
DESIGN OF PREPARATION OF FINANCIAL STATEMENTS BASED ON SAK EMKM IN WAK MENOK BANANA CHIPS MSMEs IN LAMONGAN

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ABSTRACT

In Indonesia, the applicable accounting standards are based on SAK-EMKM. The purpose of making financial reports can help Wak Menok find out the amount of assets, equity, liabilities and assets owned, as well as the net profit earned. Financial reports can also help Wak Menok MSMEs make decisions for the next steps. The researcher chose a descriptive qualitative approach, using interview, observation, and documentation data collection techniques. Researchers designed the preparation of financial reports using Microsoft assistance, which consisted of: statements of financial position, income statements and notes to financial statements (CALK). In the financial reports prepared by the researchers for the January 2023 period, profit and loss after tax of Rp. 3,113,501 total liabilities and equity in the statement of financial position amounted.

Keywords: Financial Report, SAK EMKM, UMKM.

INTRODUCTION

Government Regulation of the Republic of Indonesia Number 17 of 2013 regarding the Implementation of Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises requires small businesses in Indonesia to keep good accounting records. One of the accounting standards applied in Indonesia is SAK-EMKM. Based on SAK-EMKM, small and medium business actors (MSMEs) are required to record proper financial reports, including daily, weekly, monthly and yearly recording. This is because this report will be very important for the continuity of their business in the future (Liasari, 2021).

SAK EMKM was prepared by IAI in 2016 and issued in 2018 to meet financial reporting needs. SAK EMKM was also created as a form of accounting standard that was much simpler to practice and understand for MSME actors compared to SAK ETAP, which was the previous accounting standard used for MSMEs, because it was very difficult to understand (IAI 2016). As according to Ariantin (2014). "SMEs in Banyumas have not been able to implement SAK ETAP because there are still many who think that the regulation is too complicated to understand and apply." Therefore IAI designed an accounting standard that is easier and simpler and in accordance with the needs of financial reporting for MSMEs so that it is easy to understand and apply.

Micro, Small and Medium Enterprises (MSMEs) are one of the business sectors that are able to grow rapidly and consistently contribute to the national economy. MSMEs are a place for productive job creation (Mega and Novi, 2022). Improving performance is very important in every organization including MSEs, assessing performance can be useful to show whether they have managed their business effectively and efficiently (Wahyu and Ulfi, 2020).

MSME managers often face challenges in recording and reporting their operational activities. This challenge includes activities and assessment of the results obtained by each business. Especially when measurements and assessments must be carried out for business and non-business activities. In a small and medium business scale, business results are usually considered good if current income is greater than previous income. Although success indicators are not only calculated from income, it is also necessary to assess and classify the transactions or activities that occur, as well as describe each transaction. Carry out financial management, which is a systematic process to produce

financial information that can be used by users to make decisions.

Lamongan Regency is one of the areas in East Java where the population is mostly involved in small and medium enterprises (MSMEs). Even the number of MSMEs in Lamongan has reached thousands. In one of the villages in Lamongan Regency, to be precise Trepan Village, Tripe District, there is one UMKM named Wak Menok which has experienced significant development in its business. This business sells banana chips which has been established since late 2017 until now in 2023. The process of making chips is assisted by 5 employees where employees are taken from the family and neighbors themselves with a fairly good turnover every year and an increase can be produced from 5 employees with reasonable working hours generally from 8 am to 2 pm. Financial reports for small and medium businesses (MSMEs) can be computerized, which makes them more efficient and effective. For this study, Microsoft Excel is one of the many application programs that can help prepare financial reports. The right application to help make financial reports for small and medium companies (MSMEs) according to standards because this program can be adapted to current conditions.

From the problems that exist in the research area, the researcher provides a solution by suggesting using financial statement records based on predetermined conditions. By keeping the correct records, the MSME business will know how much profit and loss it has earned and if MSMEs want to make financing at the bank it will be easier, because the bank will accept financing if it has the correct financial records.

LITERATURE REVIEW

Financial Statements

Financial Report is a record of information regarding the company's performance during its accounting period which takes into account its achievements. Bankers, creditors, owners and other people who have an interest who really need this report to see and understand the company's financial condition and financial performance. (SAKEMKM, 2016). Financial reports aim to share information about the financial position, performance and cash flows of an entity. The purpose of financial reports is to inform the people who use them to make economic decisions about their business. The financial reports also show the results of management's accountability for the management of the resources that have been entrusted to them.

MSMEs

Micro, Small and Medium Enterprises, or MSMEs, can be considered as an important component of the economy of a country or region, as happened in Indonesia. Small and medium enterprises (UMKM) are businesses built by some people as jobs to provide jobs for people who do not have jobs or are unemployed. Small and medium society (MSMEs) are economic enterprises that need a shield to protect against unhealthy business competition.

