

RECEIVABLE ACCOUNTING TREATMENT BASED ON GOVERNMENT ACCOUNTING STANDARDS ON THE LOCAL GOVERNMENT FINANCIAL REPORT OF NGANJUK REGENCY

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ABSTRACT

This research was conducted at the Regional Financial and Asset Management Agency (BPKAD) of Nganjuk Regency, having its address at Jalan Basuki Rachmad Number 1 Nganjuk. The purpose of this study was to determine the analysis of accounts receivable and the application of financial statements to BPKAD based on Government Accounting Standards. Data collection techniques are carried out by means of observation and interviews, to collect information in the form of government financial reports that have been audited by the Financial Supervisory Agency to be analyzed according to Accounting Standards for Accounts Receivable Number 6 concerning Accounting for Receivables accompanied by supporting evidence, namely documentation. The issuance of Government Regulation No. 71 of 2010 has brought significant changes in government financial reporting. These changes are set forth in the accounting policies and accounting systems that form the basis before being implemented in the presentation of financial statements. Changes in the accounting basis to the accrual basis must be carried out no later than 2016. The results of research at the Regional Financial and Asset Management Agency of Nganjuk Regency have applied the Accrual-Based Government Accounting Standards in 2015 for the preparation of financial statements consisting of: Budget Realization Report, Report on Changes in Budget Balance, Balance Sheet, Operational Report, Report on Changes in Equity, and Statement of Cash Flows. Total current assets in 2020 experienced a large increase of Rp4.032.915.127,53 obtained from the total current assets in 2020 of Rp445.230.242.894,16 minus the total current assets in 2019 of Rp441.197.327.766,63.

Keywords: Receivables, Government, Accounting Standard, Financial Report

INTRODUCTION

The final result of a process of recording, calculating, and making decisions related to economic, social and political sector decisions in a government which can later be used as information in the government finance sector which contains a summary of financial transactions in an accounting period is referred to as financial statements, which is used as a test of truth in accounting books, but at the time of the development of financial statements it is also used as a basis for analyzing the financial position of a government, so that the right decisions can be taken. Government Regulation Number 24 of 2005 concerning Government Accounting Standards states a series of manual and computerized procedures ranging from data collection, recording, summarizing, reporting of financial position and government operations.

The information presented in the financial statements includes accounting information that can influence decision making and is directed at general needs and does not favor the needs of certain parties. The local government financial reports are in the form of Budget Realization Reports, Cash Flow Statements, Balance Sheets and Notes to Financial Statements. The results of these activities and the assessment of regional financial reports will later be submitted to the Regional House of Representatives after being audited by the Financial Supervisory Agency. Each assessment and reporting activity that is achieved will later run in a systematic and structured manner on a report for the sake of accountability, management, transparency, balance between generations and performance evaluation.

Government Accounting Standards apply to the central government and regional governments in order to prepare accountability reports for the implementation of the State Revenue and Expenditure Budget or Regional Revenue and Expenditure Budget in the form of financial reports. This is intended to provide a regional financial accountability report that is accurate, reliable, and timely and to create a clean, authoritative and responsible government.

Before applying the cash basis and cash basis towards accruals, with the issuance of Government Regulation No. 71 of 2010 concerning Government Accounting Standards, the central government and local governments are now implementing accrual-based government accounting. The cash basis recognizes transactions when cash is received or paid, while the accrual basis recognizes transactions when the transactions occur. Financial statements on an accrual basis consist of: assets, liabilities, equity, income, and expenditures. The accrual-based financial report recognizes income, expenditure, and financing in reporting the implementation of the budget based on the basis applied in the State Revenue and Expenditure Budget or Regional Revenue and Expenditure Budget. The difference from the application of the two bases can be seen from the results of the resulting financial reporting. The cash basis produces a cash flow report that provides information about cash receipts and disbursements, while the accrual basis produces a budget realization report and balance sheet.

Receivables are the amount of money that must be paid to the regional government and or regional government which can be assessed in money as a result of an agreement or other consequences based on statutory regulations or other legal consequences. Receivables are one of the important instruments in regional financial management. The size of a receivable is very influential in the management of a government performance. Large receivables will affect the continuity of a regional finance. This is what causes the risks that must be faced by local governments, especially elements of supporting government affairs in the financial sector which are managed by the Regional and Asset Financial Management Agency.

