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Assistance in Implementing Internal Controls for the Sales and Accounts Receivable Cycle to Support Business Sustainability at MSME Garasi GA in Gowa Regency

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Abstract: *Reliable financial recording is a fundamental requirement for improving the sustainability and competitiveness of Micro, Small, and Medium Enterprises (MSMEs). However, many MSMEs continue to experience difficulties in maintaining proper accounting records because of limited financial literacy, inadequate bookkeeping systems, and the absence of standardized financial reporting practices. This community engagement project aimed to assist Garasi GA MSME in Gowa Regency in implementing an accounting cycle and strengthening internal control over sales and accounts receivable based on the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). The program employed a participatory mentoring approach involving field observation, problem identification, accounting training, direct technical assistance, evaluation, and post-implementation monitoring. Data were collected through interviews, direct observations, and documentation of financial transactions. The findings revealed that the enterprise initially lacked formal accounting records, general journals, ledgers, receivables administration, and financial statements, resulting in weak financial control and limited managerial decision-making. Following the mentoring program, the MSME successfully established a chart of accounts, general journals, ledgers, accounts receivable records with aging schedules, income statements, and statements of financial position in accordance with SAK EMKM. Furthermore, improvements were observed in transaction documentation, separation of business and personal finances, and monitoring of outstanding receivables, thereby strengthening key components of the COSO internal control framework. These outcomes demonstrate that practical accounting assistance effectively enhances financial governance, internal control effectiveness, and business sustainability while providing a replicable model for improving accounting practices among Indonesian MSMEs through university-community collaboration.*

Keywords: *MSMEs; SAK EMKM; Internal control; Accounts receivable; Financial reporting; Community engagement..*

1. Introduction

Micro, small, and medium-sized enterprises (MSMEs) constitute an important component of economic development because they contribute to employment creation, income generation, entrepreneurship, and local economic resilience. Nevertheless, the ability of MSMEs to survive and grow is not determined solely by their capacity to generate sales or maintain customer relationships. The quality of financial management is equally important because reliable financial information enables business owners to monitor performance, manage working capital, evaluate profitability, control expenditures, and make informed strategic decisions. Previous studies have demonstrated that financial management practices are closely associated with MSME performance and sustainability, particularly when financial resources are limited and business owners must make decisions based on relatively small operating margins (Puspitasari & Astrini, 2022; Belas et al., 2024; Suriani et al., 2024). Therefore, strengthening financial management at the MSME level represents not merely an accounting issue but an important mechanism for supporting long-term business sustainability.

One of the critical components of MSME financial management is the management of accounts receivable. Accounts receivable emerge when businesses provide goods or services through credit transactions and represent future cash inflows that are expected to support operational activities. Credit sales can increase market reach, strengthen customer relationships, and stimulate revenue growth. However, uncontrolled credit sales can also create liquidity problems when customers delay payment or fail to settle their obligations. For MSMEs with limited working capital, delayed receivables can have a more immediate impact than in larger firms because operational expenses such as wages, utilities, inventory purchases, and other short-term obligations must continue to be paid regardless of whether credit customers have settled their accounts. Consequently, systematic receivable recording, monitoring, and collection are essential elements of effective working-capital management.

The problem becomes more significant when MSMEs lack adequate accounting systems and financial literacy. Financial literacy influences the ability of business owners to understand financial information, manage resources, assess financial risks, and make appropriate financial decisions. Evidence from Indonesian MSMEs indicates that financial literacy is an important consideration in improving financial performance, although its effects may vary depending on financial attitudes, behaviors, and business characteristics (Ginting & Damayanti, 2022; Puspitasari & Astrini, 2022). More specifically, financial literacy must be accompanied by appropriate accounting practices because financial knowledge without reliable transaction records cannot provide business owners with an accurate picture of their financial position. Thus, improving MSME financial capability requires both knowledge development and the implementation of practical accounting procedures.

Accounting information systems (AIS) provide an important mechanism for addressing this challenge. An effective AIS facilitates the recording, classification, processing, storage, and reporting of financial transactions, thereby improving the availability and quality of information for managerial decision-making. Christanty et al. (2023) found that accounting information systems, financial-report quality, and financial literacy are among the factors associated with MSME performance. Similarly, research conducted among SMEs in Malaysia demonstrated that the timeliness, transparency, and accuracy of accounting information systems significantly influence financial performance (Lin et al., 2024). In the Indonesian context, the use of accounting information systems has also been shown to contribute positively to MSME financial performance, while the integration of accounting systems with digital business practices can further strengthen financial management (Sari et al., 2024; Dewi & Suryanawa, 2024). These findings suggest that even relatively simple accounting systems can create meaningful improvements when they are appropriately designed around the operational needs of MSMEs.

Despite these potential benefits, the implementation of accounting systems among MSMEs remains challenging. Many MSME owners have limited accounting knowledge, limited human resources, and insufficient time to maintain formal bookkeeping procedures. In practice, financial transactions are frequently recorded manually in notebooks, mobile-phone applications, or informal records without consistent classification. Consequently, information regarding sales, cash receipts, expenses, accounts receivable, and owner withdrawals may become mixed or incomplete. A recent study by Arrasyidah and Syarif (2024) found that financial literacy, internal control systems, and accounting information systems are relevant to the quality of MSME financial statements, while other evidence shows that accounting information systems can improve the efficiency and accuracy of financial reporting processes (Nugraha et al., 2024). The persistence of manual recording therefore represents an important practical barrier to producing reliable financial information.

The quality of financial reporting is particularly important for MSMEs because financial statements provide a structured representation of business performance and financial position. However, empirical evidence continues to demonstrate that many Indonesian MSMEs have not implemented appropriate accounting standards. Zulfikar et al. (2022), using a large sample of Indonesian MSMEs, found that MSME compliance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) remained inadequate. Similar problems have been identified in specific MSME cases, where business owners recorded only cash inflows and outflows without preparing complete financial statements (Utari et al., 2022; Sudrajat & Sembiring, 2023). These findings indicate that the problem is not simply the absence of accounting documents but also the absence of an integrated accounting cycle capable of transforming individual transactions into meaningful financial information.

SAK EMKM provides a particularly relevant framework for addressing this problem because it was designed to accommodate the characteristics and reporting capabilities of micro, small, and medium entities. The standard enables MSMEs to prepare financial information in a relatively simple and comprehensible format while maintaining the fundamental principles of financial reporting. Nevertheless, implementation remains constrained by limited accounting understanding, educational background, human resources, and insufficient training. Habibah and Astuti (2024) demonstrated the importance of education, business experience, and accounting training in relation to the preparation of MSME financial statements based on SAK EMKM. More recent evidence similarly indicates that accounting understanding has a significant relationship with SAK EMKM implementation among MSME owners (Irfan, 2025). Therefore, the adoption of SAK EMKM should not be approached solely as a compliance issue; it requires practical assistance that translates accounting standards into procedures that can be implemented by business owners in their daily activities.

