

# University Social Responsibility: Training of Accounting to support Small and medium Enterprise (SMEs)

Intan Oviantari

Widyatama University  
Jl. Cikutra No 204a Bandung - Indonesia  
[intan.oviantari@widyatama.ac.id](mailto:intan.oviantari@widyatama.ac.id)

**Abstract - One of the problems currently being faced by SMEs in Indonesia is the difficulty in obtaining access to financing sources from the banks because most of SMEs are not bankable. Just because their failure in meeting the technical requirements of the bank, SMEs borrowers candidate lost the opportunity to obtain credit facilities from banks, consequently they lose the opportunity to grow. One of the bank requirement concern with SMEs accountability that needs knowledge of accounting, feasibility studies, making the bookkeeping and understand the business management (accounting basis and cost of goods sold). Unfortunately they have no longer opportunity to be involved in formal degree education system. Support from universities for entrepreneurs of SMEs necessary in conducting to have knowledge of accounting is probably in form of training programs. This report is conceptual in nature that aims to demonstrate the importance of training and knowledge of accounting for SMEs so that SMEs can become a bankable debtors and obtain capital to run its business. Growing SMEs are expected to reduce unemployment and poverty in Indonesia.**

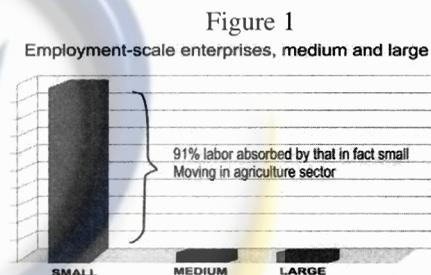
## 1. Introduction

Small and Medium Enterprises or SMEs are often known as a safety valve of the national economy. In the various discourses, seminars, and study, have been discussed and demonstrated that SMEs are a group or type of business that has a strong resistance to the crisis. SMEs also absorbed labor intensive. Data showed that the government and higher education, giving more attention and effort towards the development of SMEs.

Data from the Ministry of Cooperatives and Small and Medium Enterprises in 2006 showed that small businesses have absorbed 91 percent of the workforce and most of these small business ventures engaged in agriculture. Growing SMEs are expected to reduce unemployment and poverty in Indonesia.

Although the role of SMEs in the economy of Indonesia is central, but still many problems faced by SMEs make the ability of SMEs to take part in the national economy can not be maximal. The problems currently being faced by SMEs is difficulty in getting access to financing facility from the bank. The difficulty of obtaining access to financing SMEs

because of the complicated banking procedures and the profile of SMEs borrowers are less or even not bankable (failure in meeting the technical requirements of banks). Just because it does not meet the technical requirements of the banking, SMEs borrowers lose the opportunity to obtain credit facilities from banks.



Source: Bank of Indonesia (2006)

Another problems faced by SMEs is the lack of understanding of accounting and finance, and lack of access to gain knowledge related to production technology and marketing. Table 1 showed that the 33.75% education level were primary school and only 2.74% who are graduates from higher education. Unfortunately most of SMEs entrepreneurs have no longer opportunity to be involved in formal degree education system. Support from higher education for entrepreneurs of SMEs necessary in conducting to have knowledge of accounting is probably in form of training programs.

This study presented community service activities organized by Widyatama University. Community service activities are activities that include efforts to increase the quality of human resources, among others, in terms of expanding horizons, knowledge and skills-building undertaken by the academic society as the embodiment of dharma and devotion form of concern to actively improve the welfare and empower the general public especially for the community weak economy. This community service activities in accordance with the concept of university social responsibility.

Table 1. Education Level of SMEs

No	Education Level	Total	(%)
1	Not Completed Elementary School	4. 248. 622	18,87
2	Elementary School	7.597.595	33,75
3	Junior High School	4.741.328	21,06
4	Senior High School	4.803.897	21,34
5	Diploma MI	252.049	1,12
6	Diploma III	253.320	1,13
7	University Degree	616.741	2,74
8	Total Total	22.513.552	100

Sources: Central Bureau of Statistics Micro and Small Companies (2006)

Community service activities organized by the Widyatama University. There are 3 (three) faculty with different competence given training in accordance with the instructor. Training of accounting given by instructors from the accounting department. Marketing training provided by instructors from the faculty of business and management . Training basic accounting software used to prepare financial statements, given by lecturers from the IT faculty. In this paper, the authors will examine only the training of accounting.

