



ENHANCING ACCOUNTABILITY IN BUSINESS FUND MANAGEMENT: BUDGET PREPARATION TRAINING FOR INDRAMAYU MSMEs TO SUPPORT SDG 8 IN THE ERA OF GLOBAL COMPETITIVENESS

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) in Indramayu face significant challenges related to limited capital and financial literacy, hindering their ability to effectively manage business funds and access necessary financing. This community engagement program aims to enhance the financial literacy and accountability of MSME owners in Indramayu through a budget preparation training program. In collaboration with international partners from Universiti Malaysia Sabah, the program focused on providing practical training on financial management, including budgeting, cash flow management, and financial record-keeping. The initiative aligns with Sustainable Development Goal (SDG) 8, promoting inclusive and sustainable economic growth by improving the business practices of MSMEs. The program successfully improved participants' understanding of basic financial reporting and budgeting, with significant improvements in their ability to manage business funds using digital tools. By equipping MSMEs with the necessary skills, this initiative contributes to enhancing the competitiveness and sustainability of local businesses in a globalized market.

Keywords: MSMEs, Financial literacy, Budget preparation, Digital tools, SDG 8, Indramayu, Community engagement

INTRODUCTION

The sustainability and development of MSMEs in Indonesia require substantial support through various government policies and initiatives. According to the latest regulation, Law No. 11 of 2020 on Job Creation (Omnibus Law), MSMEs are recognized as a key driver of economic growth and are provided with a more conducive ecosystem for business development (Ristanti, et al, 2025). This sector has become the backbone of Indonesia's economy, contributing significantly to employment generation and Gross Domestic Product (GDP)(I. Mualim Hasibuan, et al, 2024);(Ratnaningtyas, et al, 2024). According to data from the Coordinating Ministry for Economic Affairs Republic of Indonesia, there are more than 65.5 million MSMEs in Indonesia, marking an increase of 1.7% from the previous year)(I. Mualim Hasibuan, et al, 2024). Particularly in Indramayu, West Java, MSMEs represent a significant portion of the economy, contributing to job creation and local development. As reported by the Ministry of Trade, MSMEs contribute around 61% to the national GDP and absorb nearly 90% of the workforce in Indonesia (Ratnaningtyas, et al, 2024); (Shohibboniawan, et al, 2024) The presence of MSMEs, particularly in rural areas, has a significant impact on local economic growth and community welfare. MSME actors play an essential role in enhancing purchasing power, reducing unemployment, and improving overall economic prosperity. The contribution of MSMEs is increasingly vital in supporting economic recovery post pandemic and driving a more inclusive and sustainable economy.

However, despite their substantial role, MSMEs in Indonesia still face various challenges, particularly in terms of limited capital. According to the Ministry of Trade, one of the primary obstacles encountered by MSME owners has limited access to financial resources necessary to sustain and expand their businesses. This issue is further compounded by low financial literacy among MSME owners, which hinders their ability to manage and grow their businesses effectively (Shohibboniawan, et al, 2024). MSMEs often face difficulties in accessing necessary funding sources, whether through bank loans or other financial institutions, due to a lack of collateral and financial documentation (Ratnaningtyas, et al, 2024);(I. Mualim Hasibuan, et al, 2024). To address these challenges, the government, through Bank Indonesia, has launched several financing schemes accessible to MSMEs, one of which is the People's Business Credit (KUR), which provides solutions to improve access to capital. This program aims to strengthen the MSME sector, enabling entrepreneurs to run their businesses more effectively and expand their market reach.

Given the significant role of MSMEs in the economy and the need to enhance their competitiveness, particularly in Indramayu one of Indonesia's economic hubs, more comprehensive support is necessary. This includes business guidance and development, particularly in areas such as proper financial book-keeping, managing business funds, and budget planning. Training in these areas will help MSME owners manage their business finances more efficiently, which will ultimately improve the sustainability and competitiveness of their businesses. It is expected that with this support, MSME owners will be better equipped to face challenges and seize opportunities, thereby increasing their contribution to Indonesia's economic growth. This initiative aligns with several Sustainable Development Goals (SDGs), particularly SDG 8: Decent Work and Economic Growth, which emphasizes the promotion of sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all (IBC Team and Pacific Nusantara Partners, 2025);(Kurniadi and Wishnu. 2024). By empowering MSMEs through financial literacy and accountability training, this program directly contributes to creating more resilient and sustainable businesses, which in turn generate employment and improve livelihoods. Additionally, the program supports SDG 9: Industry, Innovation, and Infrastructure, as it fosters innovation and competitiveness among MSMEs, enabling them to integrate into global value chains and adopt sustainable practices (Lusardi and Mitchell, 2014).