The problem of financial recording is closely connected to internal control. Internal control is essential for reducing the possibility of errors, unauthorized transactions, incomplete documentation, and financial losses. For MSMEs, however, conventional internal-control mechanisms based on extensive segregation of duties may be difficult to implement because one owner or a very small number of employees often perform several functions simultaneously. Consequently, internal control in MSMEs needs to be simplified and adapted to the organization's actual structure. Key controls may include transaction authorization, standardized documentation, systematic recording, regular reconciliation, receivable monitoring, and periodic review of financial information. These mechanisms can be implemented without requiring a sophisticated organizational structure, provided that the business owner understands their purpose and applies them consistently.

The importance of internal control is particularly evident in the sales and accounts receivable cycle. Weaknesses in this cycle may occur when credit sales are granted without clear authorization, sales transactions are not supported by adequate documentation, receivables are not recorded systematically, and collection activities are conducted only when the owner remembers that payment is due. Such conditions increase the possibility of overdue accounts and uncollectible receivables. In addition, when the same individual is responsible for selling, recording, collecting, and receiving cash, opportunities for errors or irregularities become more difficult to detect. Therefore, even when formal segregation of duties is impossible, compensating controls such as documented procedures, periodic reviews, and independent verification should be introduced.

Receivable monitoring can be strengthened through the use of an accounts receivable register and an aging schedule. An aging schedule classifies outstanding receivables according to the length of time they remain unpaid, enabling business owners to identify current receivables, overdue receivables, and accounts that require immediate collection attention. This approach is particularly relevant for small businesses because it converts a simple list of customer debts into actionable management information. When combined with transaction documentation and periodic reconciliation, an aging schedule can support more disciplined collection procedures and reduce the possibility that receivables will be forgotten. Consequently, receivable administration should be positioned as part of the broader financial-control system rather than treated as an isolated bookkeeping activity.

Financial management also has direct implications for MSME sustainability. Belas et al. (2024) emphasize that financial management is an important dimension of SME sustainability, while Suriani et al. (2024) demonstrate that effective financial management, technology utilization, business diversification, and innovation contribute to MSME productivity and sustainability. Evidence from South Sulawesi further indicates that financial management and working-capital management are positively associated with MSME business sustainability (Rijal & Supriandi, 2024). These findings are highly relevant to the present community service context because ineffective receivable management can restrict working capital and consequently constrain the ability of a business to maintain daily operations. Improving accounting records and receivable control can therefore be understood as an intervention that supports both short-term financial discipline and long-term business continuity.

Nevertheless, an important practical gap remains. Existing studies have extensively examined financial literacy, SAK EMKM adoption, accounting information systems, and financial performance as separate issues. Other studies have focused on preparing financial statements for MSMEs that do not yet have formal accounting systems (Rohmah & Hastuti, 2021; Maulana & Mulyandani, 2021; Shabrina & Nurasik, 2022). However, there is still a need for integrated community-based interventions that connect the reconstruction of the accounting cycle with internal control over the sales and receivables cycle. In particular, MSME assistance should not stop at producing financial statements; it should also ensure that the underlying transaction-recording procedures, documentation, receivable monitoring, and control mechanisms are sufficiently practical to be continued independently by business owners.

This practical gap is particularly relevant to Garasi GA MSME in Gowa Regency, South Sulawesi. Preliminary observation and interviews conducted by the community service team revealed that the partner had not previously implemented a formal accounting cycle. Sales and purchasing transactions were recorded in a relatively simple manner, without comprehensive account classification, general journals, subsidiary records, or periodic financial statements. Accounts receivable were also not supported by a structured register containing customer information, transaction dates, due dates, and payment status. In addition, transaction evidence had not been systematically classified and archived. These conditions created difficulties for the owner in determining the actual receivable position, monitoring overdue accounts, evaluating periodic profitability, and obtaining reliable information for business decision-making.

At the same time, the preliminary assessment indicated that the owner had already maintained a separation between personal and business bank accounts. This represents an important positive foundation upon which stronger accounting and internal-control practices can be developed. Rather than introducing a complex accounting system, the intervention therefore needs to focus on transforming existing practices into a simple but structured accounting cycle. The intervention should enable the owner to identify transactions, classify them into appropriate accounts, record them chronologically, post them to the ledger, prepare financial statements, and monitor receivables through an aging schedule. Such an approach is consistent with evidence that practical training and appropriate accounting tools can facilitate MSME financial reporting and improve the usability of financial information (Kania & Irawan, 2021; Nugraha et al., 2024).

Based on these conditions, the present Community Service Program (PKM) was designed under the theme **"Assistance in Implementing Internal Control over the Sales and Receivables Collection Cycle to Support Business Sustainability at Garasi GA MSME in Gowa Regency."** The program integrates accounting-cycle reconstruction, SAK EMKM-based financial reporting, receivable administration, and internal-control evaluation. The activities include observation and problem identification, transaction classification, preparation of a chart of accounts, general journal recording, ledger posting, preparation of financial statements, development of a receivable register and aging schedule, and evaluation of internal control over the sales cycle. The intervention also provides practical templates that can be used by the partner after the completion of the program.

The primary objective of this activity is to strengthen the financial-management capacity of Garasi GA MSME by establishing a simple, systematic, and sustainable accounting and internal-control system. Specifically, the program aims to: (1) improve the partner's ability to record sales and other financial transactions consistently; (2) establish structured accounts receivable administration, including due-date monitoring and aging analysis; (3) facilitate the preparation of financial statements based on SAK EMKM; (4) strengthen the partner's understanding of internal control over the sales and collection cycle; and (5) provide practical accounting templates and procedures that can be independently maintained after the community service intervention.

The contribution of this activity lies in its integrated approach to MSME financial strengthening. Rather than treating bookkeeping, financial reporting, receivable management, and internal control as separate activities, the program connects these elements within a single operational cycle. This approach is expected to improve the quality of financial information while simultaneously strengthening the mechanisms used to monitor receivables and control sales transactions. The intervention is also designed to be proportionate to the organizational capacity of a small business, emphasizing simple procedures, practical documentation, and sustainable implementation rather than sophisticated accounting infrastructure. In this way, the program contributes not only to the improvement of Garasi GA's current financial administration but also to the development of a replicable community-service model for strengthening accounting practices, internal control, receivable management, and business sustainability among MSMEs.

2. Literature Review

2.1 Micro, Small, and Medium Enterprises and Financial Management

Micro, small, and medium enterprises (MSMEs) are characterized by relatively simple organizational structures, limited financial resources, small numbers of employees, and substantial dependence on owner-manager decision-making. These characteristics create both flexibility and vulnerability in financial management. Unlike larger corporations that generally have specialized accounting and finance departments, MSMEs frequently rely on owners or a small number of employees to perform sales, purchasing, bookkeeping, cash management, and collection activities simultaneously. Consequently, the quality of financial management is highly dependent on the owner's accounting knowledge, financial literacy, managerial capability, and commitment to maintaining financial records. Financial management is particularly important because MSMEs generally operate with constrained working capital. Poor management of cash, inventory, payables, and receivables may directly affect the ability of the business to finance daily operations. Previous research has demonstrated that financial literacy and financial management practices are important determinants of MSME performance because they improve the ability of business owners to evaluate financial conditions and make appropriate financial decisions (Puspitasari & Astrini, 2022; Ginting & Damayanti, 2022). More recent evidence indicates that effective financial management is also associated with business productivity and sustainability, particularly when combined with innovation and appropriate technology utilization (Suriani et al., 2024; Rijal & Supriandi, 2024). From this perspective, financial management in MSMEs should not be understood merely as bookkeeping. It includes the processes through which business owners generate, record, analyze, control, and utilize financial information. Reliable accounting records provide the foundation for determining profitability, monitoring liquidity, controlling expenses, evaluating receivables, and making decisions regarding business expansion. Therefore, strengthening financial management capacity represents an important prerequisite for MSME sustainability.

