

Scientific Works Application of Accounting for Uncollectible Receivables at UB. Karya Amanah Pakupatan Serang

Nurul Miftahul Jannah ¹, Dwirini²

¹ Universitas Terbuka, Pondok Cabe, Indonesia

² Universitas Terbuka, Pondok Cabe, Indonesia

*correspondingauthor e-mail: dwirini@ecampus.ut.ac.id

Article Info	Abstract
<i>Keywords:</i> ○ Uncollectible Receivables ○ Accounting Application ○ Accounting Standards	Purpose - This study aims to find out how the Application of Accounting for uncollectible receivables in UB. KARYA AMANAH which is engaged in retail and financing. Design/methodology/approach - The method used in this study is qualitative descriptive. The research was conducted during the period of January - March 2023. Interviews with informants were conducted in the second and third weeks of January 2023. The selection of informants is based on the ability to know related to the information in this study. The informant in this study is the finance staff at UB. KARYA AMANAH. Findings - From the results of this study, it can be seen that the number of receivables that are past due at UB. AMANAH's work is still quite significant. The amount of UB's receivables. KARYA AMANAH that are past due are likely to be uncollectible due to various reasons from their customers. However, due to the recording of UB's receivables. KARYA AMANAH that have not followed accounting standards, the uncollectible receivables still always appear from year to year even though the possibility of being collected is very small. Research limitations/implications - The company should make a reserve for receivables to assess the risk of the possibility of uncollectible receivables, and for receivables that are really uncollectible can be written off as a burden of receivables losses
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INTRODUCTION

For Trading Companies, the amount of revenue generated from sales is the largest element that affects the company's net profit. To obtain optimal profits, the company takes one way, namely credit sales. Sales made on credit are expected to increase revenue volume, but instead cause the emergence of estimated receivables, receivables themselves are the company's right to demand payment for the sale of goods or services to customers.

The amount of receivables at a given time is determined by two factors: (1) sales volume and (2) the average time between sales and receipt of payments. The larger the volume of credit sales and the longer the collection time for receivables, the larger the receivables. This is at risk of uncollectible receivables. A high level of receivables will reduce cash flow and uncollectible

receivables will reduce profits from sales. Therefore, the handling of receivables is expected to be realized because receivables are a group of lancer assets that play an important role in the company's operational activities.

According to Hery, (2015:29) "receivables refer to a number of bills that will be received by the company (generally in the form of cash) from other parties, either as a result of the delivery of goods and services on credit". And according to Dwi Martani, (2014:193), "receivables are claims of a company to other parties". Meanwhile, according to Mardiasmo (2016: 51), "Receivables are bills arising from the sale of merchandise and services on credit".

There are several indications that a receivable cannot be collected, including when the receivable is due, the customer does not respond to the company's efforts to collect, the customer goes bankrupt, the customer's business closes, failure to find a location or contact the customer (Carl S. Warren, 2017: 449). The occurrence of these uncollectible receivables then becomes a burden for the company or is commonly referred to as the burden of uncollectible receivables. In accounting, recording uncollectible receivables uses two methods, namely the direct method and the indirect method (reserve method). The direct method is used to clear receivables that really cannot be collected anymore.

According to Pulungan, Hasibuan, Haryono (2013; 147) In the direct method, the amount of non-collectible accounts receivable can be identified and the name of the party that cannot pay off the debt. The company will immediately write off the receivables which is really uncollectible by recording receivables next to the credit. The company will also debit the Receivables Loss Fee. The Cost of Receivables Loss will be reported in the Profit/Loss Statement. While the indirect method (reserve method) is used to assume receivables that are most likely to still be collected. Of the many receivables that are past due, sometimes some can still be collected by the company.

In the case experienced by UB. KARYA AMANAH, to obtain optimal profits, the company takes one of the ways, namely providing credit sales to its customers. However, what happens is that some customers have difficulty paying bills to the company until they exceed the predetermined period, even exceeding one or two bookkeeping periods. Some customers experienced cash flow and some experienced a collapse in their business so that they experienced difficulties in paying receivables to the company plus recording uncollectible receivables in UB accounting. KARYA AMANAH that are not in accordance with the MANDATE cause the accumulation of receivables which always appears from year to year. Because the company has not made a reserve for uncollectible receivables, this then affects the Financial Statements. The lack of control system in dealing with uncollectible receivables caused considerable losses suffered by UB. KARYA AMANAH. Therefore, to deal with these cases, control is needed so that it can reduce the amount of losses due to uncollectible receivables.

Based on the above background, the author compiled a scientific paper entitled "The Application of Accounting for Uncollectible Receivables in UB. KARYA AMANAH" with the formulation of the problem, how to properly record accounting for uncollectible receivables at UB. KARYA AMANAH?

LITERATURE REVIEW

According to Pulungan, Hasibuan, Haryono (2013; 148), the reserve account of uncollectible receivables is a contra asset account which in this case reduces the net balance of accounts receivable reported on the balance sheet. If the company then decides to write off certain receivables, the company will debit the Uncollectible Receivables Reserve account and credit the non-collectible receivable.

According to Mardiasmo (2016: 54-57) there are 3 methods of estimating the amount of reserves for uncollectible receivables losses using the indirect method (reserve method), namely:

1. Reserves for receivables losses as a percentage of net sales. In this method, the percentage of receivables losses is determined by multiplying a certain number of percentages by the net sales results.
2. Provision for receivables losses as a percentage of the receivables balance. Calculation of receivables losses by estimating the amount of receivables losses based on a certain percentage of the balance of trade receivables at the end of the year concerned.
3. Receivables loss reserve on analysis, the age of receivables losses can be estimated by analyzing, the age of the company's debtors' receivables balances. The age of each debtor's receivables is classified, both those that have not yet matured and those that have matured.

