(1), 17–28.

- <https://doi.org/10.59246/alkhidmah.v3i1.1224>
- Fathiyah, S. F. A. (2024). PEMBINAAN UNTUK MENGENALI DAN MENGEMBANGKAN POTENSI DIRI PADA GENERASI Z: PENERAPAN PKM DENGAN PENDEKATAN SERVICE LEARNING DI SMP-SMA MUHAMMADIYAH SUMBERPUCUNG MALANG. *As-Sidanah: Jurnal Pengabdian Masyarakat*, 6(2), 362–382. <https://doi.org/10.35316/assidanah.v6i2.362-382>
- Fu'aida, T. (2023). Pelatihan Pembuatan Laporan Keuangan pada UMKM di Desa Sugihwaras Pemalang. *ABDI UNISAP: Jurnal Pengabdian Kepada Masyarakat*, 1(1), 98–102. <https://doi.org/10.59632/abdiunisap.v1i1.50>
- Lestari, P. (2023). PELATIHAN AKUNTANSI KEUANGAN PADA UMKM DESA KALISONGO KECAMATAN DAU KABUPATEN MALANG. *Jurnal Edukasi Pengabdian Masyarakat*, 2(1), 9–16. <https://doi.org/10.36636/eduabdimas.v2i1.2098>
- Mahanani, E. (2024). Pentingnya Literasi Keuangan Digital Bagi Pelaku UMKM GEMMA Indonesia Raya, Depok (Ngobrol Bareng Bank Ja-Bar). *IKRA-ITH ABDIMAS*, 8(2), 200–210. <https://doi.org/10.37817/ikra-ithabdimas.v8i2.3270>
- Martadinata, I. P. H. (2024). PELATIHAN PEMBUKUAN SEDERHANA UNTUK MENINGKATKAN TATA KELOLA KEUANGAN PADA UMKM DESA WANAGIRI, KECAMATAN SUKASADA, KABUPATEN BULELENG. *Seminar Nasional Pengabdian kepada Masyarakat*, 9(1), 389–394.
- Saputra, M. D. (2020). Implementasi Standar Akuntansi Keuangan Entitas Mikro, Kecil Dan Menengah (SAK EMKM) Pada Jewelry S Celuk Sukawati. *Jurnal Bisnis Dan Kewirausahaan*, 16(1), 58–64. <https://doi.org/10.31940/jbk.v16i1.1486>
- Setiani, D. (2024). The Role Of Financial Behavior In Mediating The Effect Of Financial Literacy And Financial Inclusion On The Performance Of Umkm In Cirebon City. *International Journal Of Humanities Education and Social Sciences (IJHESS)*, 4(1). <https://doi.org/10.55227/ijhess.v4i1.1126>