

Financial Accounting Software Application for MSME Members of Baitul Maal Wat Tamwil (BMT) in South Sumatra

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Abstract: Implementation of Community Service Activities with the theme "Creation and Training of Financial Accounting Software Applications for Members of Baitul Maal wat Tamwil (BMT) Micro, Small, and Medium Enterprises (MSMEs) in South Sumatra." This community service activity received positive responses from participants, as evidenced by evaluations submitted through a Google Form. The favorable responses regarding the community service activity can be broadly categorized into at least two aspects: firstly, the activity effectively enhanced participants' knowledge, and secondly, the presenters demonstrated a strong command of the delivered content. Several participants recommended conducting similar activities periodically, with a focus on delving deeper into specific topics.

Keywords: Islamic economics; Islamic accounting; Islamic economic law; history of Islamic economic thought

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1. INTRODUCTION

The Baitul Maal wa Tamwil (BMT), known to the community as a Sharia financial institution, is essentially another form of the cooperative model existing in Indonesia. Unlike conventional cooperatives, BMT is a combination of Baitul Maal, a fund-raising platform for charitable purposes such as endowments, almsgiving, and zakat (for internal members), and the Baitu Tamwil concept, a small-scale joint business venture. In essence, BMT is a Sharia-based cooperative that integrates the social and business interests of its members. According to Amiruddin (Head of the Office of Cooperatives and SMEs of South Sumatra) (Kompas.id, 2022), the coverage of Sharia-based cooperatives in South Sumatra is still very limited. The significant market potential of the Sharia economy is not accompanied by adequate literacy and the negative stigma prevalent in society, leading to the limited development of BMT. Out of 8,600 registered cooperatives, only 178 are Sharia-based, according to Amiruddin.

An initial study in several BMTs revealed information regarding the financial management and accounting needs of their predominantly MSME members. The limited knowledge of these entrepreneurs in financial management and accounting makes it difficult for them to plan and evaluate their business activities. Furthermore, BMTs also face the repercussions of their members' difficulties. Generally, MSME members of BMT have educational backgrounds up to high school level

with various skills relevant to their businesses. The low level of technology adoption also contributes to the management and accounting challenges, as technology usage (especially Android) is primarily focused on product marketing and communication. However, there is a positive attitude towards learning and development among BMT members, and with proper and sustained guidance, they can achieve the desired outcomes for both the BMT and its members.

Palembang, the capital of South Sumatra, is also the capital of the Darussalam Sultanate. Islam guides the lives of its people, and this is evident in the continued practices of religious gatherings in village mosques, traditional Islamic events, and the influence of the imposing Grand Mosque. Despite these symbolic representations of Islamic values, there is still a lack of significant integration of these values into the daily lives of many residents, particularly concerning Sharia microfinance institutions. Besides the limited understanding of Islamic commercial jurisprudence, many MSME members of Sharia microfinance institutions lack comprehension of management and accounting in their business processes.

Based on preliminary interviews with several BMT members, there has been no specific delivery of materials on financial management and accounting, especially with the assistance of accounting software. Yet, accounting is a crucial aspect of the business process for MSME members of BMT and plays a significant role in Sharia finance and the economy in Indonesia. Moreover, MSME members are potential agents to educate the broader community, but they currently lack an understanding of management and accounting for MSMEs. This situation is exacerbated by the absence of a platform for consultation and discussion among BMT members to collectively address management and accounting issues.

In addressing these issues, the development and training of financial management and accounting applications for MSME members of BMT are imperative. This is crucial for the sustainable development of Sharia microfinance in South Sumatra. Additionally, there is an urgent need to establish a platform for consultation and knowledge sharing among BMT members to expand understanding and awareness of Sharia microfinance and BMT. The methods employed to address these issues include the creation of MSME accounting applications, classical training sessions, interactive discussions, and practical application usage. These activities aim to provide understanding and awareness of the importance of financial management and accounting to MSME entrepreneurs, particularly BMT members, and to disseminate knowledge and foster awareness of Sharia economics among the Muslim community in South Sumatra.