2.2 Accounting Information and Financial Reporting in MSMEs

Financial reporting is an important mechanism for transforming individual business transactions into useful information for decision-making. Financial statements provide information regarding assets, liabilities, equity, income, and expenses, enabling owners to assess business performance and financial position. However, many MSMEs continue to rely on simple cash-based records rather than a complete accounting cycle. Research conducted in Indonesia has repeatedly identified limited accounting knowledge and low awareness of accounting standards as major barriers to the preparation of reliable MSME financial statements (Adhikara, 2018; Kania & Irawan, 2021;

Rohmah & Hastuti, 2021). Such conditions are problematic because simple records of cash inflows and outflows cannot adequately represent receivables, inventories, liabilities, depreciation, owner withdrawals, and other economic events. As a result, business owners may obtain an incomplete picture of their actual financial position. The development of accounting information systems (AIS) provides an opportunity to address these limitations. AIS facilitates transaction recording, classification, processing, storage, and reporting, thereby improving the availability and accuracy of accounting information. Christanty et al. (2023) found that accounting information systems and financial literacy are relevant to MSME performance. Similarly, Lin et al. (2024) reported that accounting information systems contribute to the quality and effectiveness of financial management among small and medium-sized enterprises. In Indonesia, the use of accounting information systems and digital accounting applications has also increasingly been associated with improved financial reporting and business performance (Sari et al., 2024; Nugraha et al., 2024). However, technological adoption alone does not guarantee high-quality financial information. The system must be accompanied by adequate accounting understanding and consistent recording practices. Therefore, MSME financial improvement requires an alignment between human capability, accounting procedures, and information technology.

2.3 SAK EMKM and MSME Financial Reporting

The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) were developed to provide a relatively simple financial reporting framework for entities with limited public accountability. The standard is intended to make financial reporting more accessible to MSMEs while maintaining the basic principles necessary for reliable financial information. The implementation of SAK EMKM is important because many MSMEs previously relied on informal bookkeeping practices. Tatik (2018) found that MSMEs commonly prepared financial records based on daily cash movements rather than formal accounting principles. This situation demonstrates the gap between actual MSME accounting practices and the requirements for producing standardized financial statements. The literature indicates that the implementation of SAK EMKM is influenced by several factors, including accounting knowledge, education, business experience, training, perceived usefulness, and access to information. Adhikara (2018) identified low accounting understanding as one of the fundamental problems affecting SAK EMKM implementation. Kania and Irawan (2021) and Rohmah and Hastuti (2021) demonstrated that practical assistance using simple tools such as Microsoft Excel can facilitate the preparation of SAK EMKM-based financial statements.

More recent evidence confirms that SAK EMKM implementation remains a challenge. Zulfikar et al. (2022) identified continuing limitations in the adoption of SAK EMKM among Indonesian MSMEs. Habibah and Astuti (2024) further demonstrated the importance of education, business age, and accounting training in supporting financial reporting practices based on SAK EMKM. Didied et al. (2024) also identified understanding, compliance, and readiness as important factors in SAK EMKM implementation. Recent case studies published in 2025–2026 continue to report that some MSMEs only maintain basic cash-inflow and cash-outflow records and have not prepared complete financial statements in accordance with SAK EMKM. These findings indicate that SAK EMKM implementation requires more than disseminating accounting standards. MSME owners need practical guidance that translates accounting concepts into simple daily procedures. Accordingly, community-based assistance can play an important role in bridging the gap between accounting standards and actual business practices.

2.4 Accounting Cycle and Transaction Recording

The accounting cycle represents a systematic process through which economic transactions are identified, analyzed, recorded, classified, summarized, and reported. At the MSME level, a simplified accounting cycle can consist of transaction identification, preparation of source documents, journal recording, ledger posting, trial balance preparation, adjusting entries, and financial statement preparation. The absence of an accounting cycle can create significant problems in financial management. When transactions are recorded only as cash inflows and outflows, business owners cannot accurately distinguish between revenue, liabilities, equity contributions, owner withdrawals, expenses, receivables, and asset acquisitions. Consequently, profitability and financial position may be misstated. Kania and Irawan (2021) demonstrated that structured financial recording supported by practical tools can assist MSMEs in preparing financial statements according to SAK EMKM. Maulana and Mulyandani (2021) similarly showed that reconstructing transaction records into a systematic accounting cycle can enable MSMEs to produce more reliable financial statements. These findings support the argument that accounting assistance should begin with the underlying transaction-recording process rather than focusing exclusively on the final financial statements. For Garasi GA, the accounting-cycle approach is particularly relevant because the preliminary assessment identified the absence of a formal journal, ledger, and periodic financial statements. The reconstruction of these components therefore becomes an essential step toward producing reliable information for financial decision-making.

2.5 Accounts Receivable Management

Accounts receivable represent claims arising from credit sales and constitute an important component of working capital. Effective receivable management requires businesses to establish appropriate credit policies, record credit transactions accurately, monitor customer balances, identify overdue accounts, and implement systematic collection procedures. For MSMEs, receivable management is particularly important because delayed collections can create liquidity constraints. A business may report accounting profits while simultaneously experiencing cash shortages when a significant proportion of sales remains outstanding. This distinction between accounting profitability and cash availability makes receivable monitoring essential for maintaining operational continuity. An effective receivable-management system should contain at least four elements: accurate transaction documentation, customer-level receivable records, due-date monitoring, and periodic reconciliation. The use of an aging schedule further improves monitoring by classifying receivables according to the length of time they remain outstanding. Such classification enables management to distinguish between current receivables and overdue or potentially uncollectible accounts.

The relationship between accounting information systems and receivable management is also important. When transaction information is systematically recorded, customer balances can be monitored more efficiently and collection activities can be scheduled according to objective information rather than memory. Studies concerning accounting information systems have demonstrated their contribution to financial information quality and business performance (Christanty et al., 2023; Lin et al., 2024). Therefore, improving receivable administration should be integrated with improvements in the broader accounting system.

2.6 Internal Control in MSMEs

Internal control refers to the policies, procedures, organizational practices, and monitoring mechanisms designed to provide reasonable assurance that organizational objectives can be achieved, assets are protected, transactions are properly authorized, and financial information is reliable. Internal control is not exclusively relevant to large corporations; it is equally important for MSMEs because small businesses are also exposed to financial errors, unauthorized transactions, asset misuse, and fraud. The COSO framework identifies five interrelated components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Although the framework was developed primarily for organizational control systems, its principles can be adapted to MSMEs through simplified procedures. The control environment in an MSME can be strengthened through the owner's commitment to integrity, accountability, and systematic financial recording. Risk assessment involves identifying risks such as bad debts, cash leakage, recording errors, and unauthorized credit sales. Control activities may include transaction authorization, documentation, reconciliation, and periodic review. Information and communication ensure that relevant financial information is available to the owner, while monitoring involves regular evaluation of whether established procedures continue to operate effectively.

