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Analysis of Cash Inflow and Outflow Recording at Satset Coffee Shop in Minasa Upa

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Abstract: *Micro, Small, and Medium Enterprises (MSMEs) contribute substantially to Indonesia's economic development, yet inadequate financial recording remains a major obstacle to effective business management and sustainability. This community engagement activity aimed to analyze the cash inflow and cash outflow recording practices of Satset Coffee Shop in Minasa Upa, Makassar, and strengthen the partner's capacity to implement a simple and systematic accounting system. The activity employed a participatory approach involving preliminary observation, problem identification, interviews, financial education, practical training, transaction simulation, mentoring, and evaluation. Data were obtained through direct observation, interviews with the owner and employees, transaction documentation, and examination of cash records. The initial assessment revealed several weaknesses, including the absence of a structured cash book, inadequate documentation of supporting transactions, the mixing of personal and business finances, and limited internal control over cash management. Following the intervention, the partner successfully implemented a cash inflow and outflow recording format, separated personal and business transactions, organized transaction evidence, and prepared a simple income statement based on the principles of SAK EMKM. Cash examination also indicated that the physical cash balance was consistent with the recorded balance, although weaknesses remained in task segregation and document archiving. The findings demonstrate that practical accounting education and continuous mentoring can improve financial literacy, recording discipline, accountability, and decision-making capacity among micro-scale businesses. This intervention provides a replicable model for strengthening financial governance and supporting sustainable MSME development.*

Keywords*: Cash inflow; Cash outflow; Financial recording; MSMEs; SAK EMKM; Community engagement.*

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) constitute a fundamental component of Indonesia's economic structure and play an important role in employment creation, income generation, and local economic development. Their contribution extends beyond economic indicators because MSMEs also provide opportunities for entrepreneurship and serve as an important source of household livelihoods. In recent years, the growth of small-scale businesses in the food and beverage sector has become increasingly visible, particularly through the expansion of coffee shops in urban and semi-urban areas. Coffee shops have evolved from conventional beverage outlets into multifunctional social spaces where consumers meet, work, study, and engage in community activities. This transformation has created opportunities for micro-enterprises such as Satset Coffee Shop in Minasa Upa, Makassar. However, increasing business opportunities are accompanied by greater competition, operational complexity, and the need for more effective financial management.

Financial management is particularly important for micro-enterprises because business sustainability depends not only on sales performance but also on the ability of owners to control cash, monitor expenses, and make decisions based on reliable financial information. Among the various components of financial management, cash inflow and cash outflow recording represents one of the most fundamental accounting practices. Cash inflows generally originate from sales and other business receipts, whereas cash outflows include purchases of raw materials, employee wages, utilities, transportation, and other operating expenses. Systematic recording of these transactions enables business owners to monitor liquidity, identify expenditure patterns, evaluate operating performance, and determine whether business activities generate sufficient financial returns. Without adequate cash records, business owners may rely heavily on subjective estimates and memory, increasing the likelihood of errors and inappropriate managerial decisions.

The importance of financial recording is also associated with the broader challenge of financial literacy among MSME owners. Many micro-enterprises continue to operate informally, with owners prioritizing daily operational activities while considering accounting and administrative activities to be secondary. This condition may lead to incomplete transaction records, irregular bookkeeping, the absence of supporting documentation, and the mixing of personal and business finances. Such practices make it difficult to determine the actual financial position of a business and distinguish business performance from the owner's personal financial activities. The problem becomes more significant when business transactions increase in volume and frequency, because informal recording systems may no longer provide sufficient information for effective monitoring and control.

The separation of personal and business finances is particularly important in small enterprises. When personal expenditures are paid using business cash or business expenses are temporarily financed with personal funds without proper documentation, the resulting records fail to represent the actual financial condition of the enterprise. In accounting terms, owner withdrawals should be recognized appropriately as private use of business resources, while personal funds used to finance business activities should be treated consistently as additional capital or other appropriate liabilities, depending on the circumstances. Failure to make such distinctions can distort profit measurement, cash balances, and capital information. Consequently, establishing a simple but disciplined recording system is an essential first step toward improving the quality of financial information in micro-enterprises.

From an accounting perspective, cash recording is also closely related to internal control. Cash is one of the most liquid assets and therefore represents an area that requires appropriate monitoring and documentation. Effective internal control involves procedures for authorization, recording, physical safeguarding, reconciliation, and review of transactions. In small businesses, complete segregation of duties may be difficult because of limited human resources. Nevertheless, basic control mechanisms, such as maintaining transaction evidence, conducting regular cash counts, reconciling recorded and physical cash balances, and clearly assigning responsibilities, can substantially reduce the risk of recording errors and unauthorized cash use. The implementation of such basic controls is particularly relevant for coffee shops, where transactions occur frequently and are often conducted in cash or through multiple payment channels.

The need for simple accounting practices has been recognized through the development of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) by the Indonesian Institute of Accountants. SAK EMKM provides a simplified accounting framework designed to accommodate the characteristics and capabilities of micro, small, and medium entities. Its relatively simple structure provides a practical foundation for MSMEs to improve financial reporting without requiring the sophisticated accounting systems commonly used by large corporations. For micro-scale businesses, the application of accounting principles does not necessarily begin with complex financial statements. Rather, it can start with consistent transaction identification, proper cash recording, separation of business and personal transactions, systematic documentation, and the preparation of basic financial statements.