2. LITERATURE REVIEW

Islamic Cooperatives (BMT) serve a dual function as Baitul Maal (house of wealth), where they play a role in collecting and distributing funds from zakat, infaq, and sadaqah, and as Baitul Tamwil (financial house), essentially offering intermediary financing by managing funding and savings (Wulandari & Kassim, 2016). BMT faces several problems and challenges in its operational and financing activities, sometimes unique in terms of financing for the impoverished community. There is an urgent need to reassess these issues and provide practical solutions so that the role of BMT in poverty alleviation in Indonesia can be enhanced (Wulandari & Kassim, 2016). BMT in Indonesia requires specific stages, structures, and roles to be effective. Specifically, the functions of Baitul Maal and Baitul Tamwil need to be separated to enhance their role in providing qardhul hassan financing to the Bottom of the Pyramid (BOP) community (Wulandari, 2019). BMT is a microfinance institution in the form of Islamic Financial Cooperative (KJKS) facing several problems: First, limited available funds; Second, exclusivity in financing; Third, the absence of Standard Operating Procedures (SOP); Fourth, lack of regulations (Wahyudi, 2014). The presence of BMT aims to absorb the aspirations of the Muslim community amid concerns about economic activities involving usury, while also serving as supporting funding to develop small and medium-sized enterprise empowerment activities (Islamiah & Achsanuddin, 2020).

Micro, small, and medium enterprises (MSMEs) are the backbone of the global economy and make a significant contribution to job creation and income generation (Kuttner et al., 2022). SMEs tend to have greater trust and openness to business advice from both their accountants and external sources (Blackburn et al., 2018). Accounting in SMEs differs comprehensively from that in large

corporations (Kuttner et al., 2022). Accounting needs to be studied because, with the passage of time, the economic growth rate has led to the emergence of many new service and trading companies, all of which require financial reports to assess their income and expenses (Arinatul Oktaviana, 2022). The financial knowledge of Islamic finance and the personal characteristics of SME owner-managers influence their intention to adopt Islamic finance, while the characteristics of their companies have no significant impact on the decision of SME owner-managers to approve Islamic financing (Balushi et al., 2018). Their intention to adopt this new financial method is motivated by specific requirements beyond finance. Their positive perception of Sharia financing methods can play a crucial role in developing the Islamic banking industry (Al Balushi et al., 2019). Constraints hindering SMEs in implementing accounting include educational background, lack of accounting training, and the absence of accounting applications. Moreover, owners' perceptions that accounting is complicated and that having an expert in accounting would increase business costs (Savitri, 2018). Therefore, many MSME practitioners still do not use their accounting cycle due to various factors, such as the fact that most MSME practitioners only stop at transactions (Husin, 2021); and there is no design of a computerized accounting information system (Yousida & Lestari, 2019). Another accounting issue for MSMEs is deviation from Financial Accounting Standards (SAK), caused by a lack of knowledge and training among micro, small, and medium-sized business owners (Hasanah et al., 2020). The general quality of the accounting system, the quality of early warning systems, and written reorganization plans positively affect the outcomes of MSME reorganization (Kuttner et al., 2022). Many MSMEs in the region have not effectively utilized accounting information systems; even some MSMEs have not implemented appropriate financial reporting standards, requiring the development of a comprehensive financial information system (Putri & Maghfiroh, 2022). Subjective norms do not influence the intention of SME entrepreneurs to use accounting software, providing an opportunity for educators to conduct financial management training for SME practitioners (Ranatarisza et al., 2022).

The above research highlights the importance of the existence of BMT and MSMEs, which are also partly its members, as the backbone of economic development, especially in the field of Islamic economics. The problems faced by MSMEs, particularly in management and financial accounting aspects, should be a crucial consideration for educators. Therefore, providing financial accounting application assistance and training to MSME members of BMT is an important responsibility for educators, especially in the field of Islamic accounting.

3. METHOD

Community service activities are carried out using the Classical method, involving the explanation of concepts and theories. This is followed by Interactive Discussions to refine the concepts and ideas to be implemented, thus requiring interactive discussions involving all training participants. Creation of SME Accounting Application: The service team creates and prepares a computer-based accounting application for SME members of BMT and prepares its user guide. Classical: The explanation of concepts and theories will be done in a classical manner. Interactive Discussions: To sharpen the concepts and ideas to be implemented, interactive discussions involving all training participants are required. Application Usage Practice: Practice will be conducted after the material presentation, and it is expected that participants can effectively use the SME accounting application. Target Audience: The target audience for this activity is SME members of Baitul Maal wa Tamwil in South Sumatra, especially those considered eligible for this training based on the considerations of the BMT management. These considerations may include the feasibility of their business and their proficiency in using technology.