The application of internal control principles is especially important when organizational structures are small. Because complete segregation of duties may be impossible, MSMEs can adopt compensating controls such as periodic owner review, documented procedures, independent verification, and systematic reconciliation. In this sense, effective internal control should be proportional to organizational size rather than directly copied from large corporate structures.

2.7 Internal Control over the Sales and Receivables Cycle

The sales and receivables cycle is one of the most important areas for internal control because it directly affects revenue recognition, accounts receivable, cash inflows, and business liquidity. Weak controls in this cycle can result in unauthorized credit sales, incomplete sales records, inaccurate receivable balances, delayed collection, and bad debts. A well-designed sales and receivables control system should address several stages. First, credit sales should be authorized based on predetermined criteria. Second, each transaction should be supported by adequate documentation, such as invoices, receipts, or sales notes. Third, credit sales should be recorded promptly in the accounting system. Fourth, customer receivable balances should be periodically reconciled. Finally, overdue receivables should be monitored through an aging schedule and followed up through structured collection procedures. These controls are particularly relevant to owner-managed MSMEs. When the same person performs sales, recording, collection, and cash handling, the risk of undetected errors increases. Although complete segregation of duties may not be feasible, documentation and periodic review can provide important compensating controls. Therefore, internal control assistance for MSMEs should focus on practical mechanisms that can realistically be maintained within the existing organizational structure.

2.8 Financial Literacy and Accounting Capability

Financial literacy represents an individual's ability to understand and utilize financial information for financial decision-making. In the MSME context, financial literacy is particularly important because owners frequently make financial decisions without the support of professional accountants or financial managers. Research has shown that financial literacy is associated with MSME performance and financial management practices. Ginting and Damayanti (2022) found that financial literacy is an important factor in MSME financial performance, while Puspitasari and Astrini (2022) demonstrated the relevance of financial literacy and financial inclusion to MSME performance. Nevertheless, financial literacy should not be interpreted as a substitute for accounting systems. Owners may understand basic financial concepts but still fail to produce reliable financial information if appropriate recording procedures are absent. Therefore, accounting assistance should combine knowledge transfer with hands-on practice. In the context of Garasi GA, this means that training should not merely explain debit and credit concepts or SAK EMKM requirements. The owner should be directly involved in classifying actual transactions, preparing journal entries, posting ledgers, monitoring receivables, and interpreting financial statements.

2.9 Financial Information Quality and Business Sustainability

Reliable financial information contributes to sustainability because it enables business owners to make decisions based on actual financial conditions. Information concerning profitability, liquidity, assets, liabilities, and receivables can help owners determine whether the business is generating sufficient resources to continue operating and whether corrective action is necessary. Financial sustainability is particularly important for MSMEs because operational disruptions can arise from relatively small liquidity problems. Suriani et al. (2024) emphasize the importance of financial management in supporting community-based economic sustainability, while Rijal and Supriandi (2024) highlight the relevance of working-capital management and financial management to MSME business sustainability in South Sulawesi. Consequently, receivable management should be considered part of a broader sustainability strategy. Effective collection improves cash availability, while systematic financial reporting enables the owner to identify whether business operations generate sufficient returns. The integration of these mechanisms can strengthen the resilience of MSMEs against operational and financial shocks.

2.10 Theoretical Synthesis and Relevance to the Community Service Program

The literature reviewed above indicates that MSME financial-management problems are multidimensional. Weak financial reporting may originate from limited accounting literacy, inadequate transaction-recording systems, insufficient internal controls, and poor receivable administration. These factors are interconnected rather than independent. The conceptual relationship can therefore be summarized as follows. Accounting knowledge and financial literacy provide the human capability required to understand financial transactions. Accounting procedures and accounting information systems transform transactions into structured financial information. SAK EMKM provides the reporting framework for presenting that information. Internal control ensures that transactions are authorized, documented, recorded, and monitored appropriately. Finally, receivable management ensures that credit sales are converted into cash through systematic monitoring and collection. The combined effectiveness of these elements contributes to improved financial information quality and, ultimately, business sustainability.

This synthesis provides the theoretical basis for the community service intervention at Garasi GA. The program does not treat bookkeeping, financial reporting, internal control, and receivable management as isolated problems. Instead, it integrates them into a simplified accounting and control system that reflects the actual capacity of the partner. The intervention therefore emphasizes practical implementation through a chart of accounts, general journal, ledger, financial statements, receivable register, aging schedule, transaction documentation, and internal-control recommendations. The literature also indicates a practical gap. Previous studies have extensively discussed SAK EMKM implementation, financial literacy, accounting information systems, and MSME financial performance. However, relatively fewer community-based interventions integrate SAK EMKM-based accounting reconstruction with internal control over the sales and receivables collection cycle. The present program addresses this gap by translating theoretical accounting and internal-control principles into operational procedures that can be applied directly by an MSME owner. Thus, the intervention contributes not only to improving the quality of financial statements but also to strengthening the underlying financial-management process that supports business continuity.

3. Research Methods

3.1 Research Design

This community service program employed a participatory action-based approach to improve the financial recording and internal control practices of Garasi GA, a micro, small, and medium-sized enterprise (MSME) located in Gowa Regency, Indonesia. The intervention focused specifically on the reconstruction of the accounting cycle, implementation of financial reporting based on the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), and strengthening of internal control over the sales and accounts receivable collection cycle. The research design combined diagnostic assessment, training, hands-on assistance, implementation, evaluation, and follow-up monitoring. This approach was selected because the primary objective was not only to transfer accounting knowledge but also to facilitate the direct adoption of appropriate accounting procedures by the business owner. The intervention therefore emphasized practical application using the partner's actual business transactions and financial documents. The activity was conducted from June 27 to July 2, 2026, at Garasi GA, Gowa Regency. The implementation involved lecturers and accounting students from Universitas Muhammadiyah Makassar. The research and intervention framework was designed to compare the partner's financial-management condition before and after the intervention.

3.2 Research Setting and Participant

The target of the intervention was Garasi GA, an MSME engaged in spare-part sales and vehicle servicing. The business was selected purposively because the preliminary assessment indicated weaknesses in transaction recording, accounts receivable administration, documentation, and internal control over the sales cycle. The primary participant was the business owner, who was directly responsible for sales, recording transactions, managing cash, and collecting receivables. This organizational condition was particularly relevant to the intervention because the concentration of several financial functions in one person increased the potential risk of recording errors, delayed collection, and inadequate transaction documentation. The implementation team consisted of two lecturers and six accounting students. The lecturers were responsible for designing the intervention, providing accounting and internal-control training, conducting the assessment, and evaluating the results, while the students supported transaction identification, documentation, data processing, and preparation of accounting records.