Previous studies and community engagement activities have demonstrated that accounting assistance can improve the financial management capabilities of MSMEs. Dewi and Sari (2023), for example, emphasized the importance of implementing simple accounting practices based on SAK EMKM to improve the quality of financial information among culinary MSMEs. Similarly, Hartono and Prasetyo (2022) highlighted the relationship between accounting information systems and MSME performance, particularly in supporting business owners in obtaining relevant information for decision-making. Research concerning internal control in food and beverage MSMEs has also demonstrated that weak control mechanisms and limited task segregation can increase the potential for financial errors and reduce accountability (Pratiwi & Nugroho, 2023). Meanwhile, Romli and Fauzi (2024) demonstrated that practical accounting training and direct assistance can strengthen the financial literacy of MSME operators. These findings suggest that interventions combining education, practical training, and mentoring may be more effective than purely theoretical approaches.

Despite the importance of these practices, there remains a practical gap between accounting standards and their implementation among micro-scale businesses. The availability of SAK EMKM does not automatically guarantee that micro-enterprises will adopt systematic financial recording. Business owners may face limitations in accounting knowledge, human resources, time, technology, and awareness of the managerial benefits of bookkeeping. Therefore, the challenge is not merely to introduce accounting concepts but to translate them into simple procedures that can be integrated into daily business operations. This gap provides a strong rationale for community-based interventions that directly examine the financial recording practices of individual MSMEs and provide solutions adapted to their operational characteristics.

Satset Coffee Shop, located in Minasa Upa, Makassar, represents a relevant case for examining this issue. Established in 2024, the business operates in the coffee and light-food sector and is managed by an owner assisted by two employees. The business generates an average monthly turnover of approximately IDR 5–7 million. Despite its potential for development, preliminary observation revealed that its financial recording system remained informal and insufficiently structured. Cash inflows and outflows were recorded inconsistently, supporting transaction documents were not systematically archived, and personal and business finances were not clearly separated. In addition, the owner experienced difficulties in determining the actual profit or loss generated by the business and relied substantially on intuition when making purchasing and operational decisions. These conditions illustrate how weaknesses in basic accounting practices can affect financial accountability and managerial decision-making at the micro-enterprise level.

Based on these conditions, this community engagement activity focuses on analyzing and improving the recording of cash inflows and cash outflows at Satset Coffee Shop. The intervention is designed not only to identify existing weaknesses but also to provide practical solutions through financial education, transaction reconstruction, preparation of a simple cash book, separation of personal and business transactions, organization of supporting documents, and preparation of a basic income statement. The activity also introduces fundamental internal control practices, including cash reconciliation and clearer assignment of responsibilities.

The specific objectives of this activity are therefore to: (1) identify the existing practices and problems associated with cash inflow and cash outflow recording at Satset Coffee Shop; (2) improve the financial recording knowledge and skills of the business owner and employees; (3) assist the partner in implementing a simple and systematic cash recording system; (4) support the preparation of a basic income statement based on relevant SAK EMKM principles; and (5) strengthen awareness of internal control, transaction documentation, and separation between personal and business finances. Through these interventions, the activity seeks to demonstrate that accounting practices appropriate to the scale and capacity of micro-enterprises can improve the reliability of financial information without imposing excessive administrative complexity.

The significance of this activity extends beyond Satset Coffee Shop as an individual business. It provides an empirical example of how community-based accounting assistance can translate accounting principles into practical financial management routines for micro-enterprises. The intervention also contributes to the broader discussion concerning financial literacy, accounting adoption, internal control, and MSME sustainability in Indonesia. By integrating analysis, education, practical implementation, and evaluation, this activity offers a potentially replicable approach for similar micro-enterprises that face comparable challenges in managing cash transactions and financial information. Ultimately, strengthening basic accounting practices at the micro-enterprise level can contribute to more accountable business management, better-informed decision-making, improved financial sustainability, and stronger resilience within Indonesia's growing MSME sector.

2. Literature Review

2.1 Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) are an important component of the Indonesian economy because they contribute to employment, income generation, entrepreneurship, and local economic development. Their relatively flexible organizational structures allow them to respond rapidly to changes in consumer demand and market conditions. However, the same characteristics that provide flexibility may also create managerial limitations, particularly in financial administration. Micro-enterprises frequently operate with limited capital, few employees, informal organizational structures, and restricted access to professional accounting expertise. The financial management challenges faced by MSMEs are not limited to access to financing. The ability to generate, record, interpret, and utilize financial information is equally important for business sustainability. Owners who do not maintain adequate financial records may have difficulty determining profitability, controlling operating expenses, evaluating liquidity, and planning future investments. Consequently, strengthening basic accounting practices represents an important component of MSME capacity development.

2.2 Financial Recording in MSMEs

Financial recording refers to the systematic identification and documentation of economic transactions occurring within a business. For micro-enterprises, the recording process can begin with relatively simple procedures, including documenting sales, purchases, operating expenses, owner withdrawals, and capital contributions. Although simple, consistent recording provides a basis for producing useful financial information. The absence of systematic recording can result in several managerial problems. Business owners may be unable to determine the actual amount of cash available, distinguish revenue from capital injections, or calculate business profit accurately. In addition, undocumented transactions make it difficult to verify the validity of financial information. Hartono and Prasetyo (2022) emphasized that accounting information systems can support MSME performance by providing relevant information for managerial decisions. Thus, financial recording should not be viewed merely as an administrative requirement but as an instrument for improving business management. For micro-enterprises, an effective recording system should satisfy three basic characteristics: simplicity, consistency, and relevance. A system that is technically sophisticated but difficult for owners to operate is unlikely to be sustained. Conversely, a simple cash book that is completed consistently can provide substantial managerial benefits by allowing owners to monitor daily cash movements and identify abnormal expenditure patterns.

