

Financial Training to Separate Capital and Personal Finance for Wedang Uwuh MSMEs in Wukirsari, Bantul.

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Abstract

MSMEs play an important role in Indonesia's economic growth. Wedang Uwuh MSMEs in Wukirsari Village are one of the business actors currently developing the potential of their region. The problem experienced by wedang uwuh MSMEs is that they have not implemented structured financial records, especially in separating business capital from personal finances, which can have an impact on the sustainability of their business. Based on a qualitative approach through interviews, observations, and documentation, the main obstacles faced are low digital literacy, limited recording tools, and concerns about the additional costs of opening a separate account. Through the training, participants were equipped with understanding and skills in preparing simple financial statements such as cash in, cash out, and profit and loss reports. This training is expected to increase business owners' awareness of the importance of orderly financial management to encourage more sustainable business growth, improve decision-making processes, and strengthen the long-term resilience of their enterprises in facing competition.

Keywords: *financial literacy ; financial record keeping ; financial separation; Financial Training ; MSMEs*

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in supporting the national economy, especially in terms of job creation and local-level economic growth. Referring to data, the MSME sector contributes more than 60 percent to Indonesia's Gross Domestic Product (GDP) and absorbs around 97 percent of the workforce, especially in the informal sector (Supriyanto, 2024). The role of society in national development, especially in economic development, is Micro, Small and Medium Enterprises. The position of Micro, Small and Medium Enterprises (MSMEs) in the national economy has an important and strategic role (Hidayat, 2022). Although MSMEs have a very large role, this is still a challenge, especially in terms of orderly and structured financial management. One of the problems that is often encountered is the absence of a clear separation between business funds and personal finances. This problem often arises due to the low understanding of MSME actors of the basic principles of financial literacy.

In Indonesia, rural areas still play a crucial role in sustaining the national economy. Not only contributing around 14% to the total Gross Domestic Product (GDP), this sector is the source of

livelihood for almost 40% of the population. Despite its significant role, the rural sector is still faced with a number of challenges, including limited access to formal financial services, low literacy and skills in managing finances, and high dependence on agricultural activities that are vulnerable to fluctuations in commodity prices and climatic conditions. This condition is also faced by the community in rural Wukirsari, Imogiri, Bantul.

Financial literacy is a series of processes or activities to improve the knowledge, skills and confidence of consumers and the community so that they are able to manage personal finances better (Cahyaningtyas, 2020). Financial literacy has an important role in supporting economic activity. The more people who understand the benefits of financial products and services, the higher the potential for financial transactions, which in turn can encourage economic growth. The increasing number of people who understand financial products and services will be in line with the increasing use of these products, so as to accelerate the rotation of the economy.

Financial training itself aims to modernize the mindset of economic actors in order to run their businesses more effectively and efficiently. Umkk business actors are trained to make financial reports. So that entrepreneurs gain insight into the importance of recording or bookkeeping financial statements and the importance of separating capital and personal money. Provides coverage of understanding how to manage income, prepare budgets, and manage expenses and debts wisely. This condition can lead to a lack of clarity in recording and managing finances, which in turn can disrupt business continuity, especially when facing financial pressures such as debt repayment needs, capital turnover, and business expansion efforts.

Separating personal and business finances plays an important role, not only to create transparency, but also to help business owners assess their business performance more objectively. Through structured and separate records, business owners can evaluate whether their business is making a profit or incurring losses, as well as plan future capital and cash flow needs more precisely. According to (Hartono, 2024) the separation of personal money and capital had a positive effect after the training program 85% of participants successfully implemented the separation of business and personal finances. Meanwhile, according to (Erstiawan, 2024) the separation between capital and personal money yielded results of 85.7% where these results explained that business actors did not have awareness, ability and lack of knowledge and considered making transactions unimportant.

However, at this time there are still many MSME actors who have not been able to run their businesses optimally. This has caused some MSMEs to fail in running their business. One of the main causes of failure is the business owner's lack of understanding of good business management. One important aspect that is often overlooked is financial management, especially in terms of separating business capital and personal finances. MSMEs that implement an organized, transparent and accurate financial system tend to have better performance. This effective financial management is one of the determining factors of business success and plays an important role in maintaining the sustainability and long-term growth of MSMEs.