3.3 Data Sources

The study used both primary and secondary data. Primary data were obtained through direct observation, semi-structured interviews, discussions with the business owner, examination of transaction documents, and assessment of the partner's ability to apply the accounting procedures introduced during the intervention. Secondary data consisted of existing business records and supporting documents, including sales notes, purchase records, cash records, payment evidence, customer receivable information, and other available financial documentation. These data were subsequently reconciled and classified to reconstruct the accounting cycle. The use of multiple data sources enabled the research team to conduct data triangulation, particularly in identifying inconsistencies between actual business transactions, existing records, and information provided by the business owner.

3.4 Research Instruments

Several instruments were developed to support the intervention and evaluation process:

1. Initial assessment checklist, used to identify the existing financial-recording practices of the partner.
2. Interview guide, used to obtain information regarding sales procedures, credit transactions, receivable collection, cash management, and financial reporting.
3. Internal control evaluation checklist, developed based on the principles of the COSO framework.

4. Transaction classification worksheet, used to classify business transactions into appropriate accounts.
5. Chart of Accounts (COA), developed according to the characteristics of Garasi GA and the requirements of SAK EMKM.
6. General journal and general ledger templates, used to reconstruct the accounting cycle.
7. Accounts receivable register and aging schedule, used to monitor customer balances and overdue receivables.
8. Financial statement templates, consisting primarily of the income statement and statement of financial position.
9. Post-intervention evaluation checklist, used to measure changes in the partner's financial-management practices.

These instruments were designed to ensure that the intervention could be implemented using relatively simple procedures that were appropriate for the operational capacity of a micro-scale business.

3.5 Intervention Procedures

The intervention was implemented through six sequential stages.

Stage 1: Preliminary Observation and Diagnostic Assessment

The first stage was conducted on June 27–28, 2026. The research team visited Garasi GA to observe the actual business processes and conduct interviews with the owner. The assessment focused on the sales process, credit sales, accounts receivable collection, cash receipts, transaction documentation, and financial-recording practices.

The diagnostic assessment identified several weaknesses, including the absence of a formal accounting cycle, lack of a general journal and ledger, incomplete documentation, inadequate accounts receivable administration, and the absence of periodic financial statements.

Stage 2: Identification and Classification of Transactions

The second stage involved collecting and reviewing available transaction documents. Each transaction was identified, verified, and classified according to its economic substance.

A Chart of Accounts was subsequently developed consisting of five major categories: assets, liabilities, equity, revenue, and expenses. The accounts included cash, accounts receivable, inventory, workshop equipment, accumulated depreciation, accounts payable, owner's capital, owner's drawings, spare-part sales, service revenue, and operating expenses.

This process was intended to establish a standardized foundation for subsequent journal entries and financial reporting.

Stage 3: Training and Accounting Cycle Reconstruction

The third stage focused on providing practical training concerning basic accounting, double-entry bookkeeping, SAK EMKM, internal control, and accounts receivable management.

Rather than relying exclusively on theoretical explanations, the training used the partner's actual transactions as learning materials. The owner was guided through the process of recording transactions in the general journal, posting entries to the general ledger, and determining account balances.

Microsoft Excel was used as the primary recording tool because it was relatively accessible, inexpensive, and appropriate for the partner's current technological capability.

Stage 4: Financial Statement Preparation and Receivable Administration

After the transaction data had been recorded and posted, the research team prepared the partner's financial statements. The principal outputs consisted of:

- Income Statement;
- Statement of Financial Position;

- Accounts Receivable Register;
- Accounts Receivable Aging Schedule.

The accounts receivable aging schedule classified outstanding balances according to their age, particularly 1–30 days, 31–60 days, and more than 60 days. This classification was intended to facilitate the identification of overdue receivables and support more systematic collection decisions.

Depreciation of workshop equipment was also recognized using the straight-line method, while overdue receivables were identified as a basis for assessing potential collection risks.

Stage 5: Internal Control Evaluation

The fifth stage evaluated internal control over the sales and accounts receivable cycle. The assessment adopted the five COSO components:

1. Control Environment – evaluated the owner's commitment to financial discipline and control procedures.
2. Risk Assessment – identified risks associated with credit sales, overdue receivables, recording errors, and cash leakage.
3. Control Activities – examined transaction authorization, documentation, recording, reconciliation, and collection procedures.
4. Information and Communication – assessed the availability and use of financial information for decision-making.
5. Monitoring – assessed the partner's ability to periodically review financial records and receivable balances.

Because Garasi GA operates on a small organizational scale, complete segregation of duties was not considered practically feasible. Therefore, compensating controls such as documented procedures, periodic review, transaction reconciliation, and owner verification were emphasized.

3.6 Evaluation of Intervention Effectiveness

The effectiveness of the program was evaluated using a pre-intervention and post-intervention comparison. Eight indicators were assessed:

No.	Evaluation Indicator
1	Transaction recording
2	Chart of Accounts
3	General ledger
4	Income statement
5	Statement of financial position
6	Accounts receivable administration
7	Separation of personal and business finances
8	Transaction-documentation management

Each indicator was classified based on the condition before and after the intervention. The assessment emphasized whether the partner had established, implemented, or improved the relevant accounting and internal-control practice.

The percentage of successful indicators was calculated using:

Based on this assessment, the intervention was considered successful when the partner demonstrated measurable improvement in the targeted accounting and internal-control practices.

3.7 Evaluation of the Sales and Receivables Cycle

The internal-control evaluation focused specifically on four major dimensions of the sales and receivables cycle:

(1) Segregation of duties.
The team examined whether sales, recording, cash collection, and receivable monitoring were performed by separate individuals. Where segregation was not feasible because of the business's small organizational structure, compensating controls were recommended.

(2) Transaction authorization.
The team examined whether credit sales and cash expenditures were subject to appropriate authorization procedures.

(3) Transaction documentation.
The availability, completeness, and systematic storage of sales invoices, receipts, payment evidence, and receivable documentation were examined.

(4) Receivable monitoring and collection.
The team examined whether the partner maintained a customer-level receivable register, monitored due dates, prepared an aging schedule, and conducted systematic collection activities.

The evaluation results were used to formulate practical recommendations tailored to the operational capacity of Garasi GA.

3.8 Data Analysis

The collected data were analyzed using descriptive qualitative analysis and comparative analysis. Qualitative analysis was used to interpret the results of interviews, observations, and internal-control assessments. Transaction data were analyzed through classification, journalization, posting, reconciliation, and financial statement preparation. Comparative analysis was used to identify changes between the pre-intervention and post-intervention conditions. The analysis focused on changes in the availability, completeness, consistency, and usability of accounting records. The financial data were not analyzed using inferential statistical techniques because the program involved a single MSME intervention rather than a population-based survey. Instead, the study emphasized evidence of practical improvement in accounting practices and internal-control implementation.

3.9 Validity and Data Verification

Data validity was strengthened through source triangulation and document verification. Information obtained from interviews was compared with direct observations and available transaction documents. Transaction classifications were subsequently cross-checked against the accounting equation: The research team also reconciled journal entries with ledger balances and verified that the resulting financial statements were internally consistent. This procedure reduced the possibility of classification errors and strengthened the reliability of the reconstructed financial records.