The classification of regional receivables in terms of events that cause receivables to arise is divided into several parts, namely: Collections Receivables, Receivable Engagements, Intergovernmental Transfers, Claims for Regional Compensation, Revenue Receivables, Other Receivables, Revenue Sharing Funds Receivable, General Allocation Fund Receivables, Funds Receivable Special Allocation, Accounts Receivable Over Transfer. Recognition of regional receivables must coincide with revenue recognition. Regional receivables are recognized when the amount of money that must be paid to the regional government can be valued in money as a result of an agreement for other legal consequences. There are events that cause receivables, which are one of the assets to increase net worth in the government. This government right is not only limited to receivables in the local government, but also other economic resources that have resulted in past events giving rise to rights in the local government.

LITERATURE REVIEW

Prima (2017:2) explains that accounting is an information system that consists of three activities, namely, identifying economic events that occur in the company, which will then be recorded in a journal and allocate them to interested parties which are used for decision making. Nordiawan and Hertianti (2014:103) also explain that the accounting basis is an important foothold in recording and reporting. The accounting basis will affect the accounting standards that will be built both in the conceptual framework and in accounting statements. The basis of accounting is mainly related to recording, revenues and expenses exist on a cash basis and accrual basis.

Accounting is the selection of accounting techniques that affect the resulting financial information system. The basis of accounting is concerned with the concepts of recognition and measurement. There are three types of accounting basis based on measurement and timing of accounting recognition as follows:

1. Cash Basis

The basis of accounting that recognizes the effects of transactions and events that are directly related to cash. So that the measurement is seen in the cash balance and changes in cash balances. Changes in cash balances occur when there are transactions issued from cash and cash receipts. The scope of cash basis accounting includes cash balances, cash issued and cash received. The limitation of the cash basis is that the known financial information is not comprehensive because it only shows cash accounts, while other accounts are not shown.

2. Accrual Basis

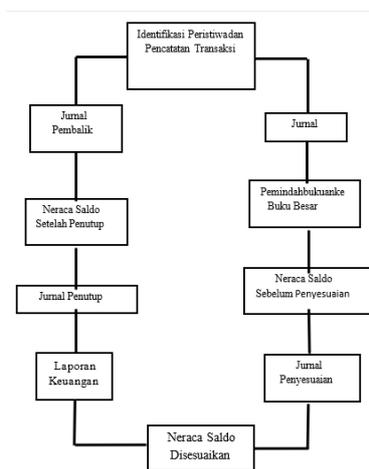
The accrual basis recognizes and records transactions when they occur, regardless of when the cash is paid. Bookkeeping on the accrual basis is able to provide comprehensive or comprehensive financial statement information because the measurement focus uses all economic resources.

3. Cash Modification Basis

The modified basis is basically in the middle between the cash basis and the accrual basis, but it is not possible to lean towards either one. As previously mentioned, the modification basis is classified into two,

namely, cash basis modification and accrual basis modification. There are those who argue that the two are the same, but there are also those who argue that the two bases are different.

According to Kartomo and Rahmi (2019), the accounting cycle is a form of bookkeeping event that is made from the beginning to the end of a transaction without stopping in the form of a roundabout to provide a financial report to assist in decision making. The accounting cycle begins with identifying transactions that have occurred and grouping them according to their type, which can be in the form of sales, purchases, or other cost transactions. Transactions that occur are also required to collect receipts, notes, invoices and all that can be used as evidence in the transaction. The stages in the accounting cycle can be described as follows:



Source: Dwi Martani (2018:63)

Figure 1. Accounting Cycle

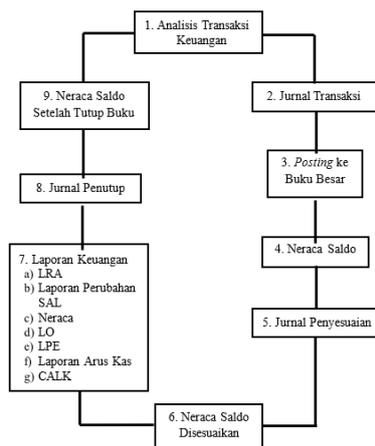
Law Number 23 of 2014, states that local government is the organizer of government affairs by the Regional Government and the Regional People's Representative Council according to the economy and auxiliary duties with the principle of autonomy as wide as possible in the system and principles of the Unitary State of the Republic of Indonesia as referred to in the Law. 1945 Constitution of the Republic of Indonesia. Regional heads as regional government administrators who lead the implementation of regional government affairs who lead the implementation of government affairs which are the authority of the autonomous regions. One of the Regional Apparatus Work Units (SKPD) that implements accrual-based government financial reports is the Regional Financial and Asset Management Agency (BPKAD) of Nganjuk Regency.