Furthermore, the collaboration with international partners from Malaysia aligns with SDG 17: Partnerships for the Goals, which highlights the importance of global partnerships and knowledge-sharing to achieve sustainable development. By leveraging international expertise, this program ensures that MSMEs in Indramayu are equipped with the skills and knowledge to compete in the global market, fostering cross-border collaboration and innovation. In light of these considerations, this community service proposal aims to provide targeted support to 30 MSMEs under the guidance of, a program managed by the Bulak Village in Jatibarang Regency, Indramayu City. These MSMEs operate across various industries in Indramayu and will participate in this community service

program. This initiative will focus on enhancing financial literacy and accountability among MSME owners, equipping them with the skills to manage business funds effectively through proper budget preparation and financial planning.

Recent studies have highlighted the importance of financial literacy in improving MSME performance. For instance, a study emphasized that financial literacy is a critical determinant of financial decision-making, which directly impacts business sustainability (Mohd Padil, et al, 2022). Similarly, research found out that MSMEs with higher financial literacy levels are better equipped to manage cash flow, plan budgets, and access financing, leading to improved business outcomes (Kurniadi and Wishnu. 2024). Additionally, to bring a global perspective and foster international competitiveness, this program will involve academia from Universiti Malaysia Sabah, Malaysia. These international partners will contribute their expertise and share best practices in business management, financial accountability, and strategies to thrive in the global market.

A recent study underscores the importance of international collaboration in enhancing the competitiveness of MSMEs, particularly in developing countries. Their research found that exposure to global best practices and knowledge exchange can significantly improve the operational efficiency and market reach of MSMEs. By integrating local knowledge with international insights, this program aims to empower MSME owners to not only overcome financial barriers but also to position their businesses competitively in the global arena (Suryanto et al, 2022). Through this collaborative effort, the program envisions a strengthened MSME sector in Indramayu that is resilient, financially accountable, and capable of competing on a global scale. This initiative aligns with the broader national agenda of fostering a resilient and inclusive economic landscape, ensuring that MSMEs remain a driving force for sustainable development in Indonesia. By bridging the gap between local challenges and global opportunities, this proposal seeks to create a transformative impact on the MSME sector, enabling it to thrive in the era of global competitiveness.

PROBLEM AND SOLUTION

Indramayu is a small city in West Java that have a lot of potential in agribusiness product, contributing significantly to the national economy. This economic dynamic has a profound impact on the local economy of Indramayu especially The Bulak Village that provides various opportunities for business owners in the region. One of the sectors that benefits from these opportunities is the Micro, Small, and Medium Enterprises (MSMEs), particularly those involved in the Farmer product, culinary, mango and other industries.

However, a major issue faced by MSME owners in Indramayu is the limitation of capital. The lack of sufficient capital hampers their ability to expand their businesses, innovate, and compete in an increasingly globalized market. Capital is a critical factor in the success of any business, as it enables MSME owners to purchase raw materials, employ labour, and cover expenses for promotions and

marketing efforts. Furthermore, the lack of capital restricts MSMEs from adopting modern technologies and digital tools, which are essential for improving operational efficiency and reaching broader markets in the digital era. In addition to capital constraints, 30 MSMEs in Indramayu face challenges related to financial literacy and business management. Many MSMEs owners lack the knowledge and skills to manage their business funds effectively, including proper budget planning, cash flow management, and financial record-keeping. This deficiency often leads to poor financial decision-making, mismanagement of resources, and an inability to access formal financing options such as bank loans or government credit programs. MSMEs with low financial literacy levels are more likely to experience financial instability and struggle to sustain their businesses in the long term (Kurniadi and Wishnu, 2024).

