

Optimization of Financial Recording Practices in Micro, Small, and Medium Enterprises Through Excel-Based Community Assistance Program (Comparative Study at Boncu Dimsum, Papa Laundry, dan Rizqi Qua)

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) contribute significantly to Indonesia's economic growth; however, weak financial recording practices remain a persistent challenge. This Community Service Program aimed to optimize financial record-keeping in three MSMEs in Bandung City: Papa Laundry, Boncu Dimsum, and Rizqi Qua. The main issues identified included irregular transaction recording, incomplete financial documentation, limited accounting literacy, and minimal adoption of digital tools. The program was implemented through four stages: preliminary survey, memorandum of understanding, Excel-based financial mentoring, and reporting and evaluation. A standardized financial recording template was developed using Microsoft Excel with automated revenue, expense, and profit calculations. The results indicate improved discipline in daily transaction recording, enhanced financial awareness, and better understanding of profitability among business owners. Comparative analysis before and after mentoring demonstrates significant improvement in reporting structure and calculation accuracy. In addition to strengthening MSME financial management, the program also enhanced students' practical competencies. The findings confirm that affordable and user-friendly technological tools can effectively improve financial management capacity and support MSME sustainability.

Keywords: MSMEs, Financial Recording, Microsoft Excel, Financial Literacy, Community Service.

1 INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) represent the largest proportion of business entities in Indonesia and contribute substantially to employment absorption and national income [1]. Their role is not only limited to economic growth but also extends to poverty reduction and regional development. Despite their strategic contribution, many MSMEs continue to experience structural managerial weaknesses, particularly in financial management and reporting practices. Weak financial governance often limits their ability to measure performance accurately and plan long-term growth strategies [2].

Financial statements serve as a crucial instrument for evaluating business performance, determining profitability, and supporting strategic decision-making. Standard financial reports generally include an income statement, statement of financial position, and

supporting notes prepared in accordance with applicable accounting standards such as SAK EMKM. Proper financial reporting improves transparency, accountability, and access to financing. However, empirical studies indicate that many MSMEs lack structured bookkeeping systems and rely primarily on manual recording methods. This condition is strongly associated with limited financial literacy and insufficient understanding of accounting principles among business owners [3].

Manual bookkeeping practices frequently result in incomplete transaction documentation, absence of systematic expense classification, and inaccurate profit calculation. Business owners often estimate profit based on cash balance rather than structured revenue and expense matching. Such practices reduce financial reliability and hinder performance evaluation. Previous research confirms that financial literacy significantly influences MSME performance and sustainability.



Furthermore, structured financial mentoring programs have demonstrated measurable improvements in reporting discipline and financial awareness among MSME actors [4].

The low adoption of digital tools further exacerbates financial management problems. Digital financial applications and technology-based accounting systems have been shown to improve efficiency, data accuracy, and decision-making capacity in small businesses. In particular, studies on refill drinking water depot MSMEs reveal similar bookkeeping challenges and highlight the importance of structured financial statement preparation. The integration of digital tools not only simplifies transaction recording but also strengthens compliance with accounting standards [5].

Microsoft Excel is widely accessible and cost-effective compared to commercial accounting software. With appropriate formula design and structured templates, Excel can function as a semi-automated accounting system tailored to MSME needs. Automated calculations reduce human error, improve reporting consistency, and enhance managerial insight. Technology-based accounting implementation in MSMEs has proven effective in improving financial discipline and sustainability [6].

Based on these challenges, the Accounting Study Program of Universitas Informatika dan Bisnis Indonesia implemented the “Sahabat UMKM” Community Service Program targeting three MSMEs: Boncu Dimsum (culinary business), Papa Laundry (laundry services), and Rizqi Qua (refill drinking water depot). Although operating in different industries, the three partners exhibited similar weaknesses in financial recording systems, including irregular transaction recording, lack of expense categorization, and absence of structured income statements. This study aims to analyze the effectiveness of Excel-based mentoring in improving financial recording practices among MSMEs and to evaluate its impact on business sustainability and student experiential learning outcomes.

2 METHODS

This community service program employed a participatory mentoring approach, emphasizing collaboration between the university implementation team and MSME partners. The participatory model was selected to ensure active involvement of business owners throughout the process, enabling knowledge transfer that is practical, contextual, and sustainable. The program was implemented over a four-month period from September to December 2025 and consisted of four main stages: preliminary survey, formal agreement, mentoring implementation, and evaluation.