Regional Financial and Asset Management Agency (BPKAD) is a supporting element of regional government in the management of regional finance and assets led by the Head of the Agency which is located under and responsible to the Regent through the Regional Secretary. In carrying out his duties, the Head of the Regional Financial and Asset Management Agency is assisted by the Secretary of the Regional Financial and Asset Management Agency and if the Head of the Agency is unable to carry out his duties, the Head of the Agency can assign through the Division, Sub-Sector or one of the witnesses of the relevant staff section in carrying out his duties.

Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP) article 1 paragraph (2) states that accounting is the process of identifying, recording, measuring, classifying, summarizing financial transactions and events, presenting reports and interpreting the results. According to Sujarweni (2018: 18) "Government accounting is accounting that is concerned with the field of state finances, from the budget to implementation and notification, including all the effects caused".

Government accounting standards, both central and regional, are guided by Government Regulation Number 71 of 2010 concerning Government Accounting Standards to regulate the preparation of regional financial reports. This regulation is stipulated as a follow-up to the implementation of the provisions of Article 32 paragraph (2) of Law Number 17 of 2003 concerning State Finance. Then in article 1 paragraph (1) of the Government Regulation it is stated that the Government Accounting System is a systematic series of procedures, operators, equipment, and other elements to realize the accounting function from analysis to accounting reporting in the government environment.

The Government of Indonesia before implementing Government Regulation Number 71 of 2010 concerning Government Accounting Standards as a guide for compiling and presenting financial statements, has implemented Government Regulation Number 24 of 2005 concerning Government Accounting Standards which are cash-based towards accrual, namely using cash basis for the recognition of income, expenditure, and transaction transactions. and financing, then the accrual basis for the recognition of assets, liabilities and equity. After the issuance of Government Regulation Number 71 of 2010 concerning Government Accounting Standards, each reporting entity, both from the central government and local governments, has to implement the regulation. Where every reporting is required to use Accrual-based Government Accounting Standards, as contained in the attachment of Government Regulation Number 71 of 2010 concerning Accrual-based Government Accounting Standards contained in Appendix I and Cash-to-Accrual-based Government Accounting Standards contained in Appendix II.



Source: Abdul Halim dan Muhammad Syam Kusufi (2014:58)

Figure 2. Regional Financial Accounting Cycle

Law Number 1 of 2004 concerning the State Treasury states that receivables are the amount of money that must be paid to the regional government and or the rights of the regional government which can be valued in money as a result of an agreement or other consequences based on applicable legislation or other legal consequences. Receivables are rights or claims to third parties that are expected to be converted into cash within an accounting period. The Technical Bulletin of Accounting Receivable Standards Number 02 of 2005 concerning Accounts Receivable states that receivables are the government's right to receive payments from other entities including taxpayers or pay for activities carried out by the government.

Assets in the form of receivables on the balance sheet must be maintained so that their value equals the net realizable value. The tool to adjust is to make allowance for doubtful accounts. Allowance for doubtful accounts is the estimated value of receivables that may not be accepted for payment in the future from a person and/or cooperative and or other entity. The allowance for doubtful accounts is not cumulative but is applied at the end of each budget period in accordance with the development of the quality of the receivables.

According to the Government Accounting Standards Committee No. 06 regarding Accounts Receivable in terms of events that cause receivables to arise, they are divided into:

1. Collected Receivables, consisting of: Provincial Government Regional Taxes Receivable, Regency/Municipal Government Regional Taxes Receivable, Receivables Receivables and Other Regional Original Income Receivables;
2. Receivables Commitment, consisting of: Lenders, Sales, Partnerships and Providing facilities;
3. Receivables Transfers between Governments, consisting of: Receivables from Revenue Sharing Funds, Receivables from General Allocation Funds, Receivables from Special Allocation Funds, Other Transfer Receivables, Receivables for Inter-Regional Transfers, Receivables for Excess Transfers;
4. Receivables from Claims for Regional Compensation consist of: Receivables arising from Claims for Regional Compensation against Civil Servants who are not Treasurers; and Receivables arising from Claims for Regional Compensation Against the Treasurer.

Acknowledgment of Accounts Receivable

According to the Government Accounting Standards Committee No. 06 concerning Accounting Receivables are recognized at the time of preparation of financial statements when a claim or right to collect money or other economic benefits arises from the entity, namely when:

- a. Issuance of a legal decree/document; or
- b. Billing letter has been issued and collection has been carried out; or
- c. Unpaid until the end of the reporting period.

