

Application of Financial Accounting Standards for Micro, Small and Medio Enterprises Basedon SAK EMKM in MSMEs Tempe Chips in Suka Damai Village

Fitri Yani Panggabean

Universitas Pembangunan Panca Budi ; fitriyani@dosen.pancabudi.ac.id

ARTICLE INFO

Keywords:

Implementation of SAK EMKM
Micro;
Small and Medium Enterprises
(UMKM);
Financial Reports.

Article history:

Received 2023-11-25

Revised 2023-11-28

Accepted 2023-11-30

ABSTRACT

This research aims to determine the implementation of accounting based on SAK EMKM among Tempe Chips MSMEs in Suka Damai Village. The method used by researchers is a qualitative method with a descriptive approach in the form of case studies. The data used are primary data and secondary data obtained through interview and documentation techniques from MSME actors in Suka Damai Village. Based on the results of this research, it shows that the Tempe Chip MSMEs in Suka Damai Village apply Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) in their financial reports. This is because they do not know and understand SAK EMKM, have never made financial reports that are guided by financial accounting standards, and do not have special employees to maintain bookkeeping. So, the bookkeeping that is done is still very simple using the cash basic method.

This is an open access article under the [CC BY-NC-SA](https://creativecommons.org/licenses/by-nc-sa/4.0/) license.



Corresponding Author:

Universitas Pembangunan Panca Budi; fitriyani@dosen.pancabudi

1. INTRODUCTION

The Indonesian economy has a large source of income which is supported by the Micro, Small and Medium Enterprises (MSME) sector. MSMEs are a business activity that is much in demand and developed by the Indonesian people because the potential of Indonesia's natural resources opens up many opportunities to carry out business activities and many business actors use the results of natural resources from their regions to be processed and made into useful goods with selling value.

The positive impact on MSMEs can move the wheels of the nation's economy. This business activity also covers all aspects that are close to community needs.

Business entities run by individuals or groups of people really help the local community's economy, with the existence of the MSME sector, people's purchasing power increases and unemployment decreases. MSMEs have a big role, especially in developing countries like Indonesia, in growing the community's economy.

Increasingly tight competition for the development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia requires entrepreneurs to run their businesses more competently. Competent management is very important for entrepreneurs to survive in the face of increasingly fierce competition. One of the right ways to become competent is to carry out an accounting recording system that leads to the preparation of financial reports. Reporting of MSME financial reports has now been regulated in the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM).

There are many problems encountered and faced by MSME business actors related to the minimal application of accounting practices in preparing financial reports. The need for SAK EMKM for MSME actors is in fact still very low and is considered burdensome in reporting finances for MSME actors. This is because micro and small entrepreneurs do not know enough about accounting.

Micro, Small and Medium Enterprises are businesses that produce goods or services and are owned by individuals or legal entities according to the provisions of Law no. 20 of 2008. Micro, small and medium enterprises (MSMEs) are categorized based on annual income, total assets and number of staff. To produce financial reports that comply with SAK EMKM, it is very important to be able to differentiate between the owner's personal wealth and the entity's operating assets, as well as between businesses.

The results of Zahra's research (2023) with the title Analysis of financial recording according to Financial Accounting Standards for Micro and Medium Entities in Homemade Chips MSMEs stated that there are no details of income and expenses in the financial reports of Homemade Chips UKMs, which is different from the three-part SAK EMKM format (profit and loss report, financial condition report or balance sheet, and notes to financial reports) due to lack of understanding of SAK EMKM. Rohmah's research (2023) with the title Application of Financial Accounting Standards for Micro, Small and Medium Entities to Improve the Quality of Financial Reports in Aljabbar Food and Catering Stalls said that the MSMEs studied were not in accordance with SAK EMKM because they did not produce financial reports that met accounting standards and financial reports. do not follow the accounting cycle are not recorded.

Mr. Agus's Tempeh Chips home industry, located in Suka Damai Village, Langkat Regency, is an MSME that operates in the field of producing chip snacks

made from tempeh. The Tempe Chip UMKM business is the object of research in the application and preparation of financial reports based on SAK EMKM.

Tempe chips MSME business actors in Suka village experience problems in presenting their financial reports, mainly due to the actors' lack of knowledge about accounting. The bookkeeping carried out is still very simple, and Micro, Small and Medium Entity Financial Accounting Standards have not even been implemented in the recording and preparation of their financial reports. Mr. Agus's tempe chips MSMEs are included in the criteria for Micro Business MSMEs where the income is less than IDR 100,000,000 and because the scope of the business is still on a micro scale, the business uses a financial reporting system using the cash basic method so that the financial position report is not in accordance with SAK EMKM and has not yet been implemented. using the basic accrual concept.

