

**IMPLEMENTATION OF SAK EMKM ON MICRO SMALL MEDIUM ENTREPRISES
(CASE STUDY: BU EKO'S SOSIS SHOP)**

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ABSTRACT

SAK-EMKM is the financial accounting standard that regulates general transactions and the measurement basis uses historical costs, so that EMKM simply records assets and liabilities at their acquisition cost. It is hoped that SAK-EMKM can assist MSME actors in Indonesia in preparing financial reports to make it easier for MSME actors to obtain access to funding from financial institutions. The purpose of this research is to identify whether Bu Eko's Sausage Shop has implemented SAK EMKM. The results of observations and analysis can be concluded that in this business adequate financial reporting has not been implemented. Kedai Sosis Bu Eko has not been able to measure the level of financial performance and has not been able to know clearly and with certainty the development of its business.

Keywords: SAK EMKM, UMKM, Financial Performance, Financial Statements

1. BACKGROUND

Micro, Small and Medium Enterprises (MSMEs) are one of the means and platforms that can be used to realize Indonesia as an independent country capable of developing and increasing its economic growth in a sustainable manner. MSMEs have contributed to national economic growth in terms of job creation, employment, and being a stronghold that can withstand the shocks of the global economic crisis that hit the world and the uncertainty following the Covid-19 pandemic.

The development and realization of MSMEs that are advanced, independent and modern require support and support from all parties, including for wider access to funding to the banking sector. Likewise, in realizing the transparency and accountability of financial reporting, MSMEs need the right basis and reference to encourage the growth of the MSME sector in Indonesia. This can be achieved through the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) which in 2016 compiled and ratified the Financial Accounting Standards for Micro, Small and Medium Entities (SAK-EMKM).

Micro, Small and Medium Entity Financial Accounting Standards (SAK-EMKM) is an accounting standard that meets the definition of an entity without public accountability as stipulated in SAK ETAP concerning Micro, Small and Medium Enterprises (MSMEs). To be able to prepare financial reports based on SAK-EMKM, entities must separate personal wealth from wealth from the results of their operations, and between entities and other entities.

SAK-EMKM is a standard that is made simple because it regulates general transactions and the measurement basis uses historical costs, so that EMKM simply records assets and liabilities at their acquisition cost. However, entities need to consider the entity's financial reporting needs and their suitability with SAK-EMKM. Entities also need to look at the facilities offered in SAK-EMKM and the information needs of users of their financial statements so that they can be useful for improving and developing these entities. So that through the presence of SAK-EMKM it is hoped that it can help MSME actors in Indonesia in preparing financial reports to make it easier for MSME actors to get access to funding from various financial institutions.

Bu Eko's Sausage Shop is an example of an entity that is included in UMKM. This micro entity where Mrs. Eko is the owner has been established since May 2014. Selling various kinds of Frozen Food,

including these sausages, has made Mrs. Eko who has more than 8 years experience in running a business and her business is called Kedai Sosis Mrs. Eko. However, the lack of transparency and lack of accountability in terms of financial recording and reporting in this business makes the truth of the profits obtained and obtained by Mrs. Eko was not optimal.

2. THEORITICAL REVIEW

2.1 Accountability

Accountability is a form of responsibility that must be carried out as a business entity. Accountability is the process when a person or an organization reports on the activities for which they are responsible. Another definition of accountability is an instrument of responsibility for the concept of success and failure of the main tasks and functions of the organization.

2.2 Disclosure of Financial Statements Based on SAK-EMKM

Disclosures in financial statements based on SAK-EMKM involve disclosure of assets, debts, capital, income and expenses.

1. Treasure

Assets are called assets. It is all assets that are tangible or intangible and can be calculated from the currency to determine the amount of the value of these assets. Divided into two types, namely fixed assets and current assets.

2. Debt

Debt is an obligation that arises due to credit purchase transactions, related to operational activities and must be paid immediately in a short time.

3. Capital

Capital is something that is used to set up or run a business, in the form of money and labor (expertise).

4. Income

Revenue is the result of selling goods or services in a certain period. Income can also come from interest, company assets used by other parties, dividends and royalties. According to the Indonesian Institute of Accountants (2009), income is the gross inflow of economic benefits arising from the normal activities of a company during a period, if the inflow results in an increase in equity, which does not originate from investment contributions.

5. Cost

Cost is the value sacrificed for the production process of a product expressed in the form of units or the prevailing market price, with the aim of producing a product or service.