2.3 Cash Inflow and Cash Outflow

Cash flow represents the movement of cash and cash equivalents generated and used by an enterprise during a particular period. Cash inflows generally include cash receipts from sales, capital contributions, and other business-related receipts, while cash outflows include purchases of raw materials, wages, utilities, transportation, and other operating expenditures. For coffee shops and other food and beverage businesses, monitoring cash inflows and outflows is particularly important because transactions occur frequently and operating expenses are closely associated with daily sales activities. Raw materials such as coffee beans, milk, sugar, syrups, packaging, and other ingredients require regular purchases. If these expenditures are not recorded systematically, owners may underestimate operating costs and overestimate business profitability. A simple cash book can provide an effective solution for micro-enterprises. The basic format can include transaction date, description, cash inflow, cash outflow, and balance. Additional columns can be used to distinguish business transactions from personal transactions. Such a system allows owners to monitor the development of cash balances and identify the relationship between sales receipts and operating expenditures. Cash recording also provides a basis for preparing simple financial reports. By accumulating properly classified transactions, the business owner can obtain information about revenue, expenses, and estimated profit. Therefore, accurate cash recording is an essential foundation for subsequent accounting practices.

2.4 Separation of Personal and Business Finances

One of the common financial management problems among micro-enterprises is the absence of a clear separation between personal and business finances. Owners may use business cash for household expenditures or use personal funds to finance business activities without documenting these transactions. Although such practices may appear practical in the early stages of a business, they can significantly reduce the reliability of financial information. The separation of personal and business finances is important because it supports the identification of the actual financial performance of the enterprise. Owner withdrawals should be distinguished from business operating expenses, while funds invested by the owner should be appropriately identified as capital contributions. Without such separation, the reported cash balance may not represent the actual resources available to support business operations. In the context of Satset Coffee Shop, separating personal and business transactions is particularly relevant because the preliminary assessment indicated that the owner occasionally used business funds for personal purposes. Introducing a separate cash category or dedicated business account can therefore improve transaction transparency and help the owner understand the actual financial condition of the enterprise.

2.5 Financial Literacy and Accounting Capability

Financial literacy represents an important prerequisite for effective financial management. In the context of MSMEs, financial literacy includes the ability to understand financial transactions, maintain records, evaluate business performance, and use financial information in decision-making. Limited financial literacy can prevent business owners from recognizing the importance of accounting records and may encourage continued reliance on informal practices. Accounting knowledge is particularly important because financial recording requires more than simply writing down transactions. Business owners need to understand the distinction between revenue and capital, business expenses and personal expenditures, assets and liabilities, and cash inflows and outflows. Without these basic concepts, records may exist but fail to provide meaningful information. Romli and Fauzi (2024) demonstrated that practical accounting training can improve the financial literacy of MSME operators. Their findings support the use of direct education and mentoring rather than relying exclusively on theoretical explanations. Practical learning enables business owners to immediately apply accounting concepts to their own transactions, making the learning process more relevant and sustainable. Therefore, accounting assistance for MSMEs should emphasize learning-by-doing. Owners can be trained to identify actual transactions, classify them, enter them into a simple recording format, calculate balances, and use the resulting information to evaluate business performance.

2.6 Internal Control over Cash

Internal control refers to policies and procedures designed to safeguard organizational resources, ensure reliable financial information, improve operational efficiency, and support compliance with established procedures. In small enterprises, internal control systems are often informal because of limited personnel and organizational structures. Nevertheless, the absence of formal controls does not eliminate the need for basic mechanisms to safeguard cash. Cash requires particular attention because of its high liquidity and susceptibility to errors, unauthorized use, and fraud. Basic controls may include authorization of expenditures, documentation of transactions, segregation of responsibilities where feasible, regular cash counts, reconciliation between physical cash and recorded balances, and proper storage of supporting documents. Pratiwi and Nugroho (2023) found that weaknesses in internal control among food and beverage MSMEs can reduce financial accountability and increase the risk of errors and irregularities. This finding indicates that even micro-scale enterprises require appropriate internal control mechanisms. Although complete segregation of duties may not be feasible when a business has only a few employees, responsibilities can still be differentiated. For example, employees can focus on customer service while the owner maintains responsibility for cash verification and financial recording.

2.7 Supporting Documents and Transaction Accountability

Supporting documents constitute an important component of financial recording because they provide evidence that transactions actually occurred. Sales receipts, purchase invoices, supplier notes, payment receipts, and other transaction documents allow financial records to be verified and reconstructed when necessary. Poor documentation can undermine the reliability of accounting information. When receipts are lost or not systematically archived, owners may be unable to confirm the amount, date, or purpose of specific expenditures. This problem is particularly relevant to micro-enterprises where transaction documentation is often informal. A simple document management system can substantially improve accountability. Supporting documents can be classified chronologically and stored physically or digitally. Each recorded cash transaction should, whenever possible, be supported by appropriate evidence. This practice also facilitates periodic reconciliation and allows owners to evaluate whether recorded expenses are consistent with actual business activities.

2.8 SAK EMKM as an Accounting Framework for MSMEs

The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) provides an accounting framework intended to accommodate the characteristics and capabilities of MSMEs in Indonesia. The framework is designed to simplify financial reporting while maintaining the fundamental principles necessary to produce useful financial information. For micro-enterprises, the implementation of SAK EMKM does not necessarily require sophisticated accounting software or complex administrative structures. Instead, implementation can begin with the systematic identification and recording of business transactions. Accurate cash records, appropriate classification of transactions, and separation between business and personal activities provide an important foundation for preparing financial statements. The application of SAK EMKM is particularly relevant for businesses such as Satset Coffee Shop because the business operates at a micro scale and has limited human resources. A simplified accounting system based on the characteristics of the enterprise is more likely to be adopted consistently than a complex system designed for larger organizations. Dewi and Sari (2023) showed that assistance in implementing SAK EMKM-based financial recording can improve the quality of financial information among culinary MSMEs.