The purpose of this study are: 1) Support for SMEs; 2) describe the training process of accounting which is a manifestation of the university social responsibility;

## 2. Research Methodology

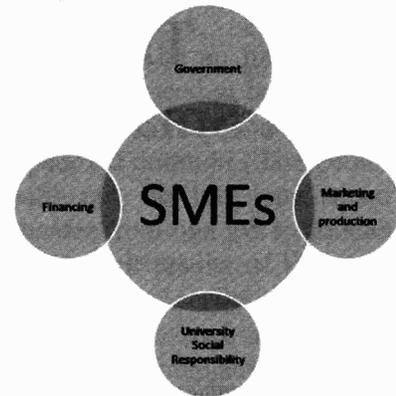
This study using descriptive method, which analyzes and presents the facts in a systematic so it can be easier to understand and be concluded. Discussion of the problem by using primary data in the form of direct observation, secondary data and literature as a source of information.

## 3. Results and Discussion

### 3.1. Support to SMEs

Basically the problems of SMEs can only be resolved when the support of SMEs carried out in an integrated manner. As shown in Figure 2 there are 4 (four) things that will support the success of SMEs: 1) Financing facility for SMEs need supported by banks and financial institutions, at the time of financing to SMEs accounting knowledge needed to follow the technical requirement of banking and financial institutions. 2) Banking will certainly look at the feasibility of the business as a financing technical requirement. Feasibility of a business can be seen from the ability of SMEs to produce and market their products, so that the necessary knowledge about the production and marketing are needed. 3) The government should serve as guarantees of banking and financial institutions when providing financing to SMEs as well as setting up the infrastructure for the development of production and marketing of SME products. 4) Universities social responsibility support to SMEs by providing knowledge that can be implemented to overcome the problems of SMEs.

Figure 2. Support for SMEs in Indonesia



Source: Bank of Indonesia (2006)

This paper describe community service of higher education to support entrepreneurs of SMEs necessary in conducting to have knowledge of accounting is probably in form of training programs. Problems faced by entrepreneurs of SMEs is unable to meet the technical requirements of banks.

Technical requirements of banking consists of two things: 1) attach the documents that is the legality of administrative effort SMEs; 2) to attach documents or accounting records which are records of the company's operations. The following are the credit requirements of banking.

Table 2. Credit Requirement of Banking

NO	DOCUMENT TYPE	NAME OF DOCUMENT	PLAFON
1	ADMINISTRATIF DOCUMENT	IDENTITY CARD	RP 5 MILION - RP 500 MILION
		FAMILY CARD	RP 5 MILION - RP 500 MILION
		CERTIFICATE FROM VILLAGE CHIEF / VILLAGE HEADS	RP 5 MILION - RP 500 MILION
		TRADING BUSINESS LICENCE	RP 6 MILION - RP 100 MILION
		PERMIT PLACE OF BUSINESS	RP 100 MILION - RP 500 MILION
		COMPANY REGISTRATION	RP 100 MILION - RP 500 MILION
		TAXPAYER IDENTIFICATION NUMBER	RP 100 MILION - RP 500 MILION
2	FEASIBILITY STUDY DOCUMENT	SIMPLE RECORDING	RP 5 MILION - RP 49 MILION
		FINANCIAL REPORTING	RP 50 MILION - RP 500 MILION
		BUSINESS FEASIBILITY STUDY	RP 100 MILION - RP 500 MILION

Sources: compiled from various sources

From table 2, we can conclude that the requirements to obtain financing from banks have the same requirements; preparation of financial statements and business feasibility studies. Accounting knowledge will lead how to prepare financial statements and feasibility aspects of business.

## 2.2. The Process of Widyatama University's Training Accounting

Training of accounting given to SMEs is a part of the University Community Service Activities Widyatama. Widyatama University invited SMEs (located in Bandung, Indonesia) to be a training participant at the Community Services Activity. Here is a table regarding the number of participants accounting:

Table 3. Year of Implementation and participants of Training

NO	YEAR OF IMPLEMENTATION	NUMBER OF PARTICIPANTS
1	2009	60
2	2010	119
3	2011	158

Sources: Widyatama University (2009-2011)

Community Service activities held two days without charge. This is because these activities are done as a form of social accountability Widyatama University to the community, particularly SMEs. From table 3 shows that number of participants increase every year. This is because the SME entrepreneurs are excited to add knowledge to improve business in the future. Accounting training provided the preparation of financial statements and business feasibility studies.

