

Analysis of The Implementation of Entity Financial Accounting Standards Micro Small and Medium (SAK-EMKM) On Mandiri Elektronik MSMEs

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Abstract—This study uses a descriptive qualitative research method in the form of a case study. This study took place at Mandiri Elektronik MSMEs, located in Kabun District, Rokan Hulu Regency. The type of data used is qualitative data, with primary and secondary data sources. Data collection techniques used include observation, interviews, and documentation. Qualitative data analysis techniques applied consist of Data Reduction, Data Presentation, and Conclusion Drawing. The results of the study indicate that Mandiri Elektronik MSMEs has not used the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) in its financial reports because the business owner has not mastered accounting. As a result, the financial reports prepared are still very simple and manual, based on the understanding of the business owner. Mandiri Elektronik MSMEs face various obstacles in implementing the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) in preparing their financial reports, including: the educational background of the owner who considers the preparation of financial reports in accordance with SAK-EMKM unimportant because the main focus is on increasing profits, the owner's lack of knowledge regarding SAK-EMKM, the absence of employees who understand financial reports in accordance with SAK-EMKM, and the lack of socialization from related agencies which results in understanding of the importance of SAK-EMKM among Mandiri Elektronik MSMEs actors still being limited.

Keywords—Implementation of Financial Accounting Standards for Micro, Small, Medium, Mandiri Electronic Entities

I. INTRODUCTION

Business development in Indonesia is currently growing rapidly. One type of business that is currently developing in Indonesia is Micro, Small, and Medium Enterprises (MSMEs). MSMEs are one of the drivers of the nation's economy and have an important role in the economy in Indonesia because they can drive and improve the economy sustainably and continuously. MSMEs are expected to be able

to dominate the national and international markets, by providing quality and trusted products in order to advance and increase the country's economy and also reduce the current unemployment rate.

MSMEs are one of the pillars of economic growth for the country so that they must get the main opportunity, support, protection, and development as widely as possible as a form of siding with the people's economy. According to experts, Adi M. Kwartono stated that MSMEs are economic activities with a net worth of no more than 200 million, regardless of land and building assets for business. In addition, MSMEs are also defined as businesses controlled by citizens or the community with an annual income of no more than 1 billion (Ariyanto et al., 2021).

MSME activities are inseparable from the accounting system to describe the current business conditions carried out by MSME actors. Thus, the continuity of MSME businesses can be used as a basis for correction for MSME activities. This activity is an indicator of the financial performance of an MSME. Accounting activities provide useful information for decision making, so that it can encourage business development. Information obtained from accounting activities can be used by MSME actors to identify and predict problems that may arise. Without accounting information, problems that should be avoided can actually cause business failure itself.

Financial reports are records of a company's financial information in an accounting period that can be used to describe the company's performance (Mulyani Sri, 2014). For MSMEs, financial reports are accounting information that plays an important role in achieving business success. Financial reports can be the basis for reliable accounting information for making economic decisions in managing MSMEs, including decisions related to market development, pricing, and so on. Provision of accounting information for MSMEs is also needed, one of which is to access government subsidies and additional capital from creditors (Banks).



The preparation of financial reports in accordance with accounting standards is one of the problems faced by MSMEs, and this is an obstacle. According to Fitriana (2022), the obstacles often faced by MSMEs are caused by low levels of education, minimal knowledge of information technology, less competent human resources, and a business environment that is still relatively small.

The importance of preparing financial reports is also one of the requirements for applying for a loan to a bank in order to obtain additional capital. However, it is often found that MSME actors cannot make financial reports because they are not used to recording and preparing a picture of business activities and financial positions (Fitriana, 2022).

According to Cahyono (2011), financial accounting standards are components of financial standards that regulate the implementation of accounting activities in Indonesia. Indonesia has several accounting standards issued by the Indonesian Institute of Accountants (IAI), namely IFRS-based SAK, SAK-ETAP (Financial Accounting Standards for Entities Without Public Accountability), SAK-EMKM (Financial Accounting Standards for Micro, Small, and Medium Entities), Sharia SAK, and SAP (Government Accounting Standards) (Liasari, 2021).