2.9 Community Engagement and Accounting Assistance

Community engagement provides an important mechanism for transferring academic knowledge into practical solutions for small businesses. Unlike conventional research that primarily seeks to explain phenomena, community engagement activities can simultaneously identify problems, implement interventions, and evaluate changes in partner capabilities. Accounting assistance is particularly suitable for MSMEs because financial management problems are often highly contextual. A standardized training program may provide general accounting knowledge, but direct mentoring enables the intervention team to adapt the recording system to the specific transaction patterns, human resources, and operational characteristics of each business. The intervention model can include several interconnected stages: initial observation, problem identification, financial education, practical training, transaction simulation, implementation assistance, and evaluation. This approach is consistent with the findings of Romli and Fauzi (2024), which indicate that direct accounting training can strengthen MSME financial literacy. Similarly, the application of simple accounting systems can improve financial information quality and support better managerial decision-making (Dewi & Sari, 2023).

2.10 Conceptual Framework

The literature indicates that the quality of financial management in micro-enterprises is influenced by the availability and effective use of financial information. Inadequate accounting knowledge and informal transaction practices can lead to weak financial recording, poor documentation, mixing of personal and business finances, and weak cash controls. These conditions ultimately limit the owner's ability to evaluate profitability and make informed decisions. Based on this perspective, the present community engagement activity adopts a conceptual sequence in which financial education and practical accounting assistance serve as intervention mechanisms for improving cash inflow and cash outflow recording. Improved recording is expected to support transaction documentation, separation of personal and business finances, cash reconciliation, and basic internal control, which subsequently contribute to more reliable financial information and improved managerial decision-making. The conceptual framework can therefore be summarized as follows:
Initial condition → Problem identification → Financial education → Practical accounting training → Cash recording implementation → Mentoring and evaluation → Improved financial information and financial governance.

This framework emphasizes that accounting improvement among MSMEs should be approached as a process of capability development rather than merely the introduction of accounting forms. The sustainability of the recording system depends on the extent to which the owner understands its managerial value and can integrate it into routine business activities.

2.11 Research Gap and Contribution

Previous studies have largely demonstrated the importance of accounting literacy, SAK EMKM implementation, accounting information systems, and internal control for MSME performance. However, there remains a practical gap concerning how these concepts can be integrated into a simple, operational recording system that is directly applicable to micro-scale coffee shops. In particular, limited attention has been given to interventions that simultaneously address cash inflow and outflow recording, separation of personal and business finaces, supporting-document management, cash reconciliation, and basic internal control. This activity addresses that gap by integrating financial analysis with direct accounting assistance at Satset Coffee Shop. Its contribution lies in demonstrating a practical intervention model that begins with the identification of actual cash-management problems and continues through implementation, monitoring, and evaluation. Rather than treating bookkeeping as an isolated administrative activity, the intervention positions cash recording as a fundamental managerial tool for improving accountability, financial literacy, and decision-making. The approach is expected to provide a practical reference for similar community engagement programs targeting micro-enterprises in the food and beverage sector.

3. Research Methods

3.1 Research Design

This activity employed a **qualitative descriptive and participatory community engagement approach** to analyze and improve the cash inflow and cash outflow recording practices at Satset Coffee Shop in Minasa Upa, Makassar. The approach was selected because the primary objective was not to test statistical relationships but to identify existing accounting practices, diagnose financial management problems, implement practical accounting improvements, and evaluate changes in the partner's recording capabilities. The intervention was conducted through a structured cycle comprising initial observation, problem identification, financial education, practical training, transaction reconstruction, mentoring, evaluation, and follow-up recommendations. The methodological framework combined descriptive financial analysis with participatory intervention. The descriptive component was used to examine the existing cash management system, transaction documentation, separation of personal and business finances, and internal control practices. The participatory component involved the business owner and employees directly in identifying problems and implementing the proposed accounting system. This combination enabled the intervention to address both technical accounting deficiencies and the practical capabilities of the business operator.

3.2 Research Setting and Partner

The activity was conducted at **Satset Coffee Shop**, located on Jalan Gunung Sari, Minasa Upa, Makassar, South Sulawesi, Indonesia. The business was established in 2024 and operates in the coffee shop and light-food sector. The business is managed by one owner assisted by two employees. Based on the initial assessment, the business generates an average monthly turnover of approximately IDR 5–7 million. Satset Coffee Shop was selected as the partner because its financial administration remained relatively informal despite its continuing business operations. The initial assessment identified the absence of a structured cash book, inconsistent transaction documentation, the mixing of personal and business finances, and limited segregation of cash-related responsibilities. These characteristics made the business a relevant case for implementing a simplified accounting and cash-control intervention appropriate for micro-scale enterprises.

3.3 Participants

The participants consisted of the business owner and two employees of Satset Coffee Shop. The intervention was facilitated by a team from the Accounting Department, Faculty of Economics and Business, Universitas Muhammadiyah Makassar, consisting of one lecturer and seven accounting students. The business owner served as the primary participant because the owner was responsible for financial decision-making, cash management, purchasing, and business administration. The employees were involved in the operational aspects of the business and received basic training concerning transaction documentation and cash-handling procedures. Their involvement was considered important to ensure that the improved recording system could be integrated into daily operations.

3.4 Data Sources

The activity used both **primary and documentary data**. Primary data were obtained through direct observation and semi-structured interviews with the business owner and employees. Documentary data included available sales records, purchase receipts, payment evidence, cash notes, and other supporting documents related to business transactions. The data collection process focused on five major areas: (1) cash inflows generated from sales; (2) cash outflows related to purchases and operating expenses; (3) personal transactions involving business funds; (4) supporting documentation for financial transactions; and (5) internal control procedures related to cash management.