MSMEs are very important for the welfare of society in Indonesia and in other countries. By turning people's productivity into businesses, MSMEs can help reduce unemployment and improve Indonesia's existing economy.

SAK EMKM

Accounting has several standards, including SAK-EMKM, namely Micro, Small and Medium Enterprises (MSMEs) Financial Accounting Standards, SAK-IFRS for large companies, SAK-ETAP for small companies, SAK-EMKM for MSMEs, SAK Syariah for entities or companies that use sharia contracts, and standard SAP for government entities. (SAK EMKM, 2016). When that date is confirmed and posted on the statement of financial position, the information about the entity's financial position includes all of the entity's assets, liabilities and equity.

According to SAK EMKM, the presentation of financial statements that are presented fairly helps entities provide relevant or significant information, appropriate representation, comparison, and understandability. SAK EMKM is intended for entrepreneurs who have not been able to reach the terms and conditions and are unable to carry out using SAK-ETAP because it is difficult to understand and apply. Therefore, we switched to making new provisions using SAK EMKM. This provision will really help run the business because it is easy to understand and very suitable for MSME businesses. It is very helpful for the running of medium-sized entities because it is designed as a book that is practical and easy to understand as well as learn and practice. The financial statements of SAK EMKM (Micro, Small and Medium Entity Financial Accounting Standards) include three financial reports including a statement of financial position, profit and loss statement and notes on financial statements. (Indonesian Accounting Association 2016).

Preparation of Financial Statements Based on SAK EMKM

At the end of the reporting period, the entity provides its overall financial statements. The minimum financial reports for small and medium enterprises (MSMEs) contain the following: profit and loss statements, statements of financial position and notes to financial statements.

METHODS

This type of research is a qualitative research with a descriptive approach. This type and research approach is often used to research on natural object conditions, namely objects that walk as they are, not manipulated by researchers. The data used in this study are primary data and secondary data. For data collection techniques using interviews, observation and documentation. Then the data analysis is divided into 3 parts, namely there is data reduction, data presentation and drawing conclusions. In this study, the researchers used two techniques, namely the source triangulation technique and the technical triangulation technique.

RESULTS

UMKM Wak Menok banana chips is a business that runs in the food business sector located in Ds. Trepan, RT 01, Tripe District, Lamongan Regency, East Java. Wak Menok was founded by Mrs. Rodyah which was built in November 2016. The information obtained by this researcher was obtained when the researcher conducted interviews at the residence and the place where the Wak Menok banana chip business was made. The interview was taken with Mrs. Radiyah as the owner of the chips business on March 12 2023.

The recording of transactions made by business owners has not been fully considered. Because based on the results of the research, if there is a sale of UMKM Wak Menok, it only records each income. Whereas for the purchase of money that goes out to buy the needs needed by the Wak Menok MSME business, it pays very little attention to the recording. As a result, MSMEs Wak Menok banana chips have not carried out the proper recording of financial reports based on SAK EMKM.

DISCUSSION

This study has the objective of creating a financial report preparation plan that is in accordance with a predetermined basis, namely based on small and medium microentity financial accounting standards. The steps that must be carried out to design the preparation of financial reports are as follows: identify all transactions that occur in Wak Menok UMKM, describe the financial records owned by Wak Menok UMKM, present how Wak Menok's financial statements are recorded, design a financial code and list of account names, Include Wak Menok's financial data into the accounting cycle, Prepare financial reports using excel assistance to make it easier based on SAK EMKM.

Income statement

The income statement is to include all income and expenses. The income statement can

include several accounts including income or income, financial expenses, and taxes. Income statement SMEs WAK MENOK for the period January 31, 2023 are shown in Appendix 1, and Statement of Financial Position SMEs WAK MENOK for the Period January 31, 2023, are shown in Appendix 2

This CALK contains calculation figures from the statement of financial position and income statement, are shown in Appendix 3.

CONCLUSION

Based on the results of the research and discussion that the researchers have done in chapter four above about how to design the preparation of financial reports based on SAK EMKM for MSMEs Wak Menok banana chips in Lamongan. Researchers designed the preparation of financial reports using Microsoft assistance, which consisted of: statements of financial position, income statements and notes to financial statements (CALK).

In the financial statements prepared by the researchers for the January 2023 period, profit and loss after tax was Rp. 3,113,501, total liabilities and equity in the statement of financial position amounted to Rp. 169,849,260 Wak Menok has no receivables or debts from his business. And the notes to the financial statements explain the company profile, statement of compliance and calculations from the statement of financial position and income statement.

