

ABSTRACT

One of the tangible manifestations of the intersection between social and economic life in Indonesian society is reflected in the presence of Micro, Small, and Medium Enterprises (UMKM). Currently, UMKM also constitutes a significant part of Indonesia's economy alongside cooperatives (Istanti et al., 2020:164). According to 2022 statistical data, UMKM accounts for up to 99% of all businesses in Indonesia and contributes 56% to the total Gross Domestic Product (GDP). UMKM plays a crucial role in employment, absorbing around 97% of the national workforce, distributing the benefits of development more equitably, and alleviating poverty.

Despite the remarkable achievements of the UMKM sector, various challenges remain, one of which is the lack of proper financial reporting (Silvita et al., 2020:95). This issue arises from the low understanding of accounting activities among UMKM actors, leading to the creation of non-standard or even nonexistent financial reports. Proper financial reporting is essential for transparency, helping UMKM operators track financial flows, strengthen their market position, expand capital, and grow their business networks.

UMKM Kelanting Getuk Gepeng, established in 2016, faces a significant problem due to its inability to record, book, and apply appropriate accounting methods. The limited knowledge and understanding of accounting practices among its operators, coupled with the demands of managing their business, have resulted in inadequate and inconsistent financial record-keeping.

To address these issues, the community service activity titled "Training on Profit and Loss Report Recording for UMKM Kelanting Getuk Gepeng in Wiyono Village, Pesawaran Regency" was developed. The objective of this initiative is to enable UMKM Kelanting Getuk Gepeng to understand and implement financial reporting standards, accurately record and report financial data, and utilize profit and loss reports to enhance accounting performance.