In addition, a cash count was performed on the examination date to compare the physical cash balance with the balance recorded in the newly implemented cash book. This procedure provided an additional basis for evaluating the reliability of the recording system.

3.5 Data Collection Techniques

3.5.1 Direct Observation

Direct observation was conducted to understand the actual flow of cash-related activities within the business. The observation covered the process of receiving customer payments, purchasing raw materials, paying operating expenses, storing transaction evidence, recording transactions, and safeguarding cash. The observation also examined the extent to which responsibilities were separated among the owner and employees. Particular attention was given to situations in which one individual performed multiple functions, such as authorization, cash custody, transaction recording, and expenditure decisions.

3.5.2 Semi-Structured Interviews

Semi-structured interviews were conducted with the business owner and employees to obtain information that could not be obtained through observation alone. The interview questions addressed the procedures used to determine purchasing needs, select suppliers, authorize purchases, receive goods, record transactions, make payments, and manage supporting documents. The interviews also explored the participants' understanding of accounting, the reasons for not maintaining systematic financial records, difficulties encountered in separating personal and business finances, and their expectations regarding the proposed recording system.

3.5.3 Document Examination

Available transaction documents were examined to assess the completeness and reliability of the existing financial records. The documents included sales receipts, purchase notes, payment receipts, and other evidence related to cash inflows and outflows. Document examination was performed by comparing available evidence with recorded transactions. This procedure was particularly important for identifying unrecorded expenditures, incomplete documentation, and inconsistencies between transaction evidence and accounting records.

3.5.4 Cash Count and Reconciliation

A physical cash count was conducted on **7 July 2026**. The procedure involved counting the physical cash available at the business location and comparing it with the cash balance calculated from the recording system. The reconciliation was performed using the following basic relationship:

Ending Cash Balance = Beginning Cash Balance + Cash Inflows – Cash Outflows

The examination recorded an opening cash balance of IDR 850,000, cash inflows from daily sales of IDR 620,000, cash outflows for raw materials of IDR 310,000, operating expenses of IDR 85,000, and an owner withdrawal of IDR 100,000. Consequently, the calculated ending cash balance was IDR 975,000, which was consistent with the physical cash count.

3.6 Intervention Procedure

The intervention consisted of six sequential stages.

Stage 1: Preliminary Observation. The team first observed the operational and financial activities of Satset Coffee Shop. The observation focused on the existing procedures for recording sales, purchasing raw materials, paying operating expenses, handling cash, and maintaining supporting documents.

Stage 2: Problem Identification. The team conducted interviews and reviewed available documents to identify the principal accounting problems. The identified problems included unstructured financial recording, inadequate transaction documentation, mixing of personal and business finances, and insufficient internal control over cash.
Stage 3: Financial Education and Training. The owner and employees received practical education concerning basic accounting concepts, including cash inflows, cash outflows, sales, purchases, operating expenses, owner withdrawals, capital contributions, and transaction documentation. The training also introduced the basic principles of SAK EMKM as a framework for simple financial reporting.
Stage 4: Transaction Reconstruction and Mentoring. The team reconstructed available transactions and assisted the partner in transferring relevant information into a standardized cash book. The format consisted of transaction date, description, cash inflow, cash outflow, and balance. Personal transactions were separately identified to prevent distortion of business financial information.
Stage 5: Evaluation. The implementation was evaluated by examining the completed cash book, reviewing supporting documents, performing cash reconciliation, and conducting discussions with the owner and employees. The evaluation focused on whether the participants understood the recording procedures and could apply them to actual business transactions.
Stage 6: Follow-Up Recommendations. The team provided recommendations for maintaining daily cash records, systematically archiving transaction evidence, separating personal and business funds, conducting periodic cash reconciliation, and gradually developing additional financial statements.

3.7 Cash Recording Instrument

A simplified cash book was developed as the principal intervention instrument. The format was designed according to the operational characteristics of a micro-scale coffee shop and consisted of the following components:

1. transaction date;
2. transaction description;
3. cash inflow;
4. cash outflow;
5. personal/owner transaction identification; and
6. ending cash balance.

The instrument was deliberately designed to be simple so that it could be maintained independently by the business owner after the completion of the community engagement activity. The recording format also served as the primary instrument for evaluating improvements in financial administration.

3.8 Data Analysis

The collected data were analyzed using a **descriptive qualitative approach**. Analysis was conducted through four interconnected steps: data organization, categorization, comparison, and interpretation. First, observational, interview, and documentary data were organized according to the main analytical dimensions: cash recording, transaction documentation, financial separation, and internal control. Second, the information was categorized into pre-intervention and post-intervention conditions. Third, the two conditions were compared to identify changes resulting from the intervention. Finally, the observed changes were interpreted in relation to the objectives of the activity and the principles of simple accounting and SAK EMKM. The cash data were additionally analyzed through numerical reconciliation. Cash inflows and outflows were summarized to determine whether the resulting book balance corresponded with the physical cash balance. This combination of qualitative

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assessment and basic numerical verification enabled the team to evaluate both the behavioral and technical aspects of the intervention.

3.9 Evaluation Indicators

The effectiveness of the intervention was evaluated using five indicators:

1. **Daily transaction recording**, measured by the availability and use of a cash inflow and cash outflow book.
2. **Separation of personal and business finances**, measured by the identification and separate recording of owner-related transactions.
3. **Transaction documentation**, measured by the availability and systematic organization of sales and expenditure evidence.
4. **Basic financial reporting**, measured by the partner's ability to prepare a simple income statement from recorded transactions.
5. **Internal cash control**, measured by the implementation of cash reconciliation, cash safeguarding, and clearer assignment of cash-related responsibilities.

The comparison between pre-intervention and post-intervention conditions was used to determine whether the activity achieved its intended outcomes.

