

ANALYSIS ACCOUNTING SYSTEMS OF RELIGIOUS INSTITUTIONS AT THE CHURCH

Endang Satyawati *

Program Studi Akuntansi, Fakultas Ekonomi, Universitas Kristen Surakarta
endangsatya12@gmail.com

*Corresponding author: endangsatya12@gmail.com

ABSTRACT

This research discusses the implementation of accounting for non-profit organization church entities based on ISAK 35. The aim of this research is to analyze how the accounting activities in religious institutions as non-profit organizations and how the financial reports in churches are in accordance with ISAK 35. The research method used is a descriptive qualitative method, namely by conducting direct observations, interviews and supported by literature study. This research was conducted at churches in Klaten. The research results obtained from Klaten churches were that existing accounting activities were running well, but in terms of financial reporting they were not in accordance with ISAK 35.

It is recommended that churches need accounting as a tool for financial management, planning and supervision guided by ISAK 35 concerning Financial Reporting Standards for Non-Profit Organizations so that the financial reports produced by churches can be trusted and transparent in their reporting.

Keywords: *Accounting System, Religious Institutions, Church*

INTRODUCTION

Church financial administration activities include making a budget for church expenditure and income. This budget is needed so that the church can carry out its work in an organized and planned manner. Some of the things that must be done are researching what work must be done, and only then the funds to pay for that work. This budget is carefully crafted and then presented to the members of the congregation, with the intention of letting them know what the church needs in its work. In this way the congregation is actively and responsibly involved in the overall ministry of the church.

The church is God's people who believe in Jesus Christ and respond to proclaim His saving love to people and the world (1 Peter 2:9). Each church has a unique history and conditions, so the strategic plan of each church is certainly different. Each church has a vision, mission and goals to be achieved. The church is a public sector organization, where the main goal is not to make a profit, but is a service institution.

Each church has different characteristics, both in terms of the size of the church building, the size of the church land, the number of congregations. The source of church revenue comes from congregational offerings, which consist of weekly offerings, monthly offerings, special offerings, baptismal sacrament offerings, wedding sacrament offerings. The church's financial management is independent, with committees recording their own revenues and expenditures. The finance commission records all receipts and disbursements of assembly funds. Commissions can receive offerings from citizens either directly or entrusted by the assembly. This causes the commission to have an activity budget balance at the end of the year even though it has been verified by the verification commission. Based on the condition of the church financial system, the researcher is interested in analyzing the Accounting System of Religious Institutions in Churches in Klaten.

LITEATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Basic Concepts of Accounting

Accounting can be formulated from two points of view, namely the definition from the point of view of users of accounting services, and from the point of view of the activity process. In terms of users, accounting can be defined as a discipline that provides the information needed to carry out activities efficiently and evaluate the activities of an organization. The information produced by accounting is needed for:

1. Make effective planning, supervision and decision making by management.
2. Organizational accountability to investors, creditors, donors, government and so on.

From the above definition, it can be concluded that accounting is held in an organization, where the accounting information generated is information about the organization. Accounting information is very important in carrying out organizational activities, especially used in internal organizational decision making.

Definition of Accounting

Some experts consider that the definition of accounting is one of the arts, namely the art of measuring, communicating and interpreting or interpreting financial activities. A deeper understanding of accounting is the activity of calculating, measuring, describing, or providing certainty to data and information that will help or assist investors, managers, tax authorities, other decision makers so that companies, organizations, or other institutions are able to make resource allocations.

The American Accounting Association (AAA), defines accounting as the process of identifying (to identify), measuring (to measure), and reporting economic information (to report) in order to make clear and firm judgments and decisions for those who use this information. So that accounting should be carried out as one of the preparatory steps in making decisions, especially those related to the interests of many people and financial matters.

The American Institute of Certified Public Accountants (AICPA) as quoted by Baridwan Zaki (2004: 1) identifies accounting as a service activity. Its function is to provide quantitative data, especially those of a financial nature, from economic business entities that can be used in making economic decisions in choosing alternatives from a situation.

According to ABP Statement No.4 in Smith Skousen (1995: 3), accounting is a service activity. Its function is to provide quantitative information, especially of an economic decision-making nature in making logical choices between alternative courses of action. Conclusion: In accounting, to provide explanations and arguments for data and information on financial transactions, analysis is needed.

From the above definitions of accounting, accounting consists of three main activities or activities, namely:

- a. Identification activities, namely identifying transactions that occur in the company.
- b. Recording activities are activities carried out to record transactions that have been identified chronologically and systematically.
- c. Communication activities, namely activities to communicate accounting information in the form of financial statements to users of financial statements or interested parties, both internal companies and external parties.

The accounting policies of a reporting entity are specific accounting principles and methods of applying those principles that are judged by the management of the entity to be the most appropriate under the existing conditions to present fairly the financial position, changes in financial position, and results of operations in accordance with generally accepted accounting principles and therefore have been adopted for the preparation of financial statements.

Definition of Financial Statements

Financial statements are reports that contain financial information of an organization. The financial statements issued by the company are the result of an accounting process which is intended as a means of communicating financial information, especially to external parties.

According to Financial Accounting Standards (SAK), financial statements are part of a complete financial reporting process that usually includes a balance sheet, income statement, statement of changes in financial position which can be presented in various ways such as, for example: as a cash flow statement, or fund flow statement, notes and other reports and explanatory material that are an integral part of the financial statements. In addition, it also includes schedules and additional information related to these reports, for example: industry and geographic

segment financial information and disclosure of the effect of price changes (Indonesian Accounting Association, 2009).