1. Preliminary Survey

The preliminary survey stage aimed to identify the initial financial management conditions of each MSME partner. Data collection was conducted using qualitative methods, including semi-structured interviews, direct observation of bookkeeping practices, and documentation review of available financial records. The survey focused on several assessment aspects:

- Business characteristics and operational scale
- Types and frequency of financial transactions
- Existing bookkeeping methods (manual or digital)
- Level of financial literacy and understanding of basic accounting concepts
- Availability of financial reports such as income statements

This initial assessment revealed that all three MSMEs relied primarily on manual bookkeeping practices with limited transaction categorization. Profit calculation was often estimated based on cash balance rather than systematic matching of revenues and expenses. The findings from this stage became the foundation for designing the mentoring intervention and customizing the Excel templates according to each business model.

2. Memorandum of Understanding (MoU)

To ensure structured collaboration and long-term commitment, a formal Memorandum of Understanding (MoU) was established between the university implementation team and each MSME partner. The MoU outlined:

- Scope and objectives of the mentoring program
- Roles and responsibilities of each party
- Implementation timeline
- Data confidentiality and documentation agreements

This formal agreement strengthened institutional accountability and ensured that partners were actively engaged throughout the mentoring process. The MoU also provided a clear framework for monitoring progress and evaluating outcomes systematically.

3. Excel-Based Financial Mentoring

The core intervention of the program was the development and implementation of customized Excel-based financial recording templates. The template design emphasized simplicity, automation, and adaptability to MSME operational

characteristics. The developed template consisted of:

- Daily transaction input sheet, allowing structured recording of revenues and expenses
- Automated revenue and expense summary tables, generated through built-in formulas
- Profit calculation formulas, integrating total revenue and total expenses automatically
- Structured income statement format, summarizing monthly financial performance

Microsoft Excel functions such as SUM, IF, and basic referencing formulas were utilized to minimize manual calculation errors. The automation mechanism ensured that once transaction data were entered, financial summaries were generated automatically. Mentoring activities were conducted through a combination of:

- Offline workshops at the university
- Online consultation sessions
- Direct on-site assistance at each MSME location

During mentoring sessions, partners were guided step-by-step in recording daily transactions, categorizing operational expenses (e.g., raw materials, utilities, labor, maintenance), and interpreting the generated financial statements. Practical simulations were used to ensure understanding and independent application.

This stage emphasized not only technical training but also strengthening financial awareness and discipline. Business owners were encouraged to consistently record every transaction and review financial summaries periodically.

4. Reporting and Evaluation

The final stage involved reporting and evaluation to measure the effectiveness of the intervention. Evaluation was conducted using a comparative before-and-after approach based on qualitative assessment indicators. The evaluation indicators included:

- Completeness of daily transaction recording
- Accuracy and consistency of expense categorization
- Availability of structured income statements
- Accuracy of profit calculation
- Improvement in partner understanding and financial awareness

Data were analyzed descriptively by comparing initial survey findings with post-mentoring financial records. In addition, partner feedback was collected through interviews to assess perceived

usefulness and practicality of the Excel-based system.

The evaluation results demonstrated structural improvements in financial recording discipline, reporting accuracy, and managerial insight across all three MSME partners. The participatory mentoring model proved effective in fostering sustainable financial management practices.

3 RESULTS AND DISCUSSION

A. Initial Financial Recording Conditions

The preliminary assessment revealed that all three MSME partners relied predominantly on manual recording systems with minimal structure and standardization. Although the scale and type of business differed—Papa Laundry (service-based), Boncu Dimsum (culinary sector), and Rizqi Qua (refill drinking water depot)—their financial management characteristics showed notable similarities.

Papa Laundry recorded daily customer payments in a notebook; however, operational expenses such as detergent purchases, electricity usage, equipment maintenance, and labor costs were not systematically classified. As a result, profit determination was based primarily on remaining cash rather than structured financial calculation.

Boncu Dimsum had previously attempted to use Microsoft Excel for bookkeeping purposes. Nevertheless, due to operational workload and the absence of a structured template, consistent recording was discontinued. The lack of discipline in transaction entry resulted in fragmented financial data and irregular reporting periods.

Rizqi Qua manually recorded gallon sales but did not separate product categories (regular vs. delivery services) or identify transportation and maintenance costs distinctly. Consequently, the cost structure of the business was unclear, making it difficult to evaluate operational efficiency.

Across the three partners, several common weaknesses were identified:

- Inconsistent daily transaction recording
- Absence of structured income statements
- Manual and estimated profit calculation
- Incomplete and uncategorized expense documentation

These weaknesses significantly reduced financial transparency and limited managerial insight into actual business performance. Without reliable financial information, business owners faced

difficulties in evaluating profitability trends, controlling costs, and planning expansion strategies. The absence of systematic documentation also reduced business credibility in the context of financing applications or partnership opportunities.