3.10 Validity and Reliability of Findings

To strengthen the credibility of the findings, the activity employed **data triangulation** by comparing information obtained from observation, interviews, documentary examination, and cash reconciliation. Information provided by the business owner was compared with actual business practices and available transaction evidence. The recorded cash balance was also compared with the physical cash count. This triangulation reduced reliance on a single source of information and provided a more comprehensive assessment of the partner's financial recording practices. The consistency between the calculated ending cash balance and the physical cash count further supported the reliability of the implemented recording system.

3.11 Ethical Considerations

The activity was conducted with the consent and cooperation of the business owner. Information concerning business transactions was used solely for educational, analytical, and community engagement purposes. Financial information obtained during observation, interviews, and document examination was treated as confidential and was not intended for purposes beyond the scope of the activity. The intervention was designed to support the partner rather than function as a formal external audit or regulatory examination.

3.12 Methodological Framework

The overall methodological process can be summarized as:

Preliminary Observation → Problem Identification → Data Collection → Financial Education → Practical Training → Transaction Reconstruction → Cash Book Implementation → Cash Reconciliation → Evaluation → Follow-Up Recommendations

This methodological framework provides a structured and replicable approach for implementing accounting assistance in micro-enterprises. It combines diagnosis, intervention, implementation, and evaluation so that improvements in financial recording are not limited to short-term training but can be integrated into the partner's routine financial management practices.

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4.Results and Discussion

4.1. Research Results

4.1.1. Initial Condition of the Cash Recording System

The results of observations and interviews conducted on July 7, 2026, indicate that the financial recording system at Satset Coffee was still relatively simple, informal, and unstructured. As a micro-scale business operating in the food and beverage sector, Satset Coffee generated an average monthly turnover of approximately IDR 5,000,000–7,000,000 and employed two workers. Although sales transactions occurred regularly, they were not supported by a consistent and systematic bookkeeping system. Prior to the mentoring intervention, cash inflows and outflows were recorded sporadically in a small notebook. Consequently, the owner did not have adequate financial information regarding the actual cash balance, daily receipts, total expenditures, or business profitability over a specific period. This condition indicates that although business operations were conducted continuously, they were not supported by a financial information system capable of providing a reliable basis for managerial decision-making. Another important finding was the absence of a consistent separation between the owner's personal finances and business finances. Withdrawals of cash for personal purposes were not always recorded as owner's drawings (*prive*). Conversely, when the owner used personal funds to purchase business supplies, the transaction was not systematically recorded as additional capital or a business liability. This condition potentially distorted the reported cash balance and owner's equity.

4.1.2. Weaknesses in Transaction Documentation

The assessment also identified transaction documentation as one of the major areas requiring improvement. Purchase receipts, payment evidence, and daily sales records were not systematically organized. Some supporting documents were stored irregularly, making it difficult to trace individual transactions when needed. Inadequate transaction documentation has implications for the reliability of financial information. Without sufficient supporting evidence, recorded transactions are difficult to verify, while the risk of recording errors increases. Furthermore, inadequate documentation may constrain the owner's ability to evaluate operating costs and prepare periodic financial statements.
The findings therefore indicate that improving financial recording cannot be separated from improving transaction documentation. A cash recording system can only provide reliable information when transactions are supported by adequate and traceable evidence.

4.1.3. Reconstruction and Implementation of a Cash Book

The mentoring intervention resulted in a practical improvement in the financial recording system at Satset Coffee. The team introduced a simple cash book containing columns for transaction date, description, cash inflow, cash outflow, and balance. The format was designed according to the operational characteristics of a micro-scale business and did not require sophisticated accounting software or advanced accounting knowledge. Based on the cash examination working paper, the opening cash balance on July 7, 2026, was IDR 850,000. On the same day, Satset Coffee received IDR 620,000 from the sale of beverages and snacks. The business subsequently incurred IDR 310,000 in expenditures for raw materials and IDR 85,000 for operating expenses, including electricity and gas. In addition, the owner withdrew IDR 100,000 for personal purposes, which was subsequently recognized as an owner's drawing (*prive*). The ending cash balance can therefore be reconciled as follows:

Ending Cash = IDR 850,000 + IDR 620,000 − IDR 310,000 − IDR 85,000 − IDR 100,000 = IDR 975,000.

The physical cash count confirmed an ending cash balance of IDR 975,000, which was consistent with the balance recorded in the cash book. This consistency demonstrates that, following the mentoring intervention, the recording system was able to produce a traceable and reconcilable cash balance.

4.1.4. Improvement in the Separation of Personal and Business Transactions

One of the significant outcomes of the intervention was an improvement in the owner's understanding of the importance of separating personal and business transactions. Before the mentoring program, personal withdrawals from business cash were not clearly distinguished from operating expenditures. Following the intervention, personal withdrawals were separately classified as *prive*. This distinction enables the owner to identify expenses that are genuinely associated with business operations. It also provides greater clarity regarding changes in business capital and reduces the risk of personal transactions being incorrectly recognized as business expenses. The separation of personal and business finances therefore represents not merely an administrative improvement but also an important mechanism for improving the quality of financial information used in managerial decision-making.

4.1.5. Preparation of a Simple Income Statement

The mentoring program also resulted in the preparation of a simple income statement based on identified cash receipts and expenditures, supplemented by relevant information concerning business activities. The statement was introduced as a practical instrument for helping the owner understand the relationship between revenue, expenses, and business profit. The preparation of the income statement changed the owner's understanding of business performance. Prior to the intervention, business performance was largely assessed based on the amount of cash physically available. Following the mentoring process, the owner began to understand that an increase in cash does not necessarily represent an increase in profit because cash may also originate from additional capital, while certain cash expenditures may relate to personal needs rather than business operations. Accordingly, the simple income statement provided a more rational basis for evaluating the financial performance of the business.