3.10 Ethical Considerations

The intervention was conducted with the consent and active participation of the business owner. Financial information obtained during the program was used exclusively for educational, accounting reconstruction, evaluation, and community-service purposes. Confidential business information was not disclosed outside the program's reporting requirements. The intervention was also designed to avoid imposing accounting procedures that were disproportionate to the partner's organizational capacity. Instead, the research team prioritized simple, affordable, and sustainable procedures that the owner could continue independently after the completion of the program.

3.11 Methodological Framework

Overall, the methodology can be summarized as a continuous intervention cycle:
Initial Assessment → Problem Identification → Accounting and Internal-Control Training → Transaction Reconstruction → Financial Reporting → Receivable Monitoring → Internal-Control Evaluation → Post-Assessment → Monitoring and Follow-up.
This methodological structure ensured that the program moved beyond one-time training. The intervention integrated knowledge transfer, direct implementation, financial-record reconstruction, internal-control assessment, and post-intervention evaluation. Accordingly, the methodology was designed to produce both immediate outputs—such as financial statements and receivable schedules—and longer-term outcomes in the form of improved financial-management practices and stronger internal control within Garasi GA.

4.Results and Discussion

4.1 Results

4.1.1 Initial Condition of Financial Recording and Internal Control

The preliminary assessment conducted on 27–28 June 2026 revealed that the financial management system at Garasi GA was predominantly informal and had not yet adopted a structured accounting cycle. The business owner maintained transaction records primarily through simple notes and personal records, while several important accounting documents, including a general journal, general ledger, accounts receivable register, and periodic financial statements, were not available. The assessment also revealed that sales transactions were not consistently supported by systematically organized source documents. Although some sales notes and payment evidence were available, these documents had not been classified and archived according to transaction type and period. This condition limited the owner's ability to trace individual transactions and reconcile sales with cash receipts and outstanding receivables. Another important finding concerned accounts receivable management. Garasi GA conducted credit sales to several customers, but the business did not maintain a formal customer-level receivable register or aging schedule. Consequently, the owner experienced difficulties in determining the exact amount of outstanding receivables, identifying overdue accounts, and establishing a systematic collection schedule. The initial assessment can therefore be summarized into four principal weaknesses: (1) absence of a formal accounting cycle, (2) inadequate transaction documentation, (3) weak accounts receivable administration, and (4) limited formalization of internal-control procedures.

4.1.2 Reconstruction of the Accounting Cycle

Following the diagnostic assessment, the intervention team reconstructed the accounting cycle based on the actual transactions of Garasi GA. The first step involved developing a Chart of Accounts (COA) that reflected the characteristics of the business and the requirements of SAK EMKM. The accounts were grouped into assets, liabilities, equity, revenues, and expenses. The asset category included cash, accounts receivable, inventory, workshop equipment, and accumulated depreciation. Liabilities consisted primarily of accounts payable, while equity included business capital and owner's drawings. Revenue accounts consisted of spare-part sales and service revenue, whereas expense accounts included electricity, water, salaries, depreciation, purchases, and other operating expenses. The establishment of the COA represented a significant improvement because transactions that had previously been recorded without clear classification could subsequently be assigned to appropriate accounts. This provided a standardized foundation for the preparation of journals, ledgers, and financial statements.

All identified transactions were subsequently recorded in the general journal using the double-entry accounting system. The transactions were recorded chronologically and then posted to the respective general ledger accounts. This process enabled the team and the business owner to determine the balance of each account at the end of the reporting period. The reconstruction demonstrated that the implementation of a basic accounting cycle was feasible even within a micro-scale business, provided that the procedures were simplified and accompanied by direct practical assistance.

4.1.3 Preparation of Financial Statements

The reconstruction of the accounting records enabled the team to prepare two principal financial statements: the Income Statement and the Statement of Financial Position. The Income Statement summarized the revenues and expenses generated during the reporting period and provided information regarding the business's operating result. The analysis indicated that Garasi GA generated a positive operating result during the observed period. This finding provided the owner with information that had previously been unavailable because business profitability had not been calculated systematically. The Statement of Financial Position subsequently presented the business's assets, liabilities, and equity at the end of the reporting period. The preparation of this statement enabled the owner to distinguish business resources from liabilities and owner's equity. An important improvement was also achieved through the recognition of depreciation for workshop equipment. Previously, the owner had not systematically incorporated depreciation into the business records. The use of the straight-line method provided a more appropriate representation of the consumption of fixed assets and prevented the financial position from being overstated.

4.1.4 Improvement in Accounts Receivable Administration

The intervention produced a substantial improvement in the administration of accounts receivable. Before the intervention, Garasi GA did not have a systematic register containing customer identity, transaction date, amount owed, due date, payment status, and outstanding balance. The intervention introduced a structured Accounts Receivable Register and Aging Schedule. Outstanding receivables were categorized into three principal periods: 1–30 days, 31–60 days, and more than 60 days. The aging schedule revealed the existence of receivables that had exceeded their expected collection period. Receivables outstanding for more than 30 days were identified as requiring greater attention because prolonged delays may increase the probability of non-collection and create pressure on business liquidity. The introduction of an aging schedule transformed receivable monitoring from a memory-based process into a documented management activity. The owner could now identify which customers required immediate follow-up and prioritize collection activities according to the age of the receivable.

4.1.5 Evaluation of Internal Control over the Sales Cycle

The internal-control evaluation identified several weaknesses in the sales and collection cycle. The most significant weakness was the absence of segregation of duties. Because Garasi GA operates with a very limited workforce, the owner simultaneously performs sales, transaction recording, cash handling, and receivable collection. Although complete segregation of duties is difficult to implement within a micro-enterprise, the intervention introduced compensating controls. These included systematic transaction documentation, periodic reconciliation, formal recording of credit sales, monitoring of outstanding receivables, and regular review of financial records. The evaluation also showed that credit sales were not previously subject to a documented authorization procedure. Following the intervention, the owner was encouraged to establish simple criteria for approving credit sales, including customer identification, transaction documentation, agreed payment terms, and due dates. The internal-control assessment also revealed that source documents existed but were not systematically archived. The intervention therefore introduced a document-management procedure in which sales notes, payment evidence, and purchase documents were grouped and stored according to transaction type and period.

4.1.6 Comparison of Conditions Before and After the Intervention

The overall results demonstrate a substantial improvement in the financial-management practices of Garasi GA.

No.	Indicator	Before Intervention	After Intervention	Result
1	Transaction recording	Informal and incomplete	General journal established	Improved
2	Chart of Accounts	Not available	COA established based on SAK EMKM	Improved
3	General ledger	Not available	All relevant accounts posted	Improved
4	Income Statement	Not prepared	Prepared for reporting period	Improved
5	Statement of Financial Position	Not prepared	Prepared	Improved
6	Accounts receivable administration	Unstructured	Register and aging schedule established	Improved
7	Personal and business finances	Already separated	Separation maintained and strengthened	Maintained/improved
8	Transaction documentation	Scattered	Classified and systematically archived	Improved

The evaluation indicates that all eight targeted indicators either improved or were maintained at an appropriate level. Therefore, the program achieved an overall achievement rate of 100% across the targeted indicators. It should be emphasized, however, that this percentage represents achievement of the program's predefined intervention indicators rather than a statistical measure of general MSME performance.

