

APPLICATION OF FINANCIAL STATEMENT PREPARATION BASED ON SAK EMKM IN PEMPEK LESTARI23 MSMEs

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Keyword

Financial statements, SAK EMKM, MSMEs

Abstract

Financial statements are part of the management and operational transparency of a company, including Micro, Small, and Medium Enterprises (MSMEs). This article examines the preparation of financial statements based on the SAK EMKM in Pempek Lestari23. The purpose of this study is to describe the application of financial report preparation based on SAK EMKM and describe the obstacles in the preparation of financial statements for Pempek Lestari23 MSMEs. This study uses a qualitative method with a case study approach to one the MSMEs operating in the city of Surakarta. Data was collected through in-depth interviews with MSME owners, as well as analysis of financial statement documents that had been prepared. The results of the study show that although the implementation of SAK EMKM provides a clear and structured framework for MSMEs in compiling financial statements, there are several obstacles such as limited accounting understanding, limited resources, and the need for further training. However, the implementation of SAK EMKM also brings significant benefits, including improved finances, ease of access to financing, and strengthening support and training for MSME actors as well as simplify accounting procedures so that SAK EMKM can be implemented more effectively and efficiently.

INTRODUCTION

According to Saputro and Susilo (2016), community empowerment is a concept of sustainable economic growth that focuses on individual needs. One form of community empowerment that the government can do is through the development and assistance of Micro, Small, and Medium Enterprises (MSMEs). MSMEs have proven to be effective in absorbing labor and increasing people's incomes, thus playing an important role in supporting Indonesia's economic growth. In addition, MSMEs also contribute to improving living standards and creating new jobs for the wider community. (Fitriyiah et al., 2020)

The economy of a region and its ability to absorb labor are greatly influenced by MSMEs, even though they are small in scale. MSMEs can serve as a basis to improve the regional economy because they are better able to survive than large companies that often face various growth obstacles. While the main goal of business actors is to maximize profits, they also support the government's initiative to reduce the unemployment rate in Indonesia, especially in the city of Surakarta. Financial statements produced based on widely recognized accounting standards can be used by MSMEs. As a basis for the preparation of work plans and strategies by owners, financial statements prepared in accordance with SAK EMKM are also beneficial for MSME business partners, lenders, potential investors, and other potential parties. (Shinduprinata et al., 2021)

As the main accounting standard drafting institution in Indonesia, the Financial Accounting Standards Board of the Indonesia Institute of Accountants (DSAK IAI) recognizes the significant contribution of Micro, Small, and Medium Enterprises (EMKMs) in strengthening the country's economy. To support the growth and development of EMKM, DSAK IAI introduced the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) in 2009. With the development of EMKMs, there is a need for simpler accounting standards compared to general standards based on IFRS and SAK ETAP. This is due to the limitation of human resources in preparing financial statements in accordance with these standards. Therefore, DSAK IAI seeks to develop accounting standards that are more in line with the needs of EMKMs. In 2016, DSAK IAI inaugurated the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), which came into effect on January 1, 2018. SAK EMKM is presented to meet the financial reporting needs of micro, small, and medium entities that cannot meet the accounting criteria in SAK ETAP. However, SAK EMKM does not provide a specific definition or quantitative criteria to differentiate between small, medium, or micro organizations.

At this time, many MSMEs have not implemented an accounting system properly and in accordance with existing regulations. (Haryanti et al., 2019) explained that in the Home Industry of Oyster Mushrooms and Ear Mushrooms, recording is carried out at the time of interaction, but the records only record the amount of expenditure and income or transactions related to expenditures and cash receipts in one month. In addition, the recording of employee salaries is only used to calculate total expenses related to the payroll system. After that, the records are not kept, so there is no standard record-keeping and no calculation to monitor the entire transaction made.

Usaha Lestari was established in 2020. The name Lestari is taken from Lestari Catering which is a widely known business. The name was taken from the younger brother of the business owner Pempek Lestari23. Although the name Lestari is widely known for Lestari Catering, this business does not stand alone. In addition, the Pempek Lestari23 business that was launched also uses the name Lestari, because it follows in the footsteps of Lestari Catering which has received public recognition. Over time, Lestari's business expanded its branches, including a ground fish and makeup business that also uses the Lestari name with the addition of the Syar'i label for its makeup business. The use of the Lestari name for various businesses makes it easier to manage business licenses, because Lestari business owners only need to bring one document and explain it in an integrated manner under the same name.