4.1.6. Evaluation of Internal Control Practices

The evaluation revealed that internal control practices at Satset Coffee remained at an early stage. There was no formal segregation of duties among cash collection, transaction recording, expenditure authorization, and cash custody. Most of these functions continued to be performed by the owner. Nevertheless, the mentoring process increased the owner's awareness of the importance of internal control. The owner began to recognize that each transaction should be supported by appropriate documentation, expenditures should be recorded systematically, and cash balances should be periodically verified. The examination also showed that although the physical cash balance agreed with the recorded balance, weaknesses remained in the areas of document archiving and segregation of duties. Therefore, agreement between physical cash and accounting records at a single point in time should not be interpreted as evidence that the overall internal control system is fully effective.

4.1.7. Summary of Changes in the Partner's Financial Management Practices

Overall, the findings demonstrate positive changes in the financial management practices of Satset Coffee following the intervention.

Indicator	Initial Condition	Condition After Mentoring
Daily transaction recording	Sporadic and unstructured	Simple cash book implemented
Cash inflows and outflows	Not consistently documented	Recorded according to transaction type
Personal and business finances	Mixed	Began to be separated

Transaction evidence	Poorly organized	Collected and systematically archived
Income statement	Not prepared	Simple income statement prepared
Cash reconciliation	Not routinely performed	Physical cash reconciled with book balance
Internal control awareness	Limited	Improved understanding and awareness

These findings demonstrate that an intervention based on accounting education, practical simulation, and direct mentoring can generate meaningful improvements in financial recording practices among micro-scale enterprises.

4.2. Discussion

4.2.1. Cash Recording as the Foundation of MSME Financial Management

The findings demonstrate that the primary challenge faced by Satset Coffee was not the absence of financial transactions but the absence of a systematic mechanism for transforming those transactions into useful financial information. This finding emphasizes the importance of cash recording as a fundamental component of financial management in micro and small enterprises. The implementation of a simple cash book enabled the owner to identify the sources and uses of cash more clearly. Such information can be used to assess the business's ability to finance its operating activities and identify major expenditure components. In the case of Satset Coffee, purchases of raw materials represented one of the major expenditure categories. By obtaining more structured information about expenditures, the owner can make more informed decisions regarding supplier prices, raw material consumption, purchasing frequency, and cost efficiency. This finding suggests that accounting systems for MSMEs do not necessarily need to begin with complex procedures or sophisticated software. A simple system that is consistently implemented may be more appropriate for the limited resources and capabilities of micro-scale businesses. This approach is also consistent with the simplified accounting principles embodied in SAK EMKM for micro, small, and medium-sized entities.

4.2.2. Separation of Personal and Business Finances

The mixing of personal and business funds represents a significant issue because it directly affects the reliability of financial information. Under the initial condition, the owner's personal withdrawals were not consistently distinguished from business expenditures. Consequently, operating expenses could be overstated, while business capital could be understated. Through the mentoring process, personal withdrawals were subsequently recognized separately as *prive*. This accounting treatment allows the owner to distinguish transactions associated with revenue-generating activities from those associated with personal consumption. From a managerial perspective, this separation also improves the owner's ability to determine whether the business is genuinely profitable. Thus, separating personal and business finances should not be regarded merely as an administrative requirement but as an important mechanism for improving the quality of information used for business decisions.

4.2.3. Transaction Documentation and Financial Accountability

The finding concerning inadequate transaction documentation indicates that cash recording cannot be separated from transaction evidence. A reliable cash book requires supporting documents that enable individual transactions to be verified. The examination revealed that some transactions were already supported by receipts and payment evidence, but the archiving system was not yet consistently implemented. This condition demonstrates that improving bookkeeping practices requires more than simply introducing a cash-book format. Business owners must also develop routine administrative practices for retaining purchase receipts, invoices, payment confirmations, and other supporting documents. From an internal control perspective, adequate documentation creates an *audit trail* through which transactions can be traced from their original evidence to their accounting records. Documentation therefore functions not only as an archive but also as a mechanism for accountability, verification, and risk control.

4.2.4. Internal Control Implementation in Micro-Scale Businesses

The findings indicate that Satset Coffee's internal control system remained relatively informal because of its small organizational structure and limited workforce. The owner continued to perform several functions simultaneously, including authorization, recording, and cash supervision. Although such arrangements are common in micro-enterprises, they may increase the possibility of errors and make irregularities more difficult to detect. The mentoring intervention demonstrated that internal control does not necessarily require a complex organizational structure. In a micro-enterprise context, control can begin with relatively simple procedures, including daily cash counting, recording transactions immediately, maintaining transaction evidence, and periodically reconciling physical cash with accounting records. The cash count conducted on July 7, 2026, resulted in a physical cash balance of IDR 975,000, which agreed with the balance recorded in the cash book. This finding illustrates that simple cash reconciliation can serve as a practical and feasible control mechanism for micro-scale businesses. However, this finding should be interpreted cautiously. Agreement between physical cash and accounting records on one examination date does not necessarily demonstrate that the overall internal control system is effective. Weaknesses in segregation of duties and transaction documentation remain relevant risks that require continuous monitoring.

4.2.5. Mentoring as an Instrument for Improving Accounting Literacy

The changes observed at Satset Coffee indicate that direct mentoring may be more effective than providing accounting concepts solely through theoretical instruction. Before the intervention, limited accounting knowledge represented one of the factors contributing to inconsistent financial recording.
Through observation, education, simulation, and hands-on practice, accounting concepts that were previously perceived as complicated were translated into simple operational procedures. The owner did not merely learn accounting terminology but also practiced recording transactions, calculating cash balances, separating personal transactions, and using financial information to evaluate business performance. This finding strengthens previous arguments that practical accounting assistance can improve the ability of MSMEs to generate and use financial information. Community-based accounting programs therefore have an important role in bridging the gap between accounting knowledge and its practical implementation in daily business activities.