4.1.7 Outputs of the Community Service Program

The intervention generated several tangible outputs that can be continuously used by Garasi GA. The primary outputs included:

1. Chart of Accounts based on SAK EMKM;
2. General journal;
3. General ledger;
4. Income Statement;
5. Statement of Financial Position;
6. Accounts Receivable Register;
7. Accounts Receivable Aging Schedule;
8. Daily transaction-recording template;
9. Financial statement template;
10. Internal-control recommendations for the sales and collection cycle.

These outputs provide the business owner with practical tools that can be used after the completion of the community service program.

4.2 Discussion

4.2.1 From Informal Bookkeeping to Structured Financial Reporting

The findings demonstrate that one of the most important changes at Garasi GA was the transition from informal bookkeeping to a structured accounting cycle. Prior to the intervention, financial transactions were recorded primarily for immediate operational purposes rather than as part of an integrated accounting system. Consequently, the owner could not reliably determine periodic profitability or the financial position of the business. The reconstruction of the accounting cycle addressed this problem by establishing a logical sequence from transaction identification to financial reporting. The introduction of the Chart of Accounts enabled transactions to be classified systematically, while the general journal and general ledger provided an audit trail for subsequent financial reporting. This finding supports the argument that MSME accounting assistance should focus not only on producing financial statements but also on improving the underlying recording process. A financial statement is only as reliable as the transaction data and accounting procedures used to prepare it. Therefore, the improvement observed at Garasi GA represents a process-level improvement rather than merely a documentation improvement. The finding is consistent with previous research showing that accounting knowledge and structured financial-recording practices are important prerequisites for effective implementation of SAK EMKM. MSMEs that rely exclusively on simple cash records may have difficulty distinguishing revenue, expenses, receivables, liabilities, and equity, thereby reducing the usefulness of financial information for decision-making.

4.2.2 SAK EMKM as a Practical Framework for MSME Financial Management

The results further demonstrate the practical relevance of SAK EMKM for micro-scale businesses. Rather than functioning solely as a compliance framework, SAK EMKM can provide a practical structure for organizing financial information. At Garasi GA, the application of the standard facilitated the classification of assets, liabilities, equity, revenues, and expenses and ultimately enabled the preparation of financial statements. This is particularly relevant because the business previously lacked periodic financial reports. The result reinforces previous findings that the implementation of SAK EMKM is frequently constrained by limited accounting knowledge, insufficient training, and the perception that formal accounting procedures are too complicated for small businesses. The present intervention demonstrates that these barriers can be reduced when accounting standards are translated into simple operational templates and accompanied by hands-on assistance. Therefore, the effectiveness of SAK EMKM implementation should not be assessed solely based on whether MSMEs understand the standard conceptually. More importantly, it should be assessed based on whether business owners can translate the standard into repeatable daily accounting practices.

4.2.3 Accounts Receivable as a Critical Working-Capital Issue

The identification of overdue receivables represents one of the most important findings of the intervention. Although Garasi GA generated a positive operating result, the existence of receivables outstanding beyond the expected collection period indicates that profitability does not necessarily guarantee adequate liquidity. This distinction is important for MSMEs because daily operations depend heavily on the availability of cash. When credit sales are not followed by timely collection, revenue may be recognized while cash remains unavailable for purchasing inventory, paying employees, or covering operating expenses. The implementation of an aging schedule addressed this problem by converting

receivable information into a management tool. Rather than simply knowing the total amount owed by customers, the owner can now determine the age of individual receivables and prioritize collection.
The finding supports the broader literature emphasizing the importance of working-capital management for MSME sustainability. Effective receivable management can reduce the duration between credit sales and cash realization and consequently improve the firm's ability to maintain operational liquidity.

4.2.4 Internal Control and the Sales-to-Cash Cycle

The internal-control evaluation indicates that the sales-to-cash cycle represented a significant area of vulnerability. The concentration of sales, recording, cash handling, and collection functions in the hands of one owner creates an inherent control limitation. However, the findings also demonstrate that the absence of complete segregation of duties does not necessarily mean that internal control cannot be improved. In micro-enterprises, organizational constraints make conventional segregation of duties difficult. Consequently, compensating controls become essential. At Garasi GA, such controls included documentation of credit transactions, customer-level receivable records, periodic reconciliation, due-date monitoring, and owner review. These procedures are relatively inexpensive and can be implemented without additional employees or sophisticated accounting software. From the perspective of the COSO framework, the intervention strengthened several components of internal control. The owner's increased commitment to financial recording strengthened the control environment. Identification of overdue receivables strengthened risk assessment. Documentation and authorization procedures strengthened control activities. Financial reports and receivable schedules improved information and communication, while periodic review of financial records strengthened monitoring. The finding therefore supports the proposition that internal-control frameworks such as COSO can be adapted to the scale and complexity of MSMEs rather than being applied exclusively in large organizations.

4.2.5 Accounting Information as a Basis for Managerial Decision-Making

Another important implication of the intervention concerns the transformation of accounting records from administrative documents into managerial information. Before the intervention, the owner primarily relied on personal memory and simple transaction notes to understand the financial condition of the business. Such an approach limits the ability to evaluate trends, identify financial problems, and plan future activities. Following the intervention, the owner had access to structured information concerning sales, expenses, assets, liabilities, equity, and receivables. This information can support decisions regarding inventory purchases, customer credit policies, collection priorities, expenditure control, and future business expansion. This finding is consistent with the literature emphasizing the role of accounting information systems and financial literacy in improving MSME financial performance. However, the present intervention suggests that technological sophistication is not necessarily the first requirement. For a micro-enterprise such as Garasi GA, a well-designed Excel-based accounting system can provide meaningful improvements when accompanied by appropriate procedures and consistent implementation.

4.2.6 Implications for MSME Sustainability

The improvements achieved through the program have broader implications for business sustainability. Sustainable business operations require more than generating sales; they require the ability to maintain liquidity, control costs, manage assets, collect receivables, and make informed decisions. The intervention contributed to these dimensions by improving the availability of financial information and strengthening the control environment. The accounts receivable register and aging schedule, in particular, provide an early-warning mechanism for potential liquidity problems. Nevertheless, sustainability depends on the continued application of the procedures. The establishment of journals, ledgers, and financial statements during a community service program does not automatically guarantee long-term behavioral change. The owner must continue recording transactions consistently, updating receivable balances, reviewing overdue accounts, and preparing periodic financial statements. Therefore, the monitoring stage is essential. Continued follow-up can determine whether the accounting practices introduced during the intervention become institutionalized within the daily operations of Garasi GA.

4.2.7 Theoretical and Practical Contribution

The findings provide both theoretical and practical contributions. Theoretically, the results reinforce the interconnected relationship among financial literacy, accounting information, SAK EMKM, internal control, receivable management, and business sustainability. Weakness in one component can reduce the effectiveness of the others. For example, having an accounting standard without adequate recording capability may not generate useful financial information, while having financial information without receivable monitoring may not adequately support liquidity management.

