

## Analysis Impact of Access to Financing on Financial Institutions ,Systems Recording Finance,and Cash Management of Sustainability of MSMEs in the Regency Bojonegoro

Citra Amalia Dewi<sup>1\*</sup>, Dani Budi Zakariya<sup>2</sup>, Elvia Agustina<sup>3</sup>,Furi

Anggraini <sup>4</sup>, Maulana Aza Mahmudin<sup>5</sup>

<sup>1-5</sup>STIE Cendekia Bojonegoro, Indonesia

**Abstract.** *Study This aiming For analyze influence access financing , system recording finance , and cash management towards sustainability of Micro , Small and Medium Enterprises (MSMEs) stalls meatballs in Regency Bojonegoro . Research sample consists of of 30 UMKM stall players selected meatballs by purposive sampling. Data were analyzed using validity , reliability and t-test tests. Research result show that system recording finance own influence significant to sustainability of UMKM stalls meatballs in Bojonegoro . Increasingly Good system recording applied finance , the more tall possibility business For persist . On the contrary , access financing No show influence significant to sustainability business . Findings This indicates that UMKM in Bojonegoro need more notice repair system recording finance they . This is can done through training , mentoring , or use technology information . In addition , research this also highlights importance internal factors such as quality products , marketing strategies , and capabilities management in determine sustainability business*

**Keywords :** *UMKM , stalls meatballs , access financing , system recording finance , cash management , sustainability business .*

### 1. INTRODUCTION

Bojonegoro , with riches nature and culture typical society , being one place fertile for grow the development of MSMEs, especially roadside stall meatballs . There are several underlying factors phenomenon This that is availability material standard local . Bojonegoro own farm enough cows adequate , so that supply meat For make meatball relatively easy obtained with affordable price . In general geographical Bojonegoro is a strategic area track distribution area producer vegetables area plains tall like Magetan which produces various type vegetables needed For make meatballs , such as celery , leaves onions , cabbage , etc.

Besides that, there are also meatballs own distinctive taste and liked by the public various circles so that price relatively meatballs affordable make it become a popular choice , especially for public class intermediate to down . Meatballs easy brought and eaten , so that suitable For made into food daily or food light . Bojonegoro own amount sufficient population big , so market potential for product food like meatballs are very high . The increase mobility society , good For Work and also traveling , also participate push growth business roadside stall meatballs . The initial capital is relatively small with Simple equipment somebody can start business roadside stall meatballs , no need equipment that is too expensive. Carts , gas stoves , and some equipment Cook simple Already enough . As has been mentioned previously , materials standard For make meatball easy obtained in traditional markets , retail, and supermarkets . Making meatball No need skill special , so that Who just can start business this . Working hours in business roadside stall meatball relatively flexible , so that can customized

with time free time or need family . Apart from meatballs , the stall meatballs can also be sell various additional menu types like noodles chicken , dumplings , or fried food , so that can increase income . Warung successful meatballs can developed become more big , for example with open branch or sell product frozen .

The above factors each other complete and create conducive conditions for growth of UMKM stalls meatballs in Bojonegoro . In addition , support from government area through various UMKM development programs also participate play a role in push progress business This is the Micro , Small and Medium Enterprises (MSMEs) sector food , especially roadside stall meatballs , have role important in Indonesian economy . However , the sustainability business This often faced with various challenges , one of which is is limitations access financing . In addition , the system recording poor financial and cash management good also can become constraint for growth of MSMEs.

Study This aiming For analyze in a way deep How access financing from institution finance , good banking and non- banking , systems recording finance , and cash management in UMKM warung meatballs , influence sustainability business . With understand factors said , it is expected can give contribution in development policies and strategies for support growth of MSMEs in Indonesia.

### **Formulation Problem**

1. Is access financing institution finance have an impact on sustainability MSMEs ?
2. What is the system recording finance have an impact on sustainability of MSMEs ?
3. Does cash management affect sustainability MSMEs ?

### **Benefits of research**

Research result This expected can give benefit for :

1. MSMEs: As material consideration in manage finance and develop business .
2. Financial Institutions : As material evaluation in to design appropriate products and services with needs of MSMEs.
3. Government : As material consideration in formulate policy SME development .
4. Academics : As material reference For study more carry on .

## **2. THEORETICAL BASIS & LITERATURE REVIEW**

### **Definition of MSMEs**

MSMEs are type the most effort carried out in Indonesia. In Indonesia itself, the body that oversees MSMEs is Ministry Cooperatives and Small and Medium Enterprises ( Ministry of Cooperatives and Small and Medium Enterprises) and of course The criteria for MSMEs in

each country have difference , because depends on the conditions economy a country. In Indonesia itself the definition of MSMEs is listed in Law (UU) No. 20 of 2008.