The lack of financial literacy also hinders MSME owners from understanding and utilizing available financial services and government support programs. For example, despite the availability of schemes like the People's Business Credit (KUR), many MSME owners are unaware of the application process or fail to meet the requirements due to inadequate financial documentation. This gap in knowledge further limits their ability to secure the necessary funding to grow their businesses. Moreover, the competitive landscape in Indramayu poses additional challenges for MSMEs. Indramayu attracts businesses from across the country and abroad, creating intense competition for local MSMEs. Without proper financial management and strategic planning, many MSMEs struggle to differentiate themselves in the market, maintain profitability, and adapt to changing consumer demands. This situation is further compounded by the rapid digital transformation of the economy, which requires MSMEs to adopt e-commerce platforms, digital marketing strategies, and online payment systems to remain competitive.

Based on the issues outlined above, the main problems faced by MSMEs Owner under in Indramayu can be summarized as follows:

1. Lack of business capital: The limited access to financial resources restricts their ability to invest in business expansion, innovation, and marketing efforts.
2. Insufficient knowledge among MSMEs in Indramayu regarding proper business fund management and budget planning. This makes it difficult for them to manage cash flow, plan for future growth, and access formal financing options.
3. Low financial literacy levels: Many MSME owners lack the skills to prepare financial documents, understand credit requirements, and utilize government support programs effectively.
4. Intense competition in Indonesia market: MSMEs face challenges in differentiating themselves and adapting to the digital economy, which requires additional resources and expertise.
5. Limited adoption of digital tools and technologies: Many MSMEs are unable to leverage e-commerce platforms, digital marketing, and online payment systems, which are critical for reaching broader markets and improving operational efficiency

These challenges highlight the urgent need for targeted interventions to support MSMEs in Indramayu. Providing training and guidance on proper business management practices, particularly in financial literacy, budget planning, and digital transformation, can empower MSME owners to overcome these barriers and unlock their full potential.

METHOD AND PROCEDURES

This section explains the stages involved in implementing the proposed solutions to address the partner's issues, the expertise of the proposing team and their roles in this community service program, the partner's participation in the activities, the program evaluation steps, and the sustainability of the community service program. In general, the implementation method of this Community Service Program (PKM) consists of the following stages:

1. Planning Stage

At this stage, the community service team will conduct an initial survey before the program begins, in the form of a pre-test. The survey is one of the essential activities in implementing this program, as it allows the proposing team to engage directly with business owners and discuss the challenges faced by MSMEs under the program in Indramayu.

2. Implementation Stage

During the implementation stage, this activity will be carried out through a workshop organized by the proposing team in collaboration with lecturers from University Malaysia Sabah (UMS), Malaysia. The workshop will feature speakers from the proposing team who will deliver material on financial management accountability for MSMEs

3. Evaluation Stage

This stage involves evaluating the implementation of the community service activities that have been carried out, as well as preparing a report on the results of the entire series of activities

The partners in this community service program will participate as attendees and will have the opportunity to interact directly with the proposing team. They can discuss and ask questions about the challenges they face in managing their finances while running their businesses. This activity is organized by a team with a strong background in accounting and economics, ensuring that the program aligns with the planned community service objectives. The implementation program is planned to take place over approximately 4 hours in one day May 2025. After the program is completed, communication between the proposing team and the partners will continue.

Below are the details of the implementation plan:

1. Time and Place of Implementation

- a. Implementation Day: May 24, 2025
- b. Partners: 30 MSMEs Owners in Indramayu
- c. Duration of Implementation:

- Overall program duration: 6 months (January–August 2025).
 - Activity implementation: Approximately 4 hours.
 - Evaluation and reporting of results: July-August 2025.
- d. Place: Bulak Village, Jatibarang, Indramayu Regency.
- e. Program Partners: University Malaysia Sabah, Malaysia.
2. Implementation (Event Arrangement)

The composition of the implementation event is as follows:

Table 1. Community Services Rundown

No.	Waktu	Acara	Penanggung Jawab
1.	08.00 - 08.05	Opening by MC	Putri Haryani
2.	08.05 - 08.10	Indonesia Raya Anthem	All Participants
3.	08.10 - 08.20	Opening Remarks by the Representative of UNJ	Adam Zakaria
4.	08.20 - 08.30	Welcome Speech by the Representative of Desa Bulak	Resi Dwi Atmaja (Secretary of Bulak Village)
5.	08.30 - 08.35	Keynote Speaker	Dr. Andrew Saw Tek Wei
6.	08.35 - 09.00	Token of Appreciation	UNJ- Bulak Village
7.	09.00 - 10.00	Speaker 1: How to Create Business Plan, Proposal Business, Budgeting and Tax Planning	Gentiga Muhammad Zairin
8.	10.00 - 10.15	Ice Breaking	Putri Haryani
9.	10.15 - 11.15	Speaker 2: Financial Report Apps for MSMEs and BUMDes	Ayatullah Michael and Muhammad Yusuf
10.	11.15-12.15	Speaker 3: Strategy of Marketing use social media	Bangun Indra Pratama
11.	12.25 - 12.35	Closing	Putri Haryani