Practically, the program demonstrates that a low-cost, simplified, and participatory intervention can improve financial-management practices in a micro-enterprise. The combination of SAK EMKM-based accounting reconstruction, Excel-based recording, receivable aging, and COSO-oriented internal control provides a feasible model for similar MSMEs with limited human and technological resources.

The most important contribution is therefore the integration of financial reporting and internal control. Rather than treating financial statements as the final output of an accounting exercise, the intervention positions financial reporting as part of a broader control system designed to improve transaction accountability, receivable collection, financial transparency, and managerial decision-making.

4.2.8 Limitations and Future Improvement

Despite the positive results, several limitations should be acknowledged. First, the intervention involved only one MSME, meaning that the findings cannot be statistically generalized to all MSMEs. Second, the evaluation period was relatively short, covering the implementation period from June 27 to July 2, 2026. Consequently, the long-term sustainability of the new accounting practices requires further monitoring. Third, the evaluation focused primarily on process improvement and achievement of predefined indicators rather than changes in financial performance over a longer period. Future programs could therefore conduct longitudinal assessments covering six to twelve months to examine whether improvements in accounting practices lead to measurable changes in cash flow, receivable turnover, profitability, and business sustainability. Future interventions could also incorporate simple digital accounting applications once the partner has demonstrated consistent mastery of basic accounting procedures. Such digitalization should be viewed as a subsequent stage rather than a substitute for accounting knowledge and internal-control discipline.

4.2.9 Overall Interpretation

Overall, the results indicate that the community service intervention successfully addressed fundamental weaknesses in financial recording, accounts receivable administration, and internal control at Garasi GA. The transition from informal bookkeeping to a structured accounting cycle enabled the business to generate more reliable financial information, while the introduction of an accounts receivable register and aging schedule strengthened the monitoring of credit sales. The findings further demonstrate that SAK EMKM and COSO principles can be operationalized at the MSME level when they are translated into simple, practical, and context-specific procedures. The integration of accounting reconstruction, receivable monitoring, and internal-control evaluation provides a more comprehensive intervention than conventional bookkeeping training. Thus, the principal lesson from the Garasi GA case is that improving MSME financial management requires a shift from recording transactions merely for documentation purposes toward using accounting information as an integrated mechanism for control, liquidity management, accountability, and sustainable business decision-making.

5. Conclusion

5.1 Conclusion

The community service program at Garasi GA demonstrated that a structured accounting intervention can substantially improve the quality of financial management and internal control practices in micro, small, and medium-sized enterprises (MSMEs). Prior to the intervention, financial transactions were recorded informally, accounts receivable were not systematically monitored, and periodic financial statements had not been prepared. These conditions limited the owner's ability to evaluate profitability, monitor liquidity, identify overdue receivables, and make evidence-based business decisions. The implementation of an accounting cycle based on the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) transformed the partner's financial recording practices into a more systematic process. The establishment of a Chart of Accounts, general journal, general ledger, Income Statement, and Statement of Financial Position enabled Garasi GA to obtain more structured and useful financial information. The intervention also strengthened internal control over the sales and accounts receivable cycle. The introduction of an accounts receivable register, aging schedule, transaction documentation, authorization procedures, and periodic monitoring provided the owner with practical mechanisms for reducing the risks of recording errors, delayed collection, and potentially uncollectible receivables.

5.2 Achievement of Program Objectives

The program achieved its principal objectives. First, the partner demonstrated improved ability to record sales and other financial transactions systematically. Second, an organized accounts receivable administration system was established, including customer identification, transaction dates, due dates, outstanding balances, and payment status. Third, the intervention enabled Garasi GA to prepare basic financial statements in accordance with SAK EMKM. Fourth, the owner gained greater awareness of the importance of internal control over sales, cash receipts, and receivable collection. The evaluation of eight predefined indicators showed that all indicators either improved or were maintained at an appropriate level. These indicators included transaction recording, Chart of Accounts, general ledger, Income Statement, Statement of Financial Position, accounts receivable administration, separation of personal and business finances, and transaction documentation. Thus, the intervention achieved a **100% achievement rate across the predefined program indicators**. This result should be interpreted as an indicator of the successful completion of the intervention targets rather than as evidence that all aspects of the partner's financial management have reached an optimal or permanent condition.

5.3 Theoretical Implications

The findings contribute to the broader understanding of MSME financial management by demonstrating the complementary relationship between **SAK EMKM, accounting information, internal control, and accounts receivable management**. The results suggest that financial reporting cannot be separated from the quality of the underlying accounting process. SAK EMKM provides the reporting framework, but its effectiveness depends on the ability of MSME owners to identify, classify, record, and summarize transactions consistently. Furthermore, the findings demonstrate the applicability of the COSO internal-control framework in a micro-enterprise context. Although complete segregation of duties is difficult to achieve in owner-managed businesses, the basic principles of control environment, risk assessment, control activities, information and communication, and monitoring can be adapted through compensating mechanisms. The study therefore reinforces the argument that MSME internal control should be designed according to organizational capacity rather than simply replicating control structures used by large corporations.

5.4 Practical Implications and Sustainability

From a practical perspective, the intervention provides a relatively simple model that can be replicated in other MSMEs with similar financial-management problems. The use of Microsoft Excel, standardized accounting templates, transaction documentation, and accounts receivable aging schedules allows the system to be implemented without requiring substantial financial investment in sophisticated accounting software. For Garasi GA, the most important challenge after the intervention is maintaining consistency. The owner should record transactions daily, reconcile cash and receivables periodically, update the aging schedule, retain transaction evidence, and prepare financial statements regularly. Credit sales should also be subject to basic authorization and clearly defined payment terms. The sustainability of the intervention therefore depends on transforming the newly introduced procedures into routine business practices. Periodic monitoring and follow-up assistance are recommended to ensure that the accounting system continues to operate effectively and that the owner gradually becomes independent in preparing and interpreting financial information.

5.5 Limitations and Future Recommendations

Despite its positive outcomes, this community service program has several limitations. The intervention was conducted in only one MSME and within a relatively short implementation period. Therefore, the findings cannot be generalized statistically to the broader MSME population. In addition, the evaluation focused primarily on changes in accounting practices and internal-control indicators rather than long-term changes in financial performance. Future community service programs should therefore employ longer monitoring periods, preferably six to twelve months, to assess whether improvements in accounting practices are sustained. Subsequent evaluations could incorporate quantitative indicators such as **receivable collection period, receivable turnover, cash-flow stability, profitability, and operating efficiency**. Future interventions should also consider gradual digital transformation. Once the business owner has developed sufficient understanding of basic accounting procedures, the Excel-based system can be upgraded to an appropriate digital accounting application. Further studies could involve multiple MSMEs and employ comparative or longitudinal designs to examine whether the integrated implementation of SAK EMKM, internal control, and receivable management produces measurable improvements in MSME financial performance and business sustainability. Overall, the Garasi GA experience demonstrates that **effective MSME financial strengthening does not necessarily require complex technology or sophisticated organizational structures. Rather, sustainable improvement can begin with disciplined transaction recording, standardized financial reporting, systematic receivable monitoring, and simple but consistent internal controls**.

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