2.3 Financial Accounting Standards for Micro, Small and Medium Enterprises

Micro, Small and Medium Entity Financial Accounting Standards (SAK-EMKM) are intended to be used by micro, small and medium entities in recording and reporting their finances. Based on SAK-EMKM (2016), the purpose of SAK-EMKM is to assist EMKM in preparing financial reports to provide information on the financial position and performance of an entity that is useful to a large number of users in making economic decisions by anyone to meet this information need.

The characteristics of SAK-EMKM include:

- a. Accounting standards that stand alone and do not refer to general SAK.
- b. The majority use the historical cost concept
- c. Only manage transactions that are commonly carried out by small and medium businesses
- d. The arrangement is simpler than general FAS

The provisions apart from net worth and turnover, there are two important things to know, namely:

- a. A business that stands alone and is not a subsidiary or branch that is owned or controlled either directly or indirectly.
- b. Does not own or control its business partners.

SAK EMKM is intended to be used by entities without public accountability. An entity without public accountability is an entity that:

- a. Does not have significant public accountability.
- b. Publish financial reports for general purposes for external users, for example owners who are not directly involved in managing the business, investors, stocks, etc.

So the presence of SAK-EMKM is very appropriate because of the growth of micro, small and medium enterprises which require standard references and standards in recording their financial transactions. SAK-EMKM can be an accounting guide for MSMEs in running their business and business so they can get wider access to financing from the banking industry. Thus, business actors need to immediately make adjustments in their financial recording and reporting.

2.4 Criteria for SMEs

Criteria for Micro, Small and Medium Enterprises (MSMEs) namely:

- a. The criteria for Micro Enterprises are having a maximum net worth of IDR 50,000,000 excluding land and buildings for business premises, or having annual sales of up to IDR 300,000,000.
- b. The criteria for a Small Business are having a net worth of more than IDR 50,000,000 excluding land and buildings for business premises, or having annual sales of more than IDR 300,000,000 up to a maximum of IDR 2,500,000,000.
- c. The criteria for a Medium Business are having a net worth of more than IDR 500,000,000 up to a maximum of IDR 10,000,000,000 excluding land and buildings for business premises.

3. RESEARCH METHODS

The type of research used in this research is descriptive qualitative data. Researchers conducted interviews on the application of SAK-EMKM to MSMEs micro traders, namely Kedai Sosis Bu Eko. Then the researcher made observations, searches, and collected data to describe the implementation of SAK-EMKM at Bu Eko's Sausage Shop. In this study, the primary data obtained was carried out through interviews conducted directly with Mrs. Eko as the business owner. Kedai Sosis Bu Eko is engaged in the culinary field serving and providing various types of frozen food or ready-to-eat processed foods such as grilled sausages, grilled meatballs, fried nuggets, French fries, including selling various drinks. The time for this research was conducted for 3 months from October 2022 to December 2022.

4. DISCUSSION

From the results of interviews, observations, and documentation, the recording carried out at Bu Eko's Sausage Shop is very simple where the recording, preparation and bookkeeping reports are still not in accordance with accounting science, because they do not show stages like in the accounting cycle and are only understood by the owner himself. where Bu Eko's Sosis Shop only makes financial reports that contain recording of income (turnover), expenses, profit and the number of items (pieces) sold from the results of their business. This is also the discrepancy between financial recording and reporting at Bu Eko's Sosis Shop with SAK EMKM. Down below is a graphic image of sales results at Bu Eko's Sausage Shop from 2017 to 2021. The graph shows that there is an increase in turnover from year to year, except for 2019. Likewise, expenditures are increasing over time, except for 2019. Profit also shows there is an increasing trend every year.

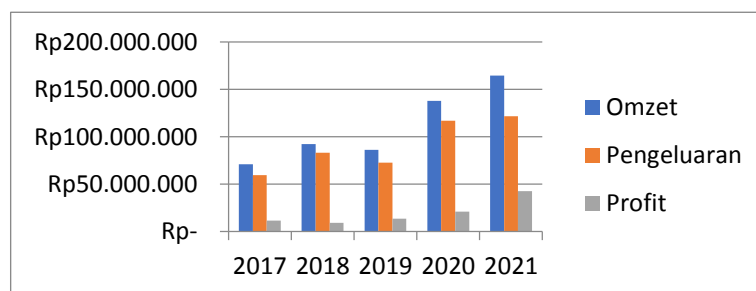


Figure 4.1
Sales Results Graph Bu Eko's Sausage Shop

The solution for disclosing financial statements at Bu Eko's Sausage Shop based on SAK-EMKM that applies in Indonesia can be seen as follows:

4.1 Income Statement

This is a profit and loss report for Bu Eko's Sausage Shop according to SAK-EMKM. There are elements of sales, cost of goods sold, expenses and taxes.