Seeing the importance of implementing accounting standards for MSMEs, the Indonesian Institute of Accountants (IAI) issued Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) which were approved by DSAK on May 18, 2016. This standard is effective from January 1, 2018. IAI (2016) stated that SAK-EMKM is a standard for entities without public accountability that has been in accordance with regulations in Indonesia and MSME standard requirements for at least two years (Nuvitasari et al., 2019).

II. LITERATURE REVIEW

A. Human Capital Theory

Human Capital Theory developed by Becker (1965) in Abidin (2002), who stated that investment in training and improvement Human Capitalis important as a form of investment, on par with other forms of capital. Human Capital Theory argues that investment in human resources has a major impact on productivity growth, which can be driven through education and training. This theory suggests that education imparts knowledge, skills, and values to individuals so that they can increase their learning and production capacity. Human Capital Theory in this study is used as a basis for explaining how education and soft skillsowner

B. MSMEs

The definition of MSMEs according to the Central Statistics Agency (BPS) in the book MSME Internationalization Strategy (Thamrin, 2017:23) based on the number of workers in the business unit is as follows:

- 1) A home business is a business that has 1 to 5 employees.
- 2) Small and medium enterprises are business units that have a workforce of 6 to 19 people.
- 3) Medium-sized businesses are businesses that have 20 to 99 employees.
- 4) A large business is a business that has more than 100 employees.

a. Criteria for Micro, Small and Medium Enterprises (MSMEs)

According to Article 6 of Law No. 20 of 2008, the

criteria for MSMEs based on capital are as follows:

1. Micro Business Criteria:
 - a) Have a maximum net worth of IDR 50,000,000.00 (fifty million rupiah), excluding land and buildings for business premises; or
 - b) Have annual sales results of at most IDR 300,000,000.00 (three hundred million rupiah).
2. Small Business Criteria:
 - a) Have net assets of more than Rp. 50,000,000.00 (fifty million rupiah) up to a maximum of Rp. 500,000,000.00 (five hundred million rupiah), excluding land and buildings where the business is located; or
 - b) Have annual sales results of more than IDR 300,000,000.00 (three hundred million rupiah) up to a maximum of IDR 2,500,000,000.00 (two billion five hundred million rupiah).
3. Medium Enterprise Criteria:
 - a) Have net assets of more than IDR 500,000,000.00 (five hundred million rupiah) up to a maximum of IDR 10,000,000,000.00 (ten billion rupiah), excluding land and buildings where the business is located; or
 - b) Have annual sales results of more than IDR 2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of IDR 50,000,000,000.00 (fifty billion rupiah).

b. Objectives of MSMEs and Objectives of MSME Empowerment

Micro, Small, and Medium Enterprises are required by Law Number 20 of 2008 to expand and develop their companies in order to create a just economic democracy at the national level. The targets for empowering micro, small, and medium enterprises are as follows:

- 1) Realizing a fair, developing and balanced national economic structure.
- 2) Increasing the capacity of micro, small and medium enterprises to become reliable and independent companies.
- 3) Expanding the role of micro, small and medium enterprises in regional development, job creation, income equality, economic growth and poverty alleviation.

c. Characteristics of MSMEs

MSMEs have different characteristics compared to large companies. Some general characteristics of MSMEs include:

1. Limited capital.
2. The number of employees is limited.
3. Local or regional markets.
4. Innovation and flexibility.
5. The level of ownership is individual or family..

C. FINANCIAL STATEMENTS

According to Hans Kartikah, et al. in Widiastawati and Hambali (2020:40), "Financial reports are the main media used by an entity to convey financial information from management to related parties, such as shareholders, creditors, unions, government agencies, and management boards." According to Kasmir in Nurmadi and Novietta (2020:44).

In general, financial reports consist of profit and loss reports, capital change reports, financial position reports, cash flow reports, and notes to the financial reports.