B. Implementation of Excel-Based Templates

To address these structural weaknesses, the mentoring team designed standardized yet flexible Excel-based templates tailored to each business model. The development process prioritized simplicity, automation, and user-friendliness to ensure sustainability of implementation.

The templates incorporated:

- Structured daily transaction input sheets
- Automated revenue and expense summaries
- Embedded profit calculation formulas
- Monthly income statement generation

The automation mechanism ensured that once daily transactions were entered, financial summaries were generated automatically without additional manual calculation. This approach minimized arithmetic errors and reduced the cognitive burden on business owners.

For Papa Laundry, expense categories were structured into operational supplies, utilities, labor, and maintenance. For Boncu Dimsum, cost classification included raw materials, packaging, labor, and overhead. For Rizqi Qua, categories were adjusted to include water supply costs, gallon maintenance, delivery expenses, and operational utilities.

In addition to template implementation, Boncu Dimsum was introduced to basic digital bookkeeping applications to broaden exposure to financial technology. This step aimed to gradually strengthen digital literacy and encourage future adoption of more advanced systems.

Overall, the intervention emphasized not only technical skill development but also behavioral change—particularly the importance of financial discipline and consistency in daily recording.

C. Comparative Analysis (Before and After Mentoring)

The effectiveness of the mentoring program was evaluated using a comparative analysis of financial recording practices before and after implementation.

Table 1. Comparison of Financial Recording Practices

Aspect	Before Mentoring	After Mentoring
Transaction Recording	Manual, incomplete	Structured daily input
Expense Classification	Not categorized	Categorized systematically
Profit Calculation	Manual estimation	Automated formula
Financial Statement	Not available	Income statement generated
Financial Awareness	Limited	Improved understanding

The comparative findings demonstrate a significant structural transformation in financial recording systems. Prior to mentoring, bookkeeping practices were informal and fragmented. After implementation, each MSME was capable of generating a simple income statement based on systematically recorded transactions.

The automated template increased reporting accuracy and consistency. More importantly, business owners began to interpret financial results actively rather than merely documenting transactions. This shift indicates not only technical improvement but also enhanced financial awareness and managerial capability.

The structured format also enabled monthly performance comparison, allowing partners to identify revenue fluctuations and cost inefficiencies more effectively.

D. Impact on MSME Sustainability

Improved financial recording practices contribute directly to MSME sustainability. With clearer visibility of cost structures and net profit margins, business owners gained stronger control over operational decisions. Pricing strategies became more rational, as costs were calculated systematically rather than estimated informally.

Furthermore, structured financial documentation enhances business credibility. MSMEs with organized financial statements are better positioned to access external funding sources, including microfinance institutions and banking facilities. Transparent financial records also facilitate potential partnerships and supply chain collaborations.

Another significant impact was increased financial discipline. Business owners reported greater awareness of the importance of recording every transaction, regardless of amount. This behavioral shift indicates that the mentoring intervention

successfully fostered sustainable financial management habits rather than short-term compliance.

E. Educational Impact on Students

Beyond MSME capacity building, the program generated meaningful educational outcomes for participating accounting students. Through direct engagement with real business cases, students applied theoretical knowledge such as revenue recognition, expense classification, profit calculation, and basic financial analysis.

Students also developed non-technical competencies, including communication skills, problem-solving ability, and adaptability when dealing with diverse business contexts. Exposure to real operational challenges strengthened their understanding of how accounting concepts function in practice.

This experiential learning model bridges the gap between classroom instruction and professional application. By participating in community-based financial mentoring, students enhanced both technical competence and professional readiness, aligning academic learning with societal contribution.

4 CONCLUSION

The “Sahabat UMKM” Community Service Program successfully optimized financial recording practices in Boncu Dimsum, Papa Laundry, and Rizqi Qua. Initially characterized by manual and inconsistent bookkeeping systems, all three MSMEs demonstrated significant improvement after receiving Excel-based mentoring. The structured templates enabled systematic transaction recording, automated profit calculation, and generation of simple income statements. Financial awareness and managerial insight among business owners increased substantially. Furthermore, the program enhanced students’ practical competencies in applying accounting knowledge to real-world business cases. These findings confirm that affordable and user-friendly technological tools such as Microsoft Excel can effectively strengthen financial management capacity and support long-term MSME sustainability.

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