4. RESULTS AND DISCUSSION

4.1 Results

After the process of developing an Excel-based accounting application for SMEs, the community service program proceeded with training for the beneficiaries, namely SME members of BMT. The Financial Accounting Software Application Training for SME Members of Baitul Maal wa

Tamwil (BMT) was successfully conducted on Saturday, October 29, 2022, from 08:00 to 12:00. The community service activity ran smoothly without technical issues.

The community service activity commenced with participant registration from 8:00 to 8:15, followed by the opening and commencement of the presentation session. Google Forms application was utilized during the community service activity to register attending participants and collect participant responses related to the ongoing community service activity for evaluation purposes. The delivery of material was conducted through two sessions with two presenters. Practical exercises were carried out after the material presentation. The details of presenters and materials are as follows:

Table 1. Material Delivery Session

The first session (08.30-09.00)	
The first speaker	Achmad Soediro SE., M.Comm., Ak., CA
The material	The Urgency of Financial Management and Accounting for Sharia-based SMEs
The second session (09.30-10.15)	
The second speaker	Fardinant Adhitama, SE., M.Si., Ak., CA
The material	Financial Accounting Applications for SMEs
The third session (10.15-12.00)	
The second presenter	Team and Facilitator
The material	Practical Application of SME Accounting based on Modules and Exercise Questions.

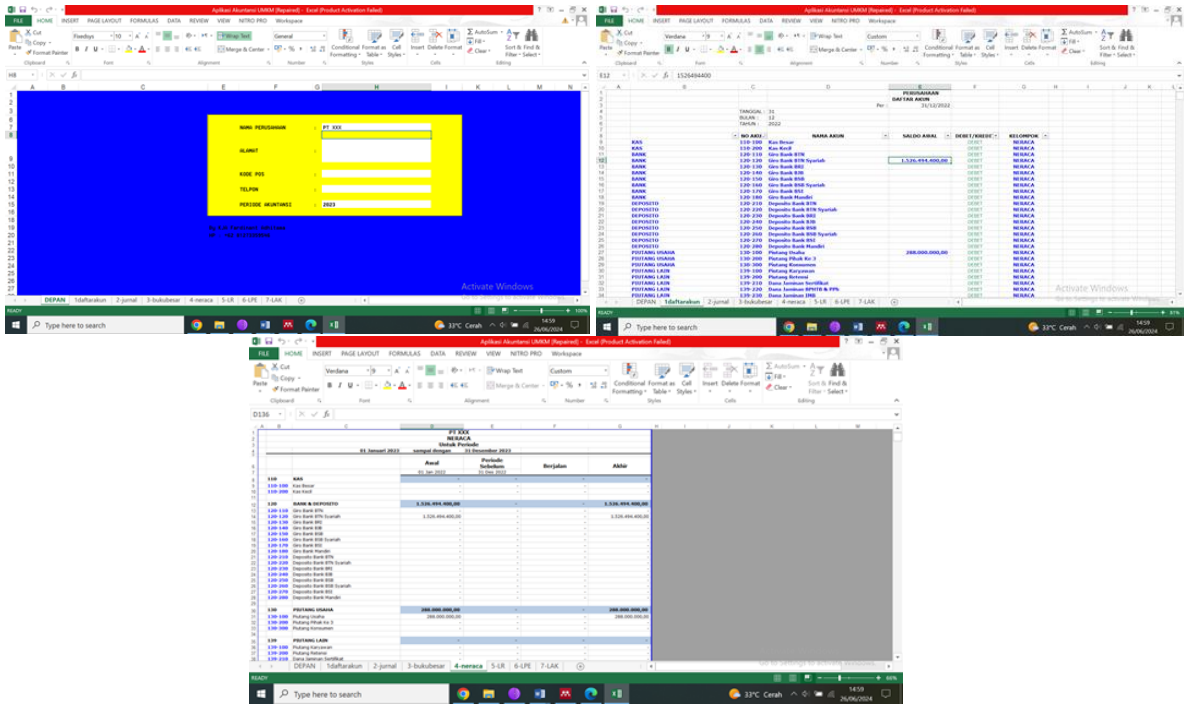
The material delivery method involves presentation using PowerPoint media, followed by a discussion session after the presentation. In this community service activity, the Q&A and discussion sessions were quite interactive. This is evident from the substantial number of meaningful questions raised. The practical exercises, guided by the presenters and organizers, provided hands-on experience in using the accounting application for SMEs.