Accounting is the process of recording, classifying and reporting of financial transaction information. Accounting is also known as the "language of business" in order to prepare an accurate financial statements that can be exploited by managers, policy makers, and other interested parties, such as shareholders, creditors, or owners. To convey this information, it is used the report, known as accounting or financial reporting. Simple recording is the recording of financial transaction which involves four transactions: purchases, sales transactions, cash receipts, cash disbursements transactions. From simple recording then it can be compiled financial statements.

The financial statements of a company are generally provided consists of four types of statements: balance sheet, income statement, statement of changes in equity, and cash flows.

Balance Sheet, is a systematic list of the assets, liabilities and capital on a certain date, which is usually made at the end of the year. Balance particular order systematic. In the balance sheet can be known asset of the companies, the company's ability to pay obligations as well as the company's ability to obtain additional loans from outside parties. It can be known only after doing an analysis of the contents of the balance sheet. But they can also obtain information about the amount owed to the creditor company and the number of owners of existing investments in these companies.

The income statement, is a report on revenues and expenses of a company for a certain period, amount of the profit or loss by the company. Report of owners equity, is a report that shows changes in capital for a certain period, maybe a month or a year. Owners equity's report showed causes of changes in equity during a period. Statements of

cash flows, the existence of this report users of financial statements to evaluate changes in net assets, financial structure (including liquidity and solvency) and the company's ability to generate cash in the future.

Business Feasibility study is the research concerning various aspects of both the legal aspects, social, economic and cultural aspects of markets and marketing, technical aspects and technology to management and financial aspects. Feasibility study used for basic research and to decide whether a project or business can be done or postponed and does not even run. In this session, the instructor given knowledge of how to obtain documents that are administratif banking requirements.

In accounting training sessions also presented the banking staff as a speaker that will provide knowledge about what the constraints of SMEs to meet the banking technical requirements. Here is a table of accounting training according to the needs of SMEs to meet the technical requirements of banks.

Table 4. Type of Training Accounting for SMEs

NO	TYPE ACCOUNTING TRAINING	MATERIAL
1	SIMPLE RECORDING	PURCHASE TRANSACTION
		SALES TRANSACTIONS
		TRANSACTION CASH RECEIPTS
		TRANSACTIONS OF CASH
2	THE PREPARATION OF FINANCIAL STATEMENTS	BALANCE SHEET
		INCOME STATEMENT
		STATEMENT OF OWNERS EQUITY
3	BUSINESS FEASIBILITY STUDY	STATEMENTS OF CASH FLOWS
		FEASIBILITY VIEWED FROM THE ASPECT OF BUSINESS: LEGAL, ACCOUNTING AND FINANCE, MARKETING, PRODUCTION, AND OTHERS.

Sources: compiled from various sources.

## 4. Conclusion

From the analysis it can be concluded that:

- 1) SMEs are the most effort to absorb labor force (91%), but has a low level of education, 33.75% were primary school graduates.
- 2) Low knowledge of accounting made it difficult to obtain bank financing SME entrepreneurs.
- 3) The role of university social responsibility to provide useful knowledge for SMEs.
- 4) University Community Service Activities Widyatama provide accounting training as an alternative means to gain knowledge SMEs.
- 5) Training is designed in accordance with the accounting needs of SMEs to obtain bank financing.
- 6) Increase in accounting trainee each year showing interest to gain accounting knowledge.

## 2. Suggestion

In the future, university community service activities Widyatama develop university social responsibility program,

which came into the process of accounting training assistance to SME businesses. The community service activity not only provide training of accounting regularly, but provide accounting and tax consultation. The entrepreneurs of SMEs can consult their accounting and tax problem.

### **Bibliography**

- Bank of Indonesia. 2006. Support for SMEs. [www.bi.go.id](http://www.bi.go.id).
- Central Bureau of Statistics, 2006, the Company Micro and Small-Central Bureau of Statistics, Jakarta.
- Holmes, S., & Nicholls, D., (1989), Accounting Information Modeling The Requirements of Small Businesses, Accounting and Business Research, 19 (74), pp143-150.
- Widyatama University. 2009. Community Service Report.
- Widyatama University. 2010. Community Service Report.
- Widyatama University. 2011. Community Service Report.
- Wahyuningsih, Sri. 2009. The role of SMEs in the Indonesian Economy. Mediagro Vol 5 No. 1.