Definition of MSMEs based on Constitution Number 20 of 2008 concerning Micro , Small and Medium Enterprises , namely :

Micro business is business productive owned individual or business entities that fulfill it criteria as has set up in Law No. 20 of 2008.

Small business is business productive owned individual or a business entity that is not branch or child owned company or become part in a way direct or No direct from business intermediate and also business appropriate size with criteria set in Law No. 20 of 2008.

Medium Enterprises is business economy productive activities carried out by individuals or business entities that are not branch or child the company that became part Good from business small and also business big Good in a way directly and directly No direct with profit clean of total sales annual as arranged in Law No. 20 of 2008.

Definition of MSMEs in Law (UU) No. 20 of 2008 explained as : “ A company small owned and managed by one person or owned by a group of people with amount wealth and income certain ”. Law the explain MSME criteria use two references important , namely assets and turnover yearly .

### **Access to Financial Institution Financing towards MSMEs**

Access to Financial Institution Financing related with inclusion finance . Access to financing be one of factor crucial in growth and sustainability of Micro , Small, and Medium Enterprises (MSMEs). Access to financing institution finance also concerns availability and convenience of MSMEs in get funds from institution finance .

Study previously (Nanang Agus Suyono, Faiq Zuhri, 2022) showed that Inclusion finance influential positive to performance MSMEs. It means the more easy MSME actors access service institution finance for business capital , then will increase MSME performance.

However , a number of constraint Still hinder access financing for MSMEs, such as too much requirement tight , difficult collateral fulfilled , and lack of information about products appropriate finance . Research This will focus on how access more financing Good can contribute to the sustainability of MSMEs, especially in the sector trading food (F&B) in the area Bojonegoro .

### **System Recording MSME Finance**

Knowledge Accountancy Related with System Recording MSME Finance . System recording good finance is foundation for management effective business . System recording finance related with methods used by MSMEs to take notes transaction finance .

Through recording finance , UMKM can monitor performance finance , make decision more business good , and improve transparency . Research (Nanang Agus Suyono, Faiq Zuhri, 2022) shows that Knowledge accountancy influential positive to performance of MSMEs. This means the more MSME actors have knowledge good accounting , then will increase MSME performance .

However , still many MSMEs have not own system recording adequate finances . Some factors that cause matter This among others the lack of knowledge accounting , limitations source power , and complexity regulation taxation . Research This will analyze How quality system recording finance influence sustainability of MSMEs.

### **MSME Cash Management**

Ability Managerial related with Cash Management for MSMEs. Effective cash management is very important For ensure continuity life of MSMEs. Cash management is part from ability related managerial with arrangement cash inflow and outflow . Managed cash with Good can used For fulfil obligation term short , investment , and development business . Research (Nanang Agus Suyono, Faiq Zuhri, 2022) shows that Ability managerial influential positive to performance of MSMEs. This means the more MSME actors have ability competent managerial , then will increase MSME performance .

Some common cash management strategies implemented by MSMEs including manufacturing cash budget , management receivables and payables, and investment of cash surplus. Research This will analyze what are the different cash management strategies influence sustainability of MSMEs.

## **3. METHOD**

Study This will test influence connection between variables . In research this , the population used is all over perpetrator UMKM meatball business in the Regency Bojonegoro . Technique of taking sample using purposive sampling, namely election sample based on consideration researcher with fulfil criteria certain . In the research This There are 4 variables that will be researched , namely variable independent consists of from access financing institution finance (X1), system recording finance (X2), cash management (X3) and sustainability UMKM (Y) as variable dependent .

### **Testing Hypothesis**

- $H_1$  : Whether access financing influential significant to the sustainability of meatball UMKM ?

- $H_2$  : Whether system recording good finance can increase the sustainability of meatball UMKM ?
- $H_3$  : Whether effective cash management contribute to the sustainability of meatball UMKM ?

### Validity Test and Reliability Test

Analysis test results using the computerized program SPSS version 29.0.2.0 was carried out against 30 respondents who are Meatball UMKM owners in the Regency Bojonegoro with 5 statement For variable Access to Financial Institution Financing ( $X_1$ ), 5 statements For variable Financial Recording System (  $X_2$ ), 5 questions for the Cash Management variable and 5 statement For variable Sustainability of MSMEs (Y).