4.2 Discussion

The method of delivering the material is conducted through presentations using PowerPoint media, followed by discussions after the presentation session. In this community service activity, the Q&A and discussions are quite interactive, as evidenced by the substantial weight of the questions received. The computer facilities at the CPA Centre Laboratory, D3 Program Building, Faculty of Economics, Universitas Sriwijaya, were fully occupied by participants. This community service program was attended by 30 participants, assisted by 12 mentors from Sharia Accounting course students who were involved to broaden their insights into Islamic economics and finance, especially regarding the application of accounting for MSMEs in Sharia financial institutions.

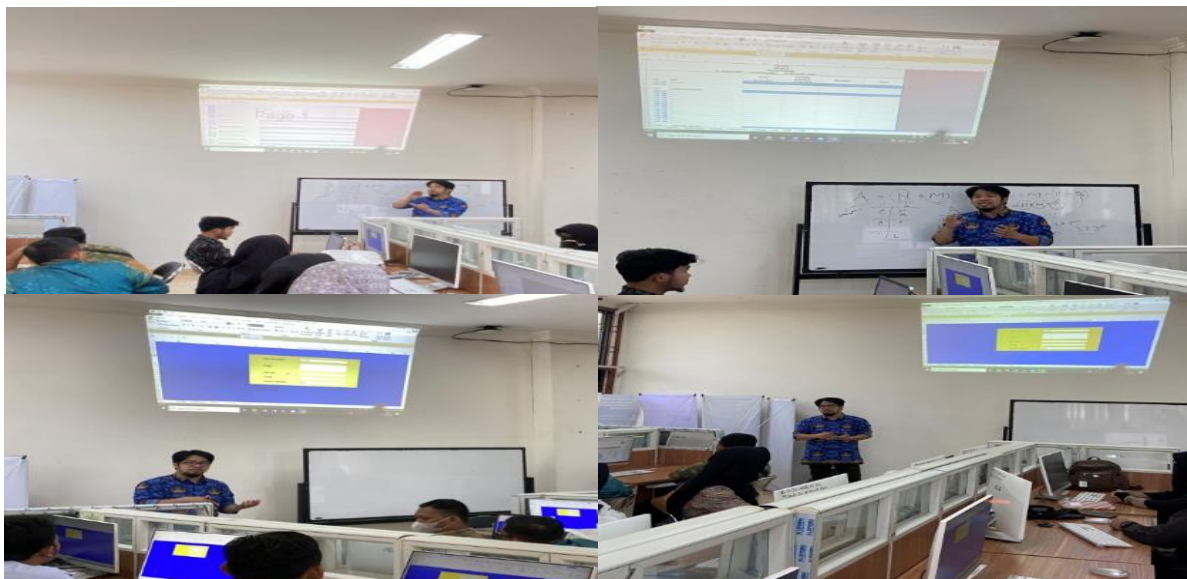
The urgency of accounting for Sharia MSMEs can be explained as follows: Correct Sharia Compliance: Sharia principles form the basis for Sharia MSMEs, and accounting ensures that these businesses operate in accordance with these principles. This involves strict monitoring of financial transactions that comply with prohibitions on usury, gambling, and principles of justice in business. Financial Risk Management: Accounting helps Sharia MSMEs identify and manage financial risks. With regular financial records, businesses can identify risks associated with investments, market changes, and regulatory changes that may affect their operations. Sustainable Growth: Accounting enables Sharia MSME owners to plan for sustainable business growth. These statements are used to make crucial business decisions and serve as effective communication tools for stakeholders such as business owners, employees, investors, and regulators. Budgeting: With good accounting, Sharia MSMEs can create accurate budgets to manage their expenditures and revenues. This helps avoid wasteful spending and optimizes the use of resources. Efficient Tax Planning: Accounting helps Sharia MSMEs plan and understand their tax obligations well, enabling them to take advantage of available tax incentives and avoid unnecessary tax issues. Each session was enthusiastic, and the

series of activities is expected to inspire MSME practitioners to continually improve towards a better direction, ultimately contributing to sustainable economic development. In line with the tagline used in this community service, "Empowered MSMEs, Prosperous Economy."