SUGGESTION

It is hoped that the Wak Menok MSMEs can implement the design of preparing financial reports based on SAK EMKM on an ongoing basis so that the finances owned by the business are more efficient and it is hoped that future researchers if they take discussions like this to change places or research objects and provide recommendations for better and more advanced applications so that there are things that interesting and new to his research.

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Appendix 1

 Income statement SMEs WAK MENOK
 for the period January 31, 2023

Sale Sale	IDR 6,250,000	
Total Sales		IDR 6,250,000
Cost of goods sold		

Cost of goods sold		(2,983,000)
Operating Expenses		
Promotion Expenses	Rp. 40.000)	
Vehicle Depreciation Expenses	<u>Rp 50,999)</u>	
Total Operating Expenses		(Rp 90,999)
Income tax		(Rp 31,250)
Income tax		IDR 3,113,501
Net Profit Loss After Tax		

Source: Income Statement SMEs WAK MENOK, 2023

Appendix 2

**Statement of Financial Position SMEs WAK MENOK
For the Period January 31, 2023**

Current assets	
Cash	IDR 5,146,500
Bank	IDR 32,705,451
Finished goods inventory	Rp. 0
Inventory of goods in process	Rp. 0
Auxiliary supplies	Rp. 95,940
Raw material inventory	Rp. 69,000
Total current assets	IDR 38,016,891
Fixed assets	
Equipment	
Accumulated equipment depreciation	IDR 148,000
Building	(Rp. 6,116)
Accumulated depreciation of buildings	IDR 47,500,000
Vehicle	Rp. 94,100)
Accumulated depreciation of vehicles	Rp. 85,000,000
Total fixed assets	(Rp. 715,415)
Total assets	IDR 131,832,369
	IDR 169,849,260
Obligation	
Account payable	
Total liabilities	IDR 169,849,260
Capital	
Capital	
TOTAL LIABILITIES AND EQUITY	

Appendix 3

1. GENERAL

UMKM Wak Menok was established on January 12 2017. Wak Menok is a manufacturing company engaged in the prepared food sector by producing snacks in the form of banana chips from processed raw bananas into ready-to-eat meals located in Babat Village, Tripe District, Lamongan Regency, East Java. Wak Menok MSME has fulfilled the requirements as MSME in accordance with Law no. 20 Years 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Compliance Statement**

Design The preparation of financial statements using SAK EMKM (Standards for Financial Accounting for Micro, Small and Medium Entities).

b. Basic Arrangement

The basis for preparing the Wak Menok MSME financial reports is with cash records, records for purchases of raw and auxiliary materials, production records, sales records, production employee salary records and operational expense records. The currency used for designing the preparation of financial statements is the rupiah.

c. Supply

Raw material inventory costs include purchase costs and purchase freight costs. Conversion costs include direct labor and overhead costs. The recording method used by UMKM Wak Menok still uses simple recording so that it still cannot reflect the actual inventory value.

d. Fixed assets

Fixed assets owned by Wak Menok have not been recorded at acquisition cost. Even though the assets are legally owned by the entity. And MSMEs have not depreciated their fixed assets.

e. Recognition of Income and Expenses

Revenue is called if there is product delivery and invoices made by customers. Then for the load when it occurs.

f. Income tax

Follow the tax provisions that apply in Indonesia

3. Cash

Cash owned by UMKM Wak Menok is divided into 2, namely cash and bank cash, the details of which are as follows: January 2023

Petty cash IDR 5,146,500
 Cash in bank IDR 32,705,451

4. Fixed assets

Equipment IDR 148,000
 Equipment accumulation (Rp.6,116)
 Building IDR 47,500.00
 Building accumulation (Rp.94,100) Vehicle Rp.
 85,000,000
 Vehicle accumulation (Rp. 715,415)

<p>5. Debt The entity has no debts or receivables in January for the 2023 period</p>
<p>6. Capital IDR 169,849,260</p>
<p>7. Sales / revenue Sales are made in cash and are generated from the sale of wak menokbanana chips, here are the sales details: January 2023 Sales IDR 6,250,000</p>
<p>8. HPP Initial raw material inventory Rp.771,000 Purchase IDR 771,000 Ending raw material inventory Rp.69,000 Raw material costs Rp. 840,000 Direct labor costs Rp.1,050,000 Factory overhead costs Rp.939,629 +Production cost IDR 2,829,629 Inventory of goods in process beginning Rp. 0 Inventory of goods in process ending Rp. 0 Cost of goods sold Rp.2,929,629</p>
<p>9. January 2023 income tax expense Income tax IDR 62,500</p>