The early history of Pempek Lestari23 business began with a community of school and college friends. This business began by offering pempek known to friends from Sumatra, who after going home to Solo did not bring pempek souvenirs. Seeing this opportunity, business owners began to receive pempek orders from Lestari Catering businesses. The increasing demand has resulted in this business becoming more known. During the COVID-19 pandemic that began in 2020, offline sales have not been maximized. In response to this, business owners chose to switch to an online platform by opening an online store on Shopee.

In the last four years, the Pempek Lestari23 online store on Shopee has managed to sell around 10,000 pieces per month which is a significant achievement in the development of Pempek Lestari23 business. The management of this business was initially carried out by the younger brother of the business owner Pempek Lestari23, but along with his active in lectures, the management of the business was again taken over by the owner of the Lestari business. This change aims to maintain the quality and development of the business in the midst of the conditions that are passed. Financial management in the Pempek Lestari23 business is carried out simply without considering the principles of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM).

The initial process of Pempek Lestari23 business is based on principles such as making sales, obtaining profits, setting aside these profits, and turning back capital to buy raw materials. The profits obtained are used to continue production, while the capital that has been used is sought to be repeated and turned back. Based on the background that has been described,

the authors identify the main problems that this research focuses on. This study aims to describe the application of financial report preparation based on SAK EMKM to Pempek Lestari23 MSMEs. As well as to identify obstacles in the preparation of financial statements for Pempek Lestari23 MSMEs.

METHOD

This research was conducted in June-July 2024. This study was conducted on Pempek Lestari23 MSMEs in Jagalan, Kartasura District, Sukoharjo Regency, Central Java. According to Rahardjo (2017), a case study is a series of scientific activities that are carried out intensively and in-depth about events and activities at the level of individuals, groups of people, and organizations to gain in-depth knowledge about these events. This study uses a type of qualitative research with a case study research design to understand the phenomenon that appears in MSMEs, namely the Pempek Lestari23 financial statements.

The data collection technique in this study was carried out through interviews with the owner and one of the employees of Pempek Lestari23 MSMEs, as well as observation of sales activities at Pempek Lestari23, and documentation in the form of collecting the preparation of financial statements that have been carried out by Pempek Lestari23. This research was conducted to find out about the preparation of financial statements carried out by Pempek Lestari23 MSMEs. The researcher will also conduct interviews related to SAK EMKM as well as observation and documentation of Pempek lestari23 financial records.

RESULTS AND DISCUSSION

Recording based on the SAK EMKM is important to ensure that MSME financial transactions are recorded correctly and in accordance with applicable standards. Financial management in the business of Pempek Lestari23 is carried out simply without considering the principles of SAK EMKM, to understand more deeply, information can be known based on interviews with Mrs. DL as the owner and financial recording section of Pempek Lestari23 and interviews with Mrs. TM as an employee of Pempek Lestari23 presented in table 1.

Table 1.

Interview Results

Question	Owner of Pempek Lestari23	Pempek Lestari Employee23
What is your understanding of SAK EMKM?	"Actually, we just sell it, where we sell to make a profit, we set aside the profit and the capital that has been used can be reused to buy production materials again, sell again, make profits again."	"For that, there is already an field of its own."
Has this business prepared/made financial statements during this business?	"But in the last 3 years, so 1 year has not been because we are focused on finding customers, the focus is still on marketing and not on finance."	"Alhamdulillah, so far Pempek Lestari's business has made financial statements, because we need capital from the beginning of the business, so we have to record the capital first so that it is appropriate later what the income is."
What is the system for recording	"We now use the recording system online, so we use	"If we already have our own, it's the finance department."

business financial statements?	online <i>spreadsheets</i> . In the past, I still used a book and a table in Word, but I came here more because it was less flexible."	
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Source: Interview with the owner and employees of Pempek Lestari23

Based on table 1, it can be concluded that the recording of financial statements is carried out by Mrs. DL herself as the owner of Pempek Lestari23, then the employees only carry out tasks in the making and packaging process of Pempek Lestari. Mrs. DL has made financial reports using only *spreadsheets* for sales every day, so she does not record financials based on SAK EMKM. Financial management in the Pempek Lestari23 business is carried out simply without considering the principles of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM).