**BU EKO'S SAUSAGE SHOP
INCOME STATEMENT
PERIOD 31 DECEMBER 2021**

Net income		IDR 42,739,635
Cost of goods sold		
Initial Merchandise Inventory	IDR 20,199,000	
Purchase	IDR 20,876,000	
Items Available for Sale	IDR 41,075,000	
Ending Merchandise Inventory	IDR (1,494,150)	
Cost of goods sold		IDR (39,580,850)
Gross profit		IDR 3,158,785
Expenses		
Electrical expense	IDR 400,000	
Equipment expense	IDR 600,000	
Total Expenses		IDR (1,000,000)
Profit before tax		IDR 2,158,785
Tax		IDR (215,875)
Profit After Tax		IDR 1,942,910

4.2 Statement of Owner Equity

This is a Statement of Owner Equity for Bu Eko's Sausage Shop according to SAK-EMKM. This Statement of owner Equity is to find out the actual state of capital and contains the initial capital and current year's profit so as to get the final capital.

**BU EKO'S SAUSAGE SHOP
STATEMENT OF OWNER EQUITY
PERIOD 31 DECEMBER 2021**

Initial capital	IDR 41,075,000
Current year profit	IDR 1,942,910
Final capital	IDR 43,017,910

4.3 Statement of Financial Position (Balance Sheet)

This is a financial position report for Bu Eko's Sausage Shop according to SAK-EMKM. This report contains accounts such as cash, receivables, inventories, fixed assets, accounts payable, bank loans and equity.

ASSET

Current assets

Cash and cash equivalents	IDR 2,400,000
Accounts receivable	IDR -
Equipment	IDR 8,299,000
Total current assets	IDR 10,699,000

Fixed assets

Vehicle (Electric Bicycle)	IDR 4,500,000
Equipment	IDR 11,900,000
Total fixed assets	IDR 16,400,000

Accumulated depreciation

Vehicle	IDR 4,000,000
Equipment	IDR 10,000,000
Total accumulated depreciation	IDR 14,000,000
Total assets	IDR 13,099,000

LIABILITIES

Short term liabilities	IDR -
Accounts payable	IDR -
Long-term obligation	IDR -
Bank debt	IDR -

EQUITY

Owner's capital	IDR 11,156,090
Current year profit	IDR 1,942,910
Total Equity	IDR 13,099,000
Total of Liabilities and Equities	IDR 13,099,000

5. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

1. The recording of financial reports carried out by Bu Eko's Sausage Shop is still not neatly arranged in accordance with SAK-EMKM, because the recording of financial reports is still done manually using stationery and does not match the financial reports applied to SAK EMKM, and nothing is in accordance with financial accounting standards. With this result, Bu Eko's Sausage Shop has not been able to measure the level of financial performance and has not been able to know clearly and with certainty the development of its business.
2. The factors that hinder the implementation of SAK EMKM at Bu Eko's Sausage Shop are limited human resources. Because most of the implementation and management of this business is done independently by the owner. Then there is no delegation and task authority given so that the business cannot run optimally. This has an impact on the process of recording and reporting finances in Bu Eko's Sausage Shop business. Then, the owner's lack of knowledge regarding accounting standards in preparing financial reports. In addition, there is no external oversight of the financial reports at Bu Eko's Sausage Shop.

5.2 Suggestions

MSMEs need to implement financial records in accordance with SAK-EMKM to make it easier to organize, manage and understand their financial performance. This affects the process of applying for loans to banks and the accuracy of income tax calculations. With good, competitive and professional financial management, encouragement is needed to oblige and require MSMEs to record and report finances in accordance with SAK-EMKM. This is where the need for support and attention in the form of supervision and assistance from external parties, including the government for the implementation of SAK-EMKM-based accounting records for MSMEs, including Bu Eko's Sausage Shop.

Increased capacity and competence in the form of training for MSME entities and various government institution activities as well as aspects of applicable laws and regulations also encourage MSMEs to be able to implement the preparation of SAK-EMKM-based financial reports. Thus the standards that apply in Indonesia can be particularly useful for the development of MSMEs in Indonesia. MSME entities and business actors, including Bu Eko's Sausage Shop, can further maximize and optimize SAK-EMKM in recording and bookkeeping, as well as in compiling their financial reports

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