RESULTS AND DISCUSSION

Implementing this community engagement program resulted in measurable improvements in participants' knowledge, skills, and confidence in managing business funds and preparing simple budgets using SME accounting standards. The program involved 30 MSMEs Owners from Bulak Village and engaged cross-border academic support from University Malaysia Sabah. Participants represented various sectors, including culinary, retail, tourism-based services, and agriculture-related businesses.

Based on the pre- and post-assessment data, 83% of participants showed increased understanding of budgeting and financial reporting components such as income statements and balance sheets. Before the training, only 26% of MSMEs could identify all required financial components under SME accounting standards. After the training, this figure rose to 79%, indicating substantial conceptual improvement. Participants also gained practical experience using cloud-based accounting applications (e.g., Accurate Lite and Wave), with 68% of them able to independently input transactions, prepare simple budgets, and generate basic reports by the end of the program. Qualitative feedback collected through post-training interviews and focus group discussions (FGDs) highlighted

several key outcomes. Many participants appreciated the practical nature of the training, particularly the hands-on demonstrations and bilingual guidance. They also valued the relevance of materials to their real-life business operations, especially in planning budgets, understanding taxes, and applying the knowledge to fulfil village-owned business (BUMDes) reporting obligations. A participant noted: “This is the first time I understand how to record daily income and expenses properly, and now I can even prepare a budget and generate a report to present to our community cooperative.” The international keynote session by Dr. Andrew Shaw Tek Wei from the University of Malaysia Sabah added a valuable cross-border perspective. He emphasized the importance of accountability and transparency in business fund management for community-based enterprises and the role of structured budgeting practices in building trust and sustainability.

One key finding was the positive shift in perception toward budget preparation and accountable financial management. Initially, several MSME owners expressed skepticism and anxiety about using accounting software for budgeting. However, their confidence grew through guided simulation, peer support, and user-friendly interfaces. By the end of the training, 91% of participants stated they were willing to continue using the tools introduced and expressed interest in further financial planning and digital training.

The results support previous studies by Santiago and Estiningrum (2021), who argued that simplified accounting standards like SAK EMKM can improve MSME financial transparency when delivered alongside structured capacity building. Furthermore, this program aligns with Lusardi and Mitchell’s (2014) assertion that financial literacy particularly in budgeting and accountable fund management is a cornerstone of sustainable entrepreneurship.

From a broader perspective, the program also demonstrated how cross-border university collaboration can enhance the effectiveness and scalability of community-based empowerment. Combining localized knowledge, international perspectives, and accessible financial tools contributed to a meaningful and measurable impact on the ground.

Overall, the initiative successfully advanced several targets of SDG 8, particularly in promoting inclusive and sustainable economic growth, supporting productive employment, and strengthening decent work opportunities for MSMEs. The strategic blend of academic support, financial education, and budget preparation training created a scalable model that can be replicated in similar rural or semi-urban contexts.

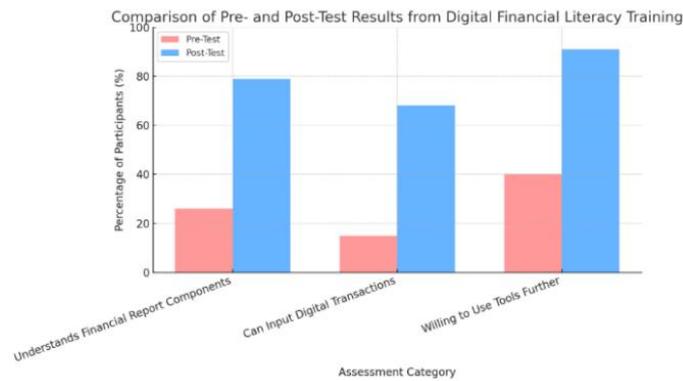


Figure 1. The bar chart illustrates participants

The bar chart illustrates a significant improvement in participants' financial literacy following the training program. The percentage of participants who understood the components of basic financial reports (such as income statements and balance sheets) increased from 26% before the training to 79%. In comparison, the ability to prepare budgets and input digital financial transactions using cloud-based tools rose from 15% to 68%. Notably, the willingness to continue applying budget preparation practices and digital financial tools increased from 40% to 91%, indicating a substantial positive shift in mindset toward adopting accountable fund management in daily business practices. These findings suggest that the training not only enhanced knowledge and skills but also addressed psychological barriers such as fear or resistance to budgeting tools, with the combination of simplified materials, bilingual instruction, and practical hands-on guidance proving effective in improving both competence and confidence among MSME participants.