In addition, financial separation is also an important aspect in terms of legal responsibility, especially when the business grows and requires support from external parties such as financial institutions or investors. Therefore, this community service activity aims to improve the financial understanding of wedang uwuh owners about the importance of financial literacy, especially related to the separation of personal funds and business funds. One way that can be done is by conducting

training and mentoring that focuses on financial management. Through this research, it is hoped that the owner of wedang uwuh can understand the importance of financial separation in a practical way and have adequate skills in managing wedang uwuh business finances.

II. METHODS

In this service, the case study method is used. According to (Nur'aini, 2020), the case study method is an appropriate strategy for use in services that use the main question of how or why, little time the implementer has to control visible events, and the focus is on contemporary phenomena, to track contemporary events. In the case study method, the focus is on the design and implementation of activities. The selection of a case study is intended so that the implementer can explore in depth a particular object or event that is considered to reflect the problem at hand. Data in case studies are collected from various parties who have a direct relationship with the phenomenon that is the focus of service. In this context, the service subject becomes the main source of information, namely individuals who are able to provide relevant data related to the issue being analyzed.

This study uses a qualitative approach with a case study method that focuses on financial training for MSME actors. This study was conducted on May 20, 2025. The informants or subjects were the sources of data in this study. The subjects were selected based on their suitability for the research objectives and their ability to provide the required information. The following are the profiles of the informants:

1. Mr. Yusuf, owner of Wedang Uwuh in Wukirsari Village
2. Employees of Wedang Uwuh owned by Mr. Yusuf

The methods used to collect data in this study included:

1. Interview.

Interview is a method of direct communication between two or more parties in a question and answer process conducted orally to obtain data or information directly from the informant. case study method, interviews are used to reveal the truth of the case based on the knowledge / clarity of the informant's information (Kristina, 2024) Interviews were conducted with the aim of obtaining direct and in-depth information from informants through direct meetings, so that researchers could interact personally and observe the informant's situation directly.

2. Observation

Observation is the activity of recording and describing the results of structured observations of an object, based on what can be seen, heard, and felt, either directly or through indirect means. (Nasution, 2021) In this service, the participatory observation technique is applied, by acting as a direct observer without participating in the activities of the subject being observed.

3. Documentation.

In this service, documentation is used as an additional technique to collect data through recording various written and visual sources that are relevant to the focus of the service. Documentation data can be in the form of recordings, photographs, or other forms of archives that support the needs of the service. Documentation aims to strengthen the data obtained through interviews and observations, and provide a more concrete picture of the situation and conditions in the field.

The data analysis technique in this service consists of three main stages, namely: data collection, filtering or simplifying data (data reduction), and drawing conclusions and the final verification process to ensure the truth of the findings.

Interviews were conducted with business owners, financial managers, which is one of the ways to overcome the problems of SMEs related to the preparation of financial statements. training to gain an in-depth understanding of the practice of separating capital and personal finances. This service also aims to improve participants' understanding and ability to prepare financial reports, especially in the field of separating personal finances and business capital related to the needs of Small and Medium Enterprises (SMEs). Documentation in the form of notes and recordings used as supporting data.

III. RESULT AND DISCUSSION

RESULT

This service was carried out in Wukirsari Village, Imogiri District, Bantul Regency, Yogyakarta Special Region Province. This location was chosen because Wukirsari is one of the micro business centers that actively produces traditional wedang uwuh drinks and has quite high local economic potential. The main focus of this service is to assess the obstacles faced by MSME actors in managing their business finances, especially in terms of separating business capital and personal finances. This service also aims to evaluate the effectiveness of the financial training provided and identify solutions that can help businesses build a simple yet efficient financial recording system, in order to improve the sustainability and growth of their business.

The results of this service show that the informants are the owners themselves of wedang uwuh who live in Wukirsari village. The selection of the informants themselves was carried out purposively, seeing that the subjects were selected by selecting individuals based on certain considerations, because they were considered to know best, understand best, or have the most experience related to issues or phenomena that are happening.

Based on interviews that have been conducted with umkm actors, there are several findings that can be clarified, namely obstacles in old habits that are difficult to change, lack of recording tools and low digital literacy, time and energy efficiency. Mr. Yusuf as owner wedang uwuh. In the interview, he revealed that the financial management process did not have the habit of systematically separating business and personal finances before the training. They manage their business simply and tend to rely on memory in calculating profits. The main challenge faced lies in limited resources, where business actors still run all business activities alone, so time for financial recording or evaluation is limited.