4.2.6. Implications for Decision-Making and Business Sustainability

The primary managerial implication of improving the recording system is the increased availability of information for decision-making. Before the intervention, raw material purchasing decisions were largely based on the owner's experience and intuition. Following the implementation of systematic recording, purchasing and expenditure decisions can increasingly be informed by actual information regarding cash inflows and outflows. Such information can subsequently be developed to support decisions concerning working capital requirements, raw material cost control, pricing strategies, sales performance, and potential business expansion. Therefore, cash recording should not be viewed merely as an administrative obligation. For micro-scale businesses, it represents a managerial instrument that can reduce uncertainty, improve control over financial resources, and establish a foundation for sustainable business growth.

4.2.7. Contribution to Accounting Practices for MSMEs

The findings suggest that accounting interventions for MSMEs can be implemented through a gradual process. The first stage involves building awareness of the importance of financial recording. The second stage introduces a simple cash-recording system. The third stage focuses on separating personal and business transactions. The fourth stage strengthens documentation and cash reconciliation. The subsequent stage can involve the development of more comprehensive financial statements. A gradual approach is important because MSMEs have different characteristics from larger organizations. Introducing overly complex accounting systems may create administrative burdens and resistance among business owners. Conversely, a simple, accessible, and context-specific system is more likely to be adopted and maintained after the mentoring program has ended. Accordingly, the principal contribution of this community engagement activity extends beyond the preparation of a cash book and simple income statement. The intervention contributed to the development of practical financial management habits involving transaction recording, financial separation, documentation, and cash verification. These practices provide an initial foundation for strengthening the financial governance, accountability, and long-term sustainability of Satset Coffee.

5. Conclusion

5.1. Conclusion

The community engagement program at Satset Coffee, Minasa Upa, Makassar, demonstrated that strengthening basic financial recording practices can substantially improve the financial management capacity of micro-scale coffee shop businesses. Prior to the intervention, cash inflows and outflows were recorded inconsistently, personal and business finances were not adequately separated, and supporting transaction documents were not systematically maintained. These conditions limited the owner's ability to determine the actual financial performance of the business and increased the risk of recording errors and weak accountability. Through observation, financial education, practical training, transaction reconstruction, and direct mentoring, the program successfully introduced a simple and structured cash recording system. The implementation of a cash inflow and outflow book enabled the business owner to systematically document daily transactions and monitor the movement of cash. The intervention also facilitated the preparation of a simple income statement, providing the owner with a clearer understanding of business revenues and expenses.

5.2. Contribution to MSME Financial Management

The findings indicate that simple accounting practices can serve as an important foundation for improving financial governance in micro and small enterprises. The intervention did not require sophisticated accounting software or complex financial reporting procedures. Instead, it emphasized practical procedures that were adapted to the operational capacity of Satset Coffee. The separation of personal and business transactions was particularly important because it improved the transparency of business cash flows and reduced the possibility of distorted financial information. Furthermore, systematic documentation of receipts, purchase invoices, and payment evidence strengthened the reliability and accountability of financial records. These improvements demonstrate that basic accounting literacy, when combined with practical mentoring, can support more informed financial decision-making among MSME owners.

5.3. Implications for Internal Control

The program also highlights the importance of internal control even in micro-scale businesses with relatively simple organizational structures. The assessment identified that Satset Coffee had not previously established formal segregation of duties, with the owner performing several functions related to authorization, recording, and cash custody. Following the intervention, the owner gained a better understanding of the importance of monitoring cash transactions, maintaining supporting documents, and establishing clearer responsibilities between the owner and employees. Although complete segregation of duties may be difficult to implement in a micro-enterprise because of limited human resources, basic control mechanisms such as transaction authorization, routine cash reconciliation, documentation, and periodic review can substantially reduce the risk of errors and financial irregularities.

5.4. Limitations and Recommendations

This study has several limitations that should be considered when interpreting its findings. First, the program was conducted at a single coffee shop, meaning that the findings cannot be generalized directly to all MSMEs. Second, the evaluation focused primarily on improvements in cash recording practices and financial understanding during a relatively short intervention period. Therefore, the long-term sustainability of the newly introduced accounting system requires further monitoring. Future community engagement programs should provide continuous assistance to ensure that the recording system is consistently implemented. Subsequent interventions may also introduce digital bookkeeping applications, inventory recording, cost-of-goods-sold calculations, monthly financial statements, and more comprehensive internal control procedures. Comparative studies involving several MSMEs from different business sectors could also provide broader evidence regarding the effectiveness of practical accounting assistance.

5.5. Sustainability and Future Development

The sustainability of the intervention depends largely on the ability of Satset Coffee to maintain the accounting practices introduced during the program. The business is encouraged to record every cash transaction on a daily basis, retain supporting documents, reconcile physical cash with recorded balances periodically, and prepare financial summaries at the end of each month. The owner should also continue separating personal financial activities from business transactions.From an academic and community engagement perspective, the Satset Coffee case demonstrates the potential of university–MSME collaboration in strengthening financial literacy and business governance. Continued mentoring involving accounting educators and students can provide an effective mechanism for transferring practical accounting knowledge to small business owners. In the longer term, the integration of standardized accounting practices based on SAK EMKM with appropriate digital tools may further enhance financial transparency, managerial decision-making, and business sustainability. Thus, the program provides a practical model for community-based accounting interventions aimed at strengthening the financial resilience and governance of MSMEs.

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