Measurement of Accounts Receivable

According to the Government Accounting Standards Committee Number 06 concerning Accounting for Receivables arising from statutory provisions, it is recognized after the invoice is issued and recorded at the nominal value stated in the invoice. In general, the main element of receivables due to the provisions of this legislation is the potential for income. This means that this receivable occurs because the income has not been deposited into the state/regional treasury by the mandatory deposit. Because every claim by the government must have a decision, the amount of receivables that are the rights of the government or local government is the amount stated in the decision on the collection in question.

Presentation of Accounts Receivable

The presentation of receivables in accordance with the laws and regulations is a bill that must be repaid in the current period of the following year, so that no receivables exceed the following period. Receivables from laws and regulations are presented on the balance sheet as current assets at their maturity value in the current year and will be billed within the next 12 months based on a predetermined settlement letter.

Local Government Financial Reports

According to Government Regulation Number 71 of 2010 concerning Government Accounting Standards, financial statements are structured reports on financial position and negotiations conducted by a reporting entity during the reporting period. Financial statements are used to determine the economic resources used to carry out government operations, assess financial condition, evaluate the effectiveness and efficiency of a reporting entity and help determine its compliance with laws and regulations. Local government financial reports consist of Statements of Financial Position, Operational Reports, Budget Realization Reports, Cash Flow Statements, Changes in SAL Reports, Changes in Equity Reports, Notes to Financial Statements.

Government Regulation Number 24 of 2005, as amended by Government Regulation Number 71 of 2010, states that financial statements are prepared to provide relevant information regarding the financial position and all transactions carried out by an entity from one reporting period. Each reporting entity has an obligation to report the efforts that have been made and the results achieved in the implementation of activities in a systematic and structured manner. In a reporting period to share interests such as:

1. Accountability, namely the responsibility for managing resources and implementing policies entrusted to the reporting entity in achieving the goals set periodically.
2. Management is a support for users to evaluate the implementation of the activities of a reporting entity in one period, thus facilitating the planning, management and control functions of all assets, liabilities, and equity of government funds for the benefit of the community.
3. Transparency, namely financial information that is open and honest to the public based on the consideration that the public chooses the right to know openly and thoroughly the government's responsibility for accurate resource management and compliance with applicable laws and regulations.
4. Intergenerational Balance, assisting users in knowing the adequacy of government revenues in the reporting period to finance all allocated expenditures and whether future generations think that they will share the burden of these expenses.
5. Work evaluation, evaluating the performance of the entity, especially in reporting users of economic resources managed by the government to achieve the planned performance.

Financial information in financial statements can provide the following benefits:

- a. Increase accountability for regional heads and local government officials when they are responsible for cash inflows and outflows, but also on assets and debts managed.

- b. Increase transparency of government activities. Governments generally have significant amounts of assets and debt, and disclosure of information is a basic element of transparency and accountability.
- c. Facilitate the assessment of financial position by showing all the resources and obligations to provide extensive information for decision-making needs

Purpose

The desired objectives in this research are to knowing the accounting treatment of receivables based on accounting standards government on district government Nganjuk financial reports.

Research Methods

The object of this research is the Regional Financial and Asset Management Agency of Nganjuk Regency which is in charge of carrying out regional government affairs based on the principle of autonomy and assistant duties in the field of financial and asset management. The data sources used are primary data in the form of Budget Realization Report (LRA), Balance Sheet, Operational Report (LO), general description, history, and organizational structure. While secondary data in the form of literature used by the author is in accordance with the research topic in the form of financial statements published from financial statements that have been audited by the Supreme Audit Agency (BPK). While the data used in the form of quantitative and qualitative data. The data analysis techniques used in this research are:

1. Collecting data based on Government Regulation Number 71 of 2010 concerning Government Accounting Standards in the form of financial statements.
2. Journalize the recognition of receivables, calculate the percentage of allowance for receivables and make a journal of allowance for unpaid receivables obtained from the financial statements of accounts receivable at the Regional Financial and Asset Management Agency of Nganjuk Regency based on Government Accounting Standards Number 06 concerning Accounts Receivable.
3. Concluding the accounting treatment of receivables carried out at the Regional Financial and Asset Management Agency of Nganjuk Regency.