### Validity test

**Table 1. Validity Test Results**

Variables	Indicator	Significant Value	R count	R table	Information
Access to Financial Institution Financing	$X_1 1$	0.05	0.728	0.361	Valid
	$X_1 2$	0.05	0.833	0.361	Valid
	$X_1 3$	0.05	0.581	0.361	Valid
	$X_1 4$	0.05	0.687	0.361	Valid
	$X_1 5$	0.05	0.789	0.361	Valid
Financial Recording System	$X_2 1$	0.05	0.684	0.361	Valid
	$X_2 2$	0.05	0.692	0.361	Valid
	$X_2 3$	0.05	0.875	0.361	Valid
	$X_2 4$	0.05	0.855	0.361	Valid
	$X_2 5$	0.05	0.714	0.361	Valid
Cash management	$X_3 1$	0.05	0.807	0.361	Valid
	$X_3 2$	0.05	0.546	0.361	Valid
	$X_3 3$	0.05	0.824	0.361	Valid
	$X_3 4$	0.05	0.813	0.361	Valid
	$X_3 5$	0.05	0.813	0.361	Valid
Sustainability of MSMEs	Y1	0.05	0.801	0.361	Valid
	Y2	0.05	0.903	0.361	Valid
	Y3	0.05	0.638	0.361	Valid
	Y4	0.05	0.670	0.361	Valid
	Y5	0.05	0.684	0.361	Valid

Based on validity test results on the three variable declared valid because Validity test results on statement items in a way overall that is, r count > r table (0.361).

### Reliability Test

**Table 2 Reliability Test Results**

Variables	Alpha Value	Information
Financial Institution Financing Access ( $X_1$ )	0.767	Reliable
Financial Recording System ( $X_2$ )	0, 825	Reliable
Cash Management ( $X_3$ )	0.807	Reliable

Sustainability of MSMEs (Y)	0.793	Reliable
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Reliability measure to what extent a instrument study can trusted and giving consistent results , as well as describe current phenomenon studied . In some thing , reliability own similarity with validity , especially in connection between two techniques For test validity of data. Second technique This play a role important in increase quality instruments and results research . Level of reliability a instrument can measured use coefficient reliability , the value of which is is at between 0 and 1 (Hair et al ., 2010). Based on testing using SPSS software version 29.0.2.0, reliability test on the variables Access to Financial Institution Financing , Financial System Recording Finance , and Cash Management stated reliable Where Alpha value > 0.50.

### **T-test**

#### **T-Test Results**

Variables	Coefficient	Sig
Access to Financial Institution Financing ( $X_1$ )	,130	,105
Financial Recording System ( $X_2$ )	,481	,000
Cash Management ( $X_3$ )		

Based on the results in table 3 can be concluded t-test results as following :

- a. count results For Financial Institution Financing Access Variable ( $X_1$ )  
Significant value by 0.105 more from 0.05 which means  $H_0$  is accepted and  $H_1$  is rejected which means variable  $X_1$  ( social media ) in partial No influential significant against Y ( increase income ).
- b. count results For variable System Recording Finance ( $X_2$ )  
Significant value by 0.000 less from 0.05 which means that  $H_0$  is rejected and  $H_1$  is accepted which means that variable  $X_2$  ( innovation) product ) in partial influential significant against Y ( increase income ).

### **Analysis Results**

#### **1. Financial Institution Financing Access ( $X_1$ ):**

- Findings : The results of the t-test show that variable access financing institution finance No influential significant to sustainability MSME business .
- Interpretation : This is indicates that although access financing is factor important in growth business , but in the context of MSMEs in Bojonegoro , other factors may be more dominant in determine sustainability business . Possibly , UMKM in this area has find source financing alternative besides institution formal finance , or internal factors such as quality products , marketing strategies , and better management effective play a role more big .

## 2. System Recording Finance (X<sub>2</sub>):

- Findings : The results of the t-test show that variable system recording finance influential significant to sustainability MSME business .
- Interpretation : Findings This in line with the theory that states that recording good finance is foundation for taking decision the right business . With system adequate record keeping , SMEs can monitor performance finance , identify problems , and planning business strategies in a way more effective . This is ultimately will increase opportunity sustainability business .

## 4. DISCUSSION

- Role of the System Recording Finance :
  - Research result This underline importance system recording good finance for MSMEs. System structured recording enables MSMEs to :
    - Measure performance : Knowing profitability , efficiency and liquidity business .
    - Make decision : Take decision more investment , production and marketing appropriate .
    - Manage risk : Identify risk finance and take steps mitigation .
    - Get access financing : Presenting credible financial data to institution finance .
- Limited Access to Financing :
  - Although access financing No proven significant in study not this one means factor This No important . Possibly , other factors such as condition tight credit , lack of information about product finance , or MSMEs' distrust of institution finance become constraint .
- Other Factors That Influence Business Continuity :
  - Sustainability MSME businesses are influenced by various factors factor complex , including :
    - Environment business : Condition economy , competition , regulation government
    - Characteristics of MSMEs: Size business , sector business , age effort , leadership .
    - Internal factors: Quality products , innovation , marketing strategy , resources Power man .