Main Objectives of Financial Statements

The main purpose of financial statements is to provide relevant information to meet the interests of donors, managing members, creditors, and other parties who provide resources to the foundation. The users of the foundation's financial statements have a common interest in assessing; the services provided by the foundation and its ability to continue to provide these services; how the manager carries out his responsibilities and other aspects of the foundation's performance.

It can be observed that the financial statements of non-profit organizations are similar to those of business organizations, except for the following main points:

1) Non-profit organizations do not have an income statement, but this statement can be analogous to the statement of activities. The central information in an income statement generally lies in the components of profit or loss that a business organization makes in a period. Meanwhile, the central information in the statement of activities lies in the changes in net assets managed by the non-profit organization.

2). Non-profit organizations do not have a statement of changes in equity as business organizations do. This is because non-profit organizations are not owned by any entity. Equity in a non-profit organization can be analogous to net assets that will be presented in the statement of activities.

Nonprofit Organization

A non-profit organization or non-profit organization is an organization whose main objective is to support an issue or matter in attracting public attention for a non-commercial purpose, without any attention to matters of a monetary nature. Non-profit organizations include churches, public schools, public charities, public hospitals and clinics, political organizations, public assistance in legislation, volunteer service organizations, labor unions, professional associations, research institutes, museums, and some government officials.

Non-profit organizations can take the form of welfare and health organizations, institutions, and universities. And each type of organization has a common purpose, which is to provide services and not to seek profit. But each type of organization can differ in terms of goals, funding sources and level of autonomy.

RESEARCH METHOD

Type of Research

The type of research used in this research is descriptive qualitative research, which is a method that describes, describes, compares data and conditions and explains a situation in such a way that a conclusion can be drawn. This approach also departs from a theoretical framework, the ideas of experts, and the understanding of researchers based on their experience which is then developed into problems and their solutions which are proposed to obtain justification (verification) in the form of empirical data support in the report. The research was conducted directly at the Church in Klaten and the existing problems were developed through various reference sources.

Data Source

The data sources in this research include two parts, namely:

1.Primary Data

Data obtained from directly related parties in the form of data relating to financial management and recording of financial transactions and other data needed in the discussion.

2.Secondary Data

Supporting data needed such as literature studies, namely by collecting theories from college books and the internet related to the author's research.

Data Collection Techniques

In collecting data, there are several methods used such as:

1.Observation

Observation is carried out by collecting, making direct observations and systematically recording activities that become the object of research in the Church, namely regarding financial management and recording financial transactions.

2.Interview

Interviews were conducted by asking several questions directly to the Church management parties concerned with the object of research to obtain data that was not contained in the form of documents.

3.Literature Study

Collecting data based on literature or books related to research and based on references via the internet.

Data Analysis Technique

Data analysis in this study was carried out using the triangulation method as a technique to check the validity of the data. Triangulation is a technique to match (cross check) between the results of interviews or observations with documentary evidence, opinions of others, or literature review. In addition, triangulation can also be useful for investigating the validity of the researcher's interpretation of the data, therefore triangulation is reflective.

DISCUSSION

Church Financial Accounting Management

The church as an organization that functions to serve God and humans also needs funds to finance its service activities. The main source of funds for the church, which comes from the congregation, needs to be managed properly. For this reason, the flow of funds in church service activities also needs to be supported by good accounting as accountability. In essence, financial management is part of service to God and the congregation. Good financial management can support the implementation of church work plans by providing information about the availability of church funds.

Based on the results of observations on financial administration in churches, it is usually distinguished based on its utilization such as congregational cash. Congregation cash is all funds from the congregation collected each week, where the funds are managed by the church management to finance the established church program. The financial recording of congregational cash is related to the annual work program activities, consisting of; Routine expenses; Routine work expenses; Development expenses; and Fellowship funds. The congregation's cash as a whole is kept in the form of savings held by the management, namely the church treasurer.

CONCLUSION, LIMITATION, SUGGESTION

Conclusion

Based on the results of the analysis of the application of accounting carried out in the Church, it can be concluded that:

1. Accounting activities in churches in Klaten are already running well but have not implemented ISAK No.35.

2. The implementation of accounting in churches in Klaten starts from the preparation of a budget for one year period, recording transactions into the general cash book, classifying transaction data into the auxiliary cash book per line item, summarizing transaction data which includes processing auxiliary cash books, preparing financial reports based on the results of data processing of general cash books and auxiliary cash books, reporting transactions every week published in the congregation bulletin and preparing budget realization reports.
3. There are differences between the church accounting system and ISAK No.35, namely including financial reporting where Klaten churches still record in a simple way that the recording is only limited to the classification of income transactions.
limited to the classification of income and expenditure transactions, while according to accounting standards financial reporting is divided into 4 types of reports, namely financial position reports, activity reports, flow reports, and financial realization reports.
financial position, activity report, cash flow statement and notes on financial statements.

Suggestions

1. The church needs accounting as a tool in financial management, planning and supervision guided by ISAK No.35 concerning Financial Reporting Standards for Non-Profit Organizations so that the financial statements presented by the church in the financial statements are clearer, relevant, reliable and transparent in their reporting.
2. It is necessary to have experts for internal audit so that the level of reliability of financial reports, financial officers and all those involved in church finances can be measured.

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