The data analysis technique is described as follows:

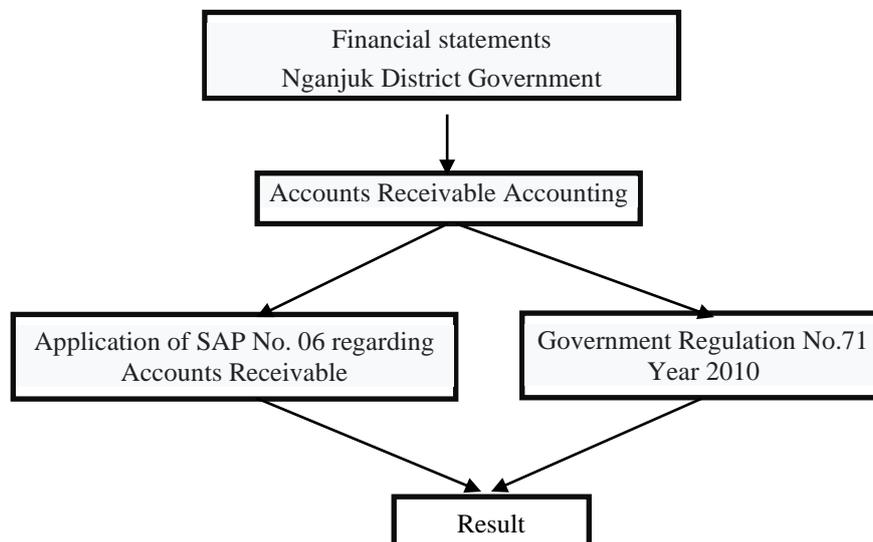


Figure 3. The Data Analysis Technique

RESULT AND DISCUSSION

Government Regulation No. 71 of 2010 concerning Government Accounting Standards which is a reference for members of the Legislature, Judiciary, audit and supervisory agencies (BPK), parties that play a role in the loan process and government parties. Government Accounting in Indonesia has undergone changes in several periods, namely:

- a. Prior to 2005, the government implemented cash-based accounting with a Single Fund and Single Entry approach;
- b. For the period 2005 – 2010, the issuance of a Package of Laws 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning State Treasury and Law Number 15 of 2004 concerning Audit of State Finance Management and Accountability;
- c. Period After 2010, the issuance of Government Regulation Number 71 of 2010 concerning Government Accounting Standards which adheres to the accrual basis.

The issuance of Government Regulation Number 71 of 2010 concerning Government Accounting Standards has brought many changes in government financial reporting. These changes are stated in the accounting policies and accounting systems that form the basis before being applied in the presentation of financial statements. The change from the cash basis to the accrual basis must be carried out no later than 2016 which has been adjusted to Government Regulation Number 71 of 2010. The accounting basis used in the Nganjuk district government's financial statements is the accrual basis. The accrual basis is an accounting basis that recognizes the effects of transactions and other events when the transactions and events occur, regardless of when cash or cash equivalents are received or paid, while the Budget Realization Report (LRA) uses a cash basis so that LRA revenues are recognized when received in the Regional General Treasury account or received by the Regional Work Unit (SKPD). The differences that can be seen from the cash basis and accrual basis are:

Table 1. Comparison of Cash Basis and Accrual Basis

Cash Basis	Accrual Basis
Revenue is recognized only when the money has been received and entered into the state and regional treasury.	Revenue is recognized when a transaction occurs even though the money has not been received and has not yet been entered into cash country or region.
Expenses (in the Cash Basis known as Expenditures) are recognized only when the money has left the state or local treasury.	Expenses are recognized when a claim has arisen even though the money has not been removed from the state or regional treasury.
There is no known term debt and Receivables.	Known the terms debt and receivables.
Financial information is less accurate because the financial position is only for a certain period.	More accurate financial information because every transaction is recorded in detail.

Recognition of receivables based on SAP is recognized when the right to obtain revenue has been fulfilled and cash or cash equivalents for the income have not been received in the regional general treasury account. Receivables based on laws and regulations must be preceded by the recognition of the related income. For example, local tax receivables, therefore the recognition of local tax receivables must be preceded by the recognition of local tax revenues. Receivables can be recognized, then the following criteria must be met: Issuance of a legal determination/document; or a billing letter has been issued and collection has been carried out; or has not been paid until the end of the reporting period.

Recognition of receivables whose payment exceeds 12 months or one accounting period is carried out at the time of reporting as of the balance sheet date, by determining the repayment period in accordance with the engagement or receivable assessment letter.

Recognition of receivables from the local government of Nganjuk Regency is recognized when the right to obtain revenue has been fulfilled and cash or cash equivalents for the income have not been received in the regional general treasury account. Receivables based on laws and regulations must be preceded by the recognition of the related income. For example, local tax receivables, therefore the recognition of local tax receivables must be preceded by the recognition