The initial process of Pempek Lestari23's business is based on principles such as making sales, obtaining profits, setting aside these profits, and turning back capital to buy raw materials. The profits obtained are used to continue production, while the capital that has been used is sought to be repeated and recycled. Based on interviews that have been conducted with Mrs. DL, it shows that the Pempek Lestari23 MSME financial recording system has not implemented SAK EMKM in reporting. This can be seen through the evidence of an interview conducted directly by the researcher with the owner of Pempek Lestari23 "if you manage the financial position, you still have not made it in detail, so the recording is only done during the sale of Pempek".

As is known, SAK-EMKM includes three main components, namely financial position statements, profit and loss statements, and notes on financial statements. The accounting cycle is a series of processes that an accountant must go through, starting from the initial stage to producing financial statements that are in accordance with applicable accounting standards. (Syah et al., 2023). Based on the results of interviews from Pempek Lestari23 MSME business owners, the answer to the question of the formulation of this research problem has been found. That the format of the financial statements that have been made by the business owners of Pempek Lestari23 is still simple because the owners and employees do not know widely and in detail about the format of financial statements based on SAK EMKM. The preparation of simple financial statements carried out by Pempek Lestari23 business owners is only a profit and loss statement, not making a financial position report and notes on financial statements based on SAK EMKM.

Table 2.
 Pempek Lestari Profit and Loss Report23 Period 1-30 April 2024

Income		
Operating income	IDR 6,217,600	
Miscellaneous income	IDR 1,230,000	
Total Revenue		IDR 7,447,600
Expenses		
Business expenses	IDR 3,450,000	
Miscellaneous Expenses	IDR 500,000	
Total Expenses		IDR 3,950,000
Profit		IDR 3,497,600

Based on table 2 of the results of the simple financial statements from Pempek Lestari23, it can be concluded that the recording of operating income of Rp. 6,217,600 was obtained from sales during April 2024. Other income of Rp. 1,230,000 was obtained from the sale of tapioca flour as many as 3 boxes per month which were sold at a price of Rp. 190,000/box, so Rp. 190,000 multiplied by 3 boxes to Rp. 570,000. And it is obtained from the sale of 20 kg of palm sugar per month which is sold at a price of Rp. 330,000 / 10 kg, so Rp. 330,000 multiplied by 2 to Rp. 660,000. Then the total revenue obtained from business income plus other income with the results obtained is Rp. 7,447,600. Operating expenses come from electricity and water expenses of Rp. 150,000 within one month, operational expenses of Rp. 300,000 for one month, advertising expenses of Rp. 400,000 for one month, admin expenses of Rp. 900.00 for one month, and raw material costs of Rp. 1,700,000 for one month. Other expenses came from depreciation expenses of Rp. 500,000.

Based on the results of interviews, observations, and documentation, it was revealed that Pempek Lestari23 MSMEs experienced obstacles in compiling financial statements in accordance with SAK EMKM. Recording is still limited to recording the initial capital, the number of sales for one month, income from the sale of pempek and other income from pempek raw materials, expenses such as electricity expenses, operational expenses, advertising expenses, are still recorded simply by Mrs. DL as the owner and also the financial statement recording section. Based on the results of interviews with Pempek Lestari23 employees, it can be seen that employees do not know about SAK EMKM. This shows that the understanding of SAK EMKM and its application in the preparation of financial statements still needs to be improved. This problem can potentially hinder decision-making for the future of Pempek Lestari23 MSMEs in conducting accurate financial information.

CONCLUSION

Based on the results of the research, it can be concluded that Pempek Lestari23 MSME research can only make simple financial statements such as sales reports and profit and loss statements. The results of this study show that Pempek Lestari23 MSMEs do not prepare financial statements based on SAK EMKM. Due to several obstacles, one of which is felt by Pempek Lestari23 employees who do not understand the preparation of financial statements based on SAK EMKM and must learn more about the preparation of SAK EMKM financial statements.

ACKNOWLEDGEMENT

Praise and gratitude the author prays to the presence of Allah SWT because of his mercy, researchers can complete this research. And thank you for assistance and guidance as well as motivation from various parties, especially Dhany Efita Sari, S.Pd., M.Pd. as supervisor. Hopefully, this research can be useful for future readers and researchers who want to find out about employee performance.

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