- a. Income statement
- b. Statement of changes in capital
- c. Financial Position Statement

- d. Cash Flow Statement
- e. Notes to the Financial Statements

Financial Reports based on Financial Accounting Standards for Micro, Small and Medium Entities (SAK-EMKM) According to IAI in SAK-EMKM (2018:8) consist of:

- a. Statement of financial position.
- b. Income statement.
- c. Notes to the financial statements

1. Presentation of Financial Statements

In the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) by the Indonesian Institute of Accountants (2018), it is explained about the fair presentation of financial statements that meet the requirements of SAK-EMKM and include a complete definition of financial statements. Fair Presentation requires an honest report on the effects of transactions and conditions that are in accordance with the definitions and criteria for recognizing assets, liabilities, income, and expenses. Additional disclosures are required if compliance with SAK-EMKM is not sufficient to understand the effects of transactions on the entity's financial position and performance.

The objectives of fair presentation include:

- a. Relevant
- b. Accurate Representation
- c. Comparability
- d. Understanding

2. Objectives of Financial Reports

According to (Indonesian Institute of Accountants, 2017) in PSAK No.1 it is stated that financial reports aim to be comparable with financial reports from previous periods or financial reports for other types of businesses. According to (Kasmir, 2014:112) in his book on financial report analysis, there are seven reasons why business units must publish financial reports, namely:

- a. Displays the type and amount of the company's current debt and capital.
- b. Presenting the company's current assets
- c. Shows changes in the company's assets, liabilities, and equity.
- d. Shows the type and amount of income earned by the company in a certain period.
- e. Provide relevant notes to the financial statements
- f. Describes the performance of the company's management resources in a certain period.
- g. Presenting other financial information needed to assist shareholders, creditors, investors, and the government in making future economic decisions.

3. Functions and Benefits of Financial Reports

The following are some of the functions of financial reports for business:

- a. Providing Financial Information
- b. Decision-making
- c. Performance Evaluation
- d. Assessing Financial Feasibility
- e. Attracting Investors or Lenders
- f. Fulfillment of Legal and Tax Obligations
- g. Transparency and Accountability

4. Factors Constraining Financial Reports

According to Bakdiyanto & Ismunawan (2022), the constraints that occur in grocery store MSMEs include various factors, namely external factors originating from outside the business and internal factors related to the capabilities of business actors. One of the internal constraints is the lack of interest in learning about financial turnover, either by implementing manual recording or technology. These limitations include the following:

- a. Education
- b. Age
- c. Habit
- d. Culture

D. ACCOUNTING STANDARDS FOR MICRO, SMALL AND MEDIUM ENTERPRISES

Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) are defined by M (2022) as accounting standards intended to meet the financial reporting needs of micro, small, and medium entities. Financial reports produced based on SAK-EMKM include income statements, financial position statements, and notes to the financial statements. SAK-EMKM is present as a solution to provide simpler accounting standards compared to SAK ETAP, making it easier for MSMEs to prepare financial reports.

Issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) in 2016, SAK-EMKM became effective on January 1, 2018 in response to the complexities faced by entities with limited human resources in managing financial statements. This standard is intended for entities without significant public accountability that do not publish general purpose financial statements for external users.

With the existence of SAK-EMKM, it is expected that around 57 million MSMEs in Indonesia can adopt standardized recording standards, increasing transparency and accountability in their financial reports. Micro, small, and medium enterprises need to immediately adjust their financial recording and reporting to comply with the provisions of SAK EMKM in order to support sustainable business growth.

1. Objectives and Benefits of SAK-EMKM

The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) aim to prepare financial statements that provide information on the financial position and performance of an entity, which is useful for various users in making economic decisions. These users include resource providers such as creditors, investors, and financial institutions. SAK-EMKM is designed to support the preparation of simpler financial statements for EMKM, according to their needs.

According to the Indonesian Institute of Accountants (2018), SAK-EMKM also functions as an accounting guideline for EMKM to increase their access to financing from external parties and the banking industry.

2. Presentation of Financial Reports Based on SAK-EMKM.

The following is a presentation of financial reports based on SAK-EMKM:

- a. Presentation of financial statements.
- b. Compliance with SAK-EMKM.
- c. Compiling a report.
- d. Frequency of reporting.
- e. Consistent presentation.
- f. Comparative information
- g. Materiality and Aggregation.

- h. Complete financial reports that are treated with SAK-EMKM include:
- End of Period Financial Position Report
 - Income statement
 - Notes to the Financial Statements

III. RESEARCH METHODS

This study uses a descriptive qualitative research method in the form of a case study. This research was conducted at Mandiri Elektronik MSMEs located in Kabun District, Rokan Hulu Regency. The type of data used is qualitative data. The data sources used consist of primary and secondary data. The data collection techniques used are observation, interviews, and documentation. Qualitative data analysis techniques consist of data reduction, data presentation, and drawing conclusions.

IV. RESEARCH RESULT

A. Financial Report Recording Conducted by Mandiri Elektronik MSMEs in Kabun District

This report provides information on the financial condition and achievements of Mandiri Elektronik MSMEs during a certain period, so that the report functions as a guide in decision making by parties collaborating with Mandiri Elektronik MSMEs.

Mandiri Elektronik MSMEs uses a very simple recording system and is done manually. Based on the results of interviews, observations, and documentation conducted on the owner of Mandiri Elektronik MSMEs, the owner admitted that since this business was established, he had never prepared appropriate financial reports. This is because the owner of Mandiri Elektronik MSMEs does not understand how to prepare financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM). The owner only makes simple notes on daily sales based on his own understanding and knowledge.

In an interview with the question, "Before implementing SAK-EMKM, how was the process of preparing financial reports carried out at Mandiri Elektronik MSMEs?", the owner of Mandiri Elektronik MSMEs stated that: "The financial records we do are still done manually using simple bookkeeping. We only record sales transactions, as well as record income, expenses, and profits each month. We have not made financial records in accordance with applicable accounting standards because we do not have knowledge of accounting. Therefore, our financial records are made like this."

The following is the form of financial report prepared by Mandiri Elektronik MSMEs as follows:

Table 4.1 Financial Bookkeeping Records Created by Mandiri Elektronik MSMEs

No	Month	Income	Expenditure	Profit
1	January	Rp45,802,000	Rp31,870,500	Rp31,870,500
2	February	Rp43,463,000	Rp. 31,149,000	Rp. 31,149,000
3	March	Rp43,865,000	Rp31,289,500	Rp31,289,500
4	April	Rp46,438,000	Rp32,741,500	Rp32,741,500
5	May	Rp45,952,000	Rp31,895,500	Rp31,895,500
6	June	Rp44,062,000	Rp31,328,500	Rp31,328,500
7	July	Rp40,814,000	Rp31,254,500	Rp31,254,500
8	August	Rp46,487,000	Rp32,056,000	Rp32,056,000
9	September	Rp. 43,750,000	Rp. 31,835,000	Rp. 31,835,000
10	October	Rp43,154,000	Rp31,356,500	Rp31,356,500
11	November	Rp42,543,000	Rp. 31,073,000	Rp. 31,073,000
12	December	Rp46,965,000	Rp32,799,500	Rp32,799,500
	Amount	Rp.533,295,000	Rp380,649,000	Rp152,646,000

Source: Mandiri Elektronik MSMEs (2024)

Based on Table 4.1, it can be concluded that the financial records applied to Mandiri Elektronik MSMEs are still very simple and do not comply with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) and do not have a single type of financial report that complies with SAK-EMKM. The income earned by Mandiri Elektronik MSMEs for one year from January 2023 to December 2023 amounted to IDR533,295,000. The expenses recorded by Mandiri Elektronik MSMEs for one year from January 2023 to December 2023 amounted to IDR380,649,000, and the profits earned by Mandiri Elektronik MSMEs for one year from January 2023 to December 2023 amounted to IDR152,646,000.

B. Analysis of the Implementation of SAK-EMKM in Mandiri Elektronik MSMEs in Kabun District

Based on the results of interviews with the owners of Mandiri Elektronik MSMEs, before the implementation of SAK-EMKM, the preparation of financial reports in this MSME was carried out simply, only covering the recording of incoming and outgoing cash. Financial reports that do not follow this standard format cause financial management to be less systematic, making it difficult for owners to measure the financial performance of the business accurately. MSMEs owners realize that SAK-EMKM can help MSMEs who want to be more organized in their financial management. This standard provides easy-to-understand guidance, although it requires adaptation time.