RESEARCH METHOD

In the preparation of this Scientific Paper, the author uses a qualitative descriptive method, namely by conducting research on the development of a company. Here the author conducts research at UB. KARYA AMANAH located in Pakupatan, Serang.

The data collection techniques are by:

- Interview
- Observation
- Literature review

RESULTS

From the results of UB data observation. KARYA AMANAH found the balance of receivables in 2022 as follows:

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Table 1. Statement of Financial Posisiton (Partial)

Current Assets	
Cash	Rp 436.500.000
Equipment	Rp 149.293.500
Inventory	Rp 432.300.000
Accounts	Rp 256.000.000
Receivable	<u>Rp 36.000.000 +</u>
Rent paid in advance	IDR 1,310,093,500
Total Current Assets	

Source : Data of PT UB Karya Amanah

Table 2. List of UB Receivables Classification. KARYA AMANAH

Not Due Yet	Late Due (in days)					Total	Information
	(1 30)	(31-60)	(61-90)	(91-360)	> 360		
CV. Tina Sejahtera					19,210,500	19,210,500	Possible uncollectible
CV. Fajar Pangan Lestari					6,800,000	6,800,000	Possible uncollectible
CV. Primatrans					5,000,000	5,000,000	Possible uncollectible
CV. Sinar Serang				11,513,000		11,513,000	Possibility of being billed 15 %
Dafal Mart			13,250,000			13,250,000	Possibility of being billed 35 %
CV. Skyputra Pancasurya		15,750,000				15,750,000	Still billable
CV. Mitra Jaya Persada		12,450,000				12,450,000	Still billable
Zainal Abidin	18,200,000					18,200,000	
Argon Medica	12,000,000					12,000,000	
Grace CV. Fatih	1,000,000					1,000,000	
Staple Food							
Kaif Brothers	8,500,000					8,500,000	
Shop CV. Din	7,250,000					7,250,000	
d Servant Victory Basic							

Foods

Blessing of Commerce	2,550,000							2,550,000
CV. Ahmad	4,870,000							4,870,000
CV. Reksa Co.	2,600,000							2,600,000
CV. Barokah Jaya	2,250,000							2,250,000
Agent Mita	1,400,000							1,400,000
CV. Makmur Mandiri	2,050,000							2,050,000
CV. Surya Kragilan	925,000							925,000
UB. Manshurin Ciloang	525,000							525,000
UB. Jakarta	1,200,000							1,200,000
TOTAL	65,320,000	12,450,000	15,750,000	13,250,000	11,513,000	31,010,500		149,293,500

Source : UB data. KARYA AMANAH

From the attachment of the data above, it can be seen that customers who have receivables with UB. KARYA AMANAH is still quite large and the number of customer receivables that are past due is also still significant. UB. KARYA AMANAH in its credit sales provides an average payment period of 30 days or 1 month to its customers. But in fact, some customers are in arrears and even have difficulty in payment.

DISCUSSION

The receivables in the Financial Position Statement (partially) above are the total receivables of UB. KARYA AMANAH. UB receivables data is needed. KARYA AMANAH which is more specific to see which receivables are due or past due. The following is an attachment to UB receivables classification data. KARYA AMANAH is based on the maturity age of receivables from each customer. From table 2 to the receivables data, based on not yet and past due, it can be seen that the percentage of uncollectible receivables is as follows:

1. The data on the percentage of unmatured receivables is quite large, which is 43.7% or Rp.65,320,000 calculated from the total receivables of Rp. 149,293,500. This happens because the receivables are not yet due, so it is unlikely that the receivables will not be collected.
2. Data on the percentage of receivables that pass due in 1-30 days, which is 8.3% or Rp.12,450,000, is calculated from the total receivables of Rp. 149,293,500. The data shows that there is a high possibility that receivables can be collected, because the delay is still normal.
3. Data on the percentage of receivables that pass due in 31-60 days, namely 10.5% or Rp.15,750,000 calculated from the total receivables of Rp. 149,293,500. The data shows that late payments can still be tolerated so that the likelihood of receivables being collected is 80%.
4. Data on the percentage of receivables that have passed maturity in 61-90 days, namely 8.9% or Rp.13,250,000 is calculated from the total receivables of Rp. 149,293,500. The data shows that there is an increase in receivables and late payments are long enough that it is necessary to be aware of the possibility of collection.
5. Data on the percentage of receivables that pass due in 91-360 days, namely 7.7% or Rp.11,513,000 is calculated from the total receivables of Rp. 149,293,500. The data shows that the delay in payment has been a long time so there is a high possibility that receivables will not be collected.
6. Data on the percentage of receivables that have passed due in more than 360 days is 20.9% or Rp. 31,010,500. The data shows that the delay in payment has been too long so that the possibility of receivables being collected is 15 - 35% is only a part.

CONCLUSION

From the results of this study, it can be concluded that UB's receivables. AMANAH's work is still significant. When viewed from the comparison between unmatured receivables and overdue receivables, the percentage of overdue receivables is larger. KARYA AMANAH that are past maturity amounted to 56.3% larger than the percentage of UB's receivables. KARYA AMANAH that have not yet matured are 43.7%. Even UB receivables were found. KARYA AMANAH that are late due exceed 360 days or 1 year. Therefore, the company should make a reserve for receivables to assess the risk of the possibility of uncollectible receivables, and for receivables that are really uncollectible can be written off as a burden of receivables losses.

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