The documentation of the offline seminar activity under the program titled “Enhancing Accountability in Business Fund Management: Budget Preparation Training for Indramayu MSMEs to Support SDG 8 in the Era of Global Competitiveness”, held in Bulak Village, Indramayu Regency, Indonesia, is presented as follows:



Figure 2. Activity Banner



Figure 3. Handover of Partnership Plaque from UNJ to Bulak Village



Figure 4. Presentation of Training Materials to Participants



Figure 5. Dokumentation



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Daftar Hadir
Kegiatan Pengabdian Masyarakat di Desa Bulak Indramayu
11 Juni 2025

No	Nama	Tanda Tangan
1	ROHEWI	[Signature]
2	TATI KOMIT	[Signature]
3	KEKI	[Signature]
4	MASRURI	[Signature]
5	DIYANA	[Signature]
6	KUSRIATI	[Signature]
7	CUTIN	[Signature]
8	Een endrawati	[Signature]
9	DEBIT	[Signature]
10	Uu Kemal Hasan	[Signature]
11	DARMA	[Signature]
12	MUTHI	[Signature]
13	MELI	[Signature]
14	Anita	[Signature]
15	Dede Meliana	[Signature]
16	Putri Nurana	[Signature]
17	KUSNIMAH	[Signature]
18	Peti Puri	[Signature]

Daftar Hadir
Kegiatan Pengabdian Masyarakat di Desa Bulak Indramayu
11 Juni 2025

No	Nama	Tanda Tangan
19	Tuti Estriani	[Signature]
20	KIKIWI	[Signature]
21	Agus Subandi	[Signature]
22	Yani Supri	[Signature]
23	Hj. Minnah S Pd	[Signature]
24	DEDI	[Signature]
25	DAVA	[Signature]
26	Ally Perdi	[Signature]
27	Toharna	[Signature]
28	Eta Rumanas	[Signature]
29	Lilis	[Signature]
30	Juana	[Signature]

Figure 6. List Documentation Present



Figure 7.

Handover of Vacuum Sealer to Mlarat Crackers MSME, Peyek MSME and A Samsung Tab was handed over to the village operator to be used by the BUMDes and LPM

CONCLUSION

The community engagement program implemented for MSMEs in Indramayu has made a meaningful contribution to enhancing the capacity of local business actors in managing business funds responsibly and preparing effective budgets. Designed as a practical training initiative, the program focused on empowering MSME participants through accessible, hands-on learning. Key topics included fundamental accounting principles, regulatory frameworks relevant to MSME financial management, and the use of user friendly spreadsheet tools for financial recording and budgeting. These elements aimed to promote greater transparency, accountability, and efficiency in daily business operations.

In addition to improving technical skills, the program fostered a stronger spirit of collaboration among MSME owners and local stakeholders, encouraged more consistent financial documentation,

and opened pathways for integrating digital tools and involving youth in supporting local economic growth. The outcomes reflect notable progress among Indramayu MSMEs particularly in budgeting practices, legal literacy, and strategic financial planning contributing directly to the advancement of Sustainable Development Goal 8 on decent work and economic growth.

To ensure the long-term impact and sustainability of this program, ongoing mentoring and technical assistance should be provided to MSME participants as they apply the financial recording and reporting systems introduced during the training. Local governments and universities play a strategic role in supporting this effort by developing enabling policies, allocating resources, and drafting local regulations that encourage the adoption of digital accounting systems among MSMEs and village-based enterprises. In addition, follow-up training initiatives on business diversification, village branding, digital transformation, and green entrepreneurship will help equip MSMEs to navigate emerging economic and environmental challenges. Finally, efforts to enhance human capital particularly by engaging local youth and improving digital literacy will be critical in transforming MSMEs into resilient, innovative, and inclusive contributors to local economic development.

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