## 5. RESEARCH IMPLICATIONS

Study This own very broad implications , both for UMKM actors , institutions finance , government area , and academics . Here a number of possible implications can drawn :

- For MSMEs:

- Raising Awareness: Research This can increase awareness of MSME actors about importance access financing , system recording good finances , and effective cash management .
- Improvement : Research Results can made into as reference For repair performance of MSMEs, especially in matter finance . With management good finances , SMEs can increase efficiency , reduce risk , and accelerate growth business .
- Business Development : Greater access to financing easy can encourage MSMEs to develop his efforts , such as expand production , opening branch new , or do innovation product .
- Financial Institutions :
  - Development Product : Research results can help institution finance in develop more products and services in accordance with needs of MSMEs.
  - Marketing Strategy : Financial institutions can develop more marketing strategies effective For reach MSMEs, especially MSMEs that have not yet own access to financing .
  - Management Risk : Research This can help institution finance in manage risk credit , so that can give more financing safe and sustainable .
- For Local Government :
  - Making Government policy area can formulate supportive policies development of MSMEs, such as give incentive for MSMEs that have performance good finance or make it easier MSME access to financing .
  - Development Program : Government area can organize coaching programs for MSMEs, especially in matter management finance and access financing .
- For Academics :
  - Development : Research This can become base For study more continuation specific , for example about factors that influence the success of MSMEs in access financing or influence technology to management SME finance .
  - Development Curriculum : Research results can used For develop curriculum education entrepreneurship , so that graduate of college tall own knowledge and skills required For start and develop business .

In general general , research This expected can give contribution in increase performance of MSMEs in the Regency Bojonegoro , so that can contribute to growth economy area .



## 6. CONCLUSION

Based on the results of research on the impact of access to financing from financial institutions, financial recording systems, and cash management on the sustainability of MSMEs in Bojonegoro, it can be concluded:

- **Access to Financial Institution Financing ( $X_1$ ) is not give influence significant to sustainability UMKM business in Bojonegoro .** This is means that although access financing is factor important in operate effort , but in context study this , factor the No proven in a way statistics influence sustainability of MSMEs.
- **System Recording Finance ( $X_2$ ) provides influence significant to sustainability MSME businesses in Bojonegoro .** Findings This show that implementation system recording Good and structured finances are very important for sustainability of MSMEs. System good record keeping enables MSMEs to manage finance with more effective , make decision more business right , and improve opportunity For endure in term long .

**In general overall , research This highlight importance system recording finance for sustainability of MSMEs in Bojonegoro .** Although access financing is frequent factors associated with sustainability effort , but results study This show that internal factors such as quality system recording finance own more roles dominant .

## 7. SUGGESTION

1. Improving financial literacy, especially related to simple but effective cash management and financial recording.
2. Find information related to financing products that suit your business needs through training or mentoring.
3. Implementing technology such as simple financial applications to assist with business record keeping and analysis.

## 8. RESEARCH LIMITATIONS

Study with focus on UMKM Warung Meatballs in Regency Bojonegoro is good move For understand challenges and opportunities faced by the MSME sector . However , as as it is study others , there are a number of necessary limitations note :

1. Generalization :
  - Specific to the Warung Meatballs : Research results This Possible difficult generalized in a way direct to other types of MSMEs , because characteristics

unique from business roadside stall meatballs , such as scale relative effort small , type standard products , and competition strict local .

- Specific to the District Bojonegoro : Conditions specific economic , social and cultural aspects of the Regency Bojonegoro can limit generalization results study to other areas with different conditions .

## 2. Variables Study :

- Focus on Three Variable : Research This focused on three variable main : access financing , system recording finance , and cash management . Other variables that may also have an influence , such as factor external ( changes) policy government , fluctuation price material standard ), internal factors ( skills) management , innovation products ), and factors demographics ( age , education) perpetrator effort ), no in a way explicit measured .
- Definition Operational : Definition operational from variables the need explained in a way Details For avoid ambiguity and ensuring that measurement done with appropriate .

## 3. Research methods :

- Limitations of the Questionnaire Method : If the research use method questionnaire , then answer Respondent can influenced by factors subjectivity , social bias , or lack of understanding to question .
- Size : Size limited sample can reduce level generalization results study .

## 4. Historical Data :

- Data Availability : Availability of historical data about performance of UMKM stalls meatball Possible limited , especially For efforts micro . This is can hinder analysis trend term long .

## 5. Aspect Qualitative :

- Lack of Analysis In-depth : Research This Possible more focus on aspects quantitative , so that aspect qualitative like perception perpetrator effort , motivation , and obstacles faced in a way more deep Possible not enough revealed .

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