DISCUSSION

Financial statements are the final output of the accounting process that presents important data for interested parties, to support the decision-making process. The purpose of preparing financial statements is to facilitate access to information about the financial condition of an entity. In line with research (Widyaningsih, 2024) Financial inclusion plays a crucial role in improving the performance of Micro, Small and Medium Enterprises (MSMEs) With easier access to financial services such as loans, savings, financial inclusion allows MSMEs to better manage their finances, expand their businesses, and increase productivity.

The main purpose of preparing financial statements is to present information related to assets,

liabilities, equity, income earned, and expenses incurred in a certain period. In general, financial statements are prepared based on past or historical data. This means that this report reflects the financial condition of umkm as recorded in the previous period. The financial statements consist of several main parts, namely the balance sheet, income statement, statement of changes in equity, cash flow statement, and notes to the financial statements. The balance sheet serves to show the financial position of an entity, including assets, liabilities, and equity at a certain point in time. Meanwhile, the income statement provides an overview of business performance through income and expenses during the current period.

In the implementation of financial segregation and routine record keeping, a number of obstacles were encountered. The main challenges include limited access to technology and a low level of understanding of the use of financial recording applications. The limited time available to manage finances has led to a mix of personal finances and venture capital. In addition, there were concerns about the additional costs that might arise from opening separate bank accounts. Although they understand the importance of financial segregation, bank administration fees and account opening requirements are often prohibitive for small-scale MSMEs.

In addition, a number of participants also raised concerns regarding the potential additional costs incurred by opening separate bank accounts. While they recognize the importance of separating personal and business finances, administrative costs and account opening requirements are often an obstacle, especially for small-scale MSMEs.

This training and mentoring is designed to update the perspective of business owners in order to manage their business more optimally and efficiently. In the process, umkm entrepreneurs are given training on preparing financial statements so that they are able to separate personal finances and business capital so that they gain an understanding of the importance of recording financial transactions, both in the form of incoming and outgoing cash flows and profit and loss statements. This training aims to equip business actors with the understanding and ability to prepare cash in, cash out, and profit and loss statements. Thus, they can design financial records in the future and evaluate the amount of expenses, income, and profits earned. In addition, this training also aims to enable business owners to make strategic decisions based on an analysis of the cash flow statements that have been prepared.



Figure 1: Training at wedang uwuh in Wukirsari Village.

Date	Description	Cash In (Rp)	Cash Out (Rp)	Balance (Rp)
20/05/2025	Sales Wedang Uwuh	500,000	0	500,000
21/05/2025	Buy Raw Materials	0	200,000	300,000
22/05/2025	Sales Wedang Uwuh	600,000	0	900,000
23/05/2025	Transportation Cost	0	50,000	850,000
24/05/2025	Sales Wedang Uwuh	450,000	0	1,300,000

Figure 2 : Example of a simple cash book used by Wedang Uwuh MSMEs in Wukirsari Village after financial training (May 2025).

IV. CONCLUSION

Based on the results of the service and the analysis that has been carried out, it can be concluded that financial training on the separation between personal and business finances provides real benefits for MSME actors, especially wedang uwuh producers in Wukirsari. This service helps increase participants' understanding of the importance of regular financial records, and encourages more disciplined practices of separating funds. However, the implementation in the field still faces various obstacles, especially those related to low digital literacy, limited access to technology, and concerns about additional costs in opening a separate business account.

The interviews showed that although the participants realized the importance of orderly financial management, time constraints, skills, and lack of habit in recording transactions were the main obstacles. Some business owners also feel more comfortable managing finances manually or by memory, so digital recording has not been fully accepted as part of their business routine.

This indicates that the success of improving the financial management capacity of MSMEs is not only determined by the training materials delivered, but also highly dependent on the sustainability of mentoring, simplification of recording methods, and approaches tailored to the needs and backgrounds of participants. Therefore, a more contextualized education strategy, as well as continuous technical and emotional support is needed so that MSMEs can implement financial segregation practices effectively and sustainably.

Thus, this service is expected not only to be a means of improving technical skills, but also to shape the mindset of MSME actors towards the importance of financial literacy as the main foundation in building a healthy, transparent and sustainable business.

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training were integral to the success of this activity. It is hoped that this initiative will have a positive and sustainable impact on strengthening MSMEs' financial management capacity, particularly in separating business and personal finances.

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