From the explanation above, researchers are interested in conducting research with the title "Application of Financial Accounting Standards for Micro, Small and Medium Enterprises Based on SAK EMKM to Tempe Chip MSMEs in Suka Damai Village".

2. METHODS

This research uses a qualitative method with a descriptive approach in the form of a case study. Data collection was carried out through interviews, observation and documentation (Sujarweni, 2019:19-22). The subjects in this research were Tempe Chips MSME business actors in Suka Damai Village, Langkat Regency. The type of data used is qualitative data, namely data that contains recording information on financial transactions obtained by business actors in the current year obtained from MSME actors, especially regarding financial data and transactions in MSME businesses, both primary and secondary data in accordance with application of accounting based on SAK EMKM. accounting based on SAK EMKM.

Data collection techniques in this research used observation techniques, interview techniques with Tempe Chips MSMEs to find out the application of accounting in accordance with SAK EMKM and documentation techniques, namely searching for data in the form of notes, transcripts, books, newspapers, magazines, inscriptions, meeting minutes, lenger, agenda, and so on (Siyoto and Sodik, 2015:). The documents collected are in the form of MSME financial report data where the data is still carried out manually by MSME actors.

3. FINDINGS AND DISCUSSION

The results of research through observations and interviews regarding the application of accounting based on SAK EMKM in Tempe Chips MSMEs in Suka Damai Village are: the business scope is still small scale, lack of understanding and knowledge of MSME actors regarding SAK EMKM, recording sales, production,

marketing and related matters. The product is carried out very simply, namely still using the cash basic method, and the profit and loss report is only recorded based on income and expenditure records, does not take into account assets and liabilities clearly and accurately and does not take into account assets owned and does not also calculate liabilities and equity owned by the company.

Discussion:

Based on the results of observations, interviews and documentation by researchers in the field, Tempe Chips MSMEs in Suka Damai Village make financial reports for MSMEs which only include records of income and expenses from business results. There are no details of income and expenses in the MSME financial reports, not in accordance with EMKM SAK which includes profit and loss reports, financial condition reports or balance sheets, and notes to financial reports. This is because tempe chips MSME players feel that recording financial reports is not that important and does not need to be carried out in accordance with SAK EMKM. So it can be concluded that Tempe Chips MSMEs in Suka Damai Village have not implemented financial report recording in accordance with SAK EMKM.

The factors causing the failure to implement financial report recording according to SAK EMKM in Suka Damai village are:

- a. The Tempe Chips business is still a small scale business.
- b. Tempe Chips players do not yet understand and have very low and limited knowledge about recording financial reports based on SAK EMKM
- c. Recording or bookkeeping is still very simple, namely using cash basic method financial reports and not using the accrual basic concept according to SAK EMKM.
- d. The recording of the profit and loss report is still based on records of income from sales and expenditure on goods, does not take into account assets and liabilities clearly and accurately, does not take into account the assets owned and does not also calculate the liabilities and equity owned by the company.

4. CONCLUSION

Based on the results of research on the analysis of the application of accounting based on SAK EMKM in Tempe Chips MSMEs in Suka Damai Village, Langkat Regency, it can be concluded that tempe chips MSMEs have the idea that financial reporting is not necessary, so MSMEs have not implemented SAK EMKM and to prepare financial reports using SAK EMKM does not meet the requirements as evidenced by the recording of financial reports which is still simple and knowledge is still low and lacking regarding financial reporting based on SAK EMKM.

Tempe Chips MSMEs in Suka Damai Village should prepare financial reports consisting of profit and loss reports, financial position reports and notes to financial reports in accordance with SAK EMKM which can make it easier to control the financial condition of their business appropriately and realize the importance of presenting good financial reports for development. business at a later date.

REFERENCES

- Law of the Republic of Indonesia Number 20 of 2008 *concerning Micro, Small and Medium Enterprises*.
- Rohmah, N. Daimatur. (2023). Application of Financial Accounting Standards for Micro, Small and Medium Entities to Improve the Quality of Financial Reports in the Aljabbar Food and Catering Stall Business. *Scientific Journal of Educational Vehicles*, Vol 9 No. 12.
- Siyoto, Sandu and Ali Sodik. (2015). *Basic Research Methodology*. Print 1. Yogyakarta: Media Publishing Literacy.
- Sujarweni, V. Wiratna. (2019). *Research methodology*. Yogyakarta: Pustaka Baru Press.
- Zahra, T. Alvina. (2023). Analysis of Financial Recordings According to Financial Accounting Standards for Micro, Small and Medium Entities in Home-Based Chips MSMEs. *Dharmawangsa University*. Volume 17, Number 3 July 2023 | ISSN (P): 1829-7463 \ ISSN (E) : 2716-3083.