Picture 1. Accounting Application Interface for SMEs

Through financial data analysis, they can devise appropriate strategies to expand their business without violating Sharia principles. Better Financial Monitoring: One of the primary benefits of accounting for MSMEs is providing better financial monitoring. By recording all financial transactions regularly, MSME owners can have a clear picture of their income, expenses, and profits, allowing them to make better decisions in managing their business. Informative Decision-Making: Good accounting practices generate informative financial statements, such as profit and loss statements, balance sheets, and cash flow statements. These reports provide Sharia MSME owners with in-depth insights into their business performance, helping them make more accurate decisions, such as setting product prices, managing inventory, or applying for loans.



Picture 3. The second Presentation by Mr. Fardinant Adhitama, S.E., M.Si., AK

Transparency and Trust: Accounting creates transparency in financial reports, building trust among customers, investors, and business partners who appreciate Sharia aspects in business. With clear financial reports, customers are more likely to trust and feel comfortable transacting with Sharia MSMEs. Wise Investment Selection: Sharia MSMEs investing in stock portfolios or other financial instruments need a strong understanding of how to manage their investments in accordance with Sharia principles. Accounting can help monitor investments and ensure compliance with Sharia principles in investment activities.



Picture 4. The atmosphere of implementing transaction inputs using accounting software applications directly.

As feedback, the implementer conducted a survey of participants regarding program implementation which was divided into several questions with closed answers "Good", "Enough" and "Not Good". The results of the survey are presented in the table below:

Table 2. Survey Results

No.	Question	Good	Enough	Not Good
1.	Media Settings during the Program	86.7%	13.3%	-
2.	Well Comprehend the Material (Speaker I)	96.7%	3.3%	-
3.	Method of Delivering Material (Speaker I)	96.7%	3.3%	-
4.	Well Comprehend the Material (Speaker II)	96.7%	3.3%	-
5.	Method of Delivering Material (Speaker II)	96.7%	3.3%	-
6.	Opportunity to Ask Questions and Discussion	93.3%	6.7%	-
7.	Relevance of Training Materials for Participants	86.7%	13.3%	-
8.	Friendliness and Courtesy of the Committee	93.3%	6.7%	-

Concerning the points regarding media management during the program, 86.7% provided a favorable assessment, while the remaining 13.3% deemed it satisfactory. In conclusion, the media management during the program was generally well-received. Regarding the mastery of material by the first presenter, 96.7% gave a positive evaluation, with the remaining 3.3% considering it satisfactory. In summary, the first presenter's mastery of the material was well-regarded. In terms of the systematic delivery of content by the first presenter, 96.7% expressed a positive opinion, while the remaining 3.3% found it satisfactory. The conclusion is that the systematic delivery by the first presenter was well-received. Concerning the mastery of material by the second presenter, 96.7% provided a positive assessment, with the remaining 3.3% deeming it satisfactory.

Overall, the second presenter's mastery of the material was well-regarded. Regarding the systematic delivery of content by the second presenter, 96.7% expressed a positive opinion, and 3.3% found it satisfactory. In conclusion, the second presenter's systematic delivery was well-received. On the point of providing opportunities for questions and discussions, 93.3% gave a positive evaluation, while the remaining 6.7% considered it satisfactory. The overall assessment is that providing opportunities for questions and discussions was well-received. Concerning the relevance of training material to participants, 86.7% provided a positive assessment, and 13.3% found it satisfactory. The overall conclusion is that the relevance of the training material to participants was well-regarded. In terms of the friendliness and courtesy of the organizers, 93.3% gave a positive evaluation, while the remaining 6.7% deemed it satisfactory. Overall, the friendliness and courtesy of the organizers were well-received.

5. CONCLUSION

Implementation of Community Service Activities with the theme "Creation and Training of Financial Accounting Software Applications for SME Members of Baitul Maal wat Tamwil (BMT) in South Sumatra." This community service activity was well-received by the participants. This can be seen from the evaluations filled out through a Google Form. Positive responses regarding the community service activity can be broadly categorized into at least two aspects: first, the activity was able to enhance the participants' knowledge, and second, the presenters mastered the material and delivered it effectively. Some participants suggested conducting similar activities periodically with more in-depth content.

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