The implementation of SAK-EMKM is driven by the need to have more organized and standardized financial reports, which not only help in internal management, but also facilitate access to financing from financial institutions and increase the credibility of MSMEs in the eyes of external parties, such as investors or business partners. The steps taken by Mandiri Elektronik MSMEs include studying the principles of SAK-EMKM, preparing an appropriate financial report format, and adjusting daily transaction recording to be more systematic and in accordance with accounting provisions.

C. Obstacles to Implementing SAK-EMKM in Mandiri Elektronik MSMEs in Kabun District

Although the implementation of SAK-EMKM provides many benefits for Mandiri Elektronik MSMEs, there are several obstacles faced during the implementation process. One of the main obstacles is the limited accounting knowledge among MSMEs staff. Before the implementation of SAK-EMKM, financial recording was done simply, so that staff were less familiar with more formal and structured accounting principles. Adapting to more systematic recording and in accordance with accounting provisions is a challenge in itself.

In addition, the difficulty in changing old habits is also an obstacle. The habit of recording transactions without a standard format has been going on for a long time, so changing this recording pattern requires a lot of time and effort. In addition, limited time for training and implementation is also a challenge, especially because MSMEs must continue to run their daily business operations while adapting to the new financial recording system. The absence of financial consultants who can help guide the implementation of SAK-EMKM further worsens this situation, so that the implementation of the standard cannot be fully implemented.

In addition, the costs that must be incurred to implement this standard are also an obstacle for Mandiri Elektronik

MSMEs. However, MSMEs still hope to be able to use SAK-EMKM in the future after these obstacles are overcome, in order to maintain the order and credibility of their financial reports.

D. Discussion

This study analyzes the application of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) in the financial statements of Mandiri Elektronik MSMEs and the obstacles experienced in preparing its financial statements. Mandiri Elektronik MSMEs is a business engaged in the sale of electronic equipment in Kabun District, located in Rokan Hulu Regency, Riau Province.

Mandiri Elektronik owners have not realized the importance of financial records in accordance with SAK-EMKM. Mandiri Elektronik owners do not consider the preparation of financial reports important. The owners admit that the preparation of financial reports feels too complicated and takes time and money. Therefore, Mandiri Elektronik owners admit that they do not know the recording and preparation of financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM). They also admit that they have never and do not even know of any socialization activities regarding the preparation of financial reports in accordance with SAK-EMKM, so that Mandiri Elektronik owners only understand that financial records can help determine income, expenses, and profits from sales only. Financial records in Mandiri Elektronik MSMEs are still simple and do not refer to the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM), so that the information produced does not fully support or is useful in making more comprehensive decisions. Mandiri Elektronik MSMEs only prepare financial reports that include records of sales transactions, income, expenses, and profits from their businesses. However, Mandiri Elektronik players realize the importance of separating personal money from business money separately, because this can facilitate accurate tracking of income and expenses.

The implementation of SAK-EMKM in the process of preparing financial reports is a must for MSMEs, especially Mandiri Elektronik MSMEs. There are obstacles in the implementation of SAK EMKM, including:

- a. Educational background. The owner and employees of Mandiri Elektronik MSMEs do not have an accounting education background. The owner of Mandiri Elektronik MSMEs has a high school education background. So far, the owner of Mandiri Elektronik MSMEs has recorded finances according to the knowledge and understanding they have. The owner of Mandiri Elektronik MSMEs does not make financial reports in accordance with SAK-EMKM due to limited knowledge of accounting.
- b. Owners of Mandiri Elektronik MSMEs consider the preparation of financial reports based on the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) unimportant, because it is considered difficult to implement and takes time and money. The most important thing for owners of Mandiri Elektronik MSMEs is how to generate a lot of profit without the hassle of implementing SAK-EMKM.
- c. The lack of understanding of Mandiri Elektronik MSME owners regarding the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM)

regarding the preparation of financial reports, means that owners only record finances in the form of sales transaction records, income records, expenses, and profits.

- d. There are no employees who understand financial reports based on SAK-EMKM at Mandiri Elektronik MSMEs. The owner of Mandiri Elektronik MSMEs admitted that he did not have employees who could represent the owner in preparing financial reports based on SAK-EMKM.
- e. There is no socialization from related agencies, so that the understanding of the importance of SAK-EMKM is still not understood by Mandiri Elektronik MSMEs actors. In this case, what is meant is the authority that issues regulations, namely the IAI (Indonesian Accounting Association) and also the supervisor of MSMEs actors, namely the Medan City Cooperative and MSMEs Service.

Owners of Mandiri Elektronik MSMEs are encouraged to prepare financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) as a form of compliance with existing regulations. Therefore, owners of Mandiri Elektronik MSMEs hope that the government can conduct socialization about SAK-EMKM so that MSMEs actors can prepare their own financial reports based on applicable standards.

The use of SAK-EMKM is intended for micro, small, and medium-scale companies that have difficulty in implementing Financial Accounting Standards (SAK) in full. The owner of Mandiri Elektronik MSMEs is included in small-scale MSMEs, because based on the documentation of financial reports that researchers obtained from interviews, researchers found their annual income of IDR 533,295,000. Based on the Financial Accounting Standards for medium-sized businesses in Micro, Small, and Medium Entities (SAK-EMKM), the annual income limit for the Small Business category is in the range of IDR 300 million to IDR 2.5 billion.

Based on the research, Mandiri Elektronik MSMEs has not prepared financial reports in accordance with SAK-EMKM. This is due to the lack of understanding of Mandiri Elektronik MSMEs owners about accounting, so that business owners only make very simple and manual financial records based on their own knowledge. The results of the study on the application of SAK-EMKM at Mandiri Elektronik MSMEs in Kabun District can be explained in the following table:

Table 4.2 Results of Analysis of the Implementation of Financial Report Preparation Based on SAK-EMKM at Mandiri Elektronik MSMEs in Kabun District

No	SAK-EMKM	Information
1	Financial Position Report/Balance Sheet	There isn't any
2	Income statement	There isn't any
3	Notes to the Financial Statements	There isn't any

Source: Author Processed Data (2024)

The results of this study are in line with the results of previous studies obtained by Dwi et al. (2023), which stated that breakfast in Lima Puluh District, Pekanbaru, did not record and prepare financial reports based on SAK-EMKM, and were still recorded simply and manually. This study is also in line with the research of Vita et al. (2022), which stated that the limited understanding of human resources working in the administration sector did not understand the applicable SAK-EMKM, and in making financial reports, they did not have a good system and were still manual.

V. CONCLUSION AND SUGGESTIONS

A. Conclusion

Based on the results of the research and discussion conducted, the following conclusions can be drawn:

1. Mandiri Elektronik MSMEs has not used the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) in its financial reports because the business owner has not mastered accounting. As a result, the financial reports prepared are still very simple and manual, based on the understanding of the business owner.
2. Mandiri Elektronik MSMEs faces various obstacles in implementing the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) in preparing its financial reports, as follows: the educational background of the owner who considers the preparation of financial reports in accordance with SAK-EMKM is not important because the main focus is on increasing profits, the owner's lack of knowledge regarding SAK-EMKM, the absence of employees who understand financial reports in accordance with SAK-EMKM, and the lack of socialization from related agencies which results in understanding of the importance of SAK-EMKM among Mandiri Elektronik MSMEs actors still being limited.

B. Suggestion

After conducting research, discussion, and drawing conclusions from the research results, the author provides several suggestions related to the research that has been conducted to be used as input and useful consideration for interested parties, namely as follows:

1. Owners of Mandiri Elektronik MSMEs are expected to pay more attention to company assets in financial records, not only focusing on income and expenses, and records must follow the correct accounting cycle.
2. Mandiri Elektronik MSMEs should prepare financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM) to help achieve their business development goals.
3. Owners of Mandiri Elektronik MSMEs are expected to recruit employees who have an understanding of accounting to assist in preparing financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM).
4. It is hoped that the Indonesian Accounting Association (IAI) can conduct socialization to introduce SAK-EMKM to MSME actors, especially Mandiri Elektronik MSMEs, so that they can apply relevant standards in their financial reports.
5. Training for Mandiri Elektronik UMKM employees regarding the preparation of financial reports in accordance with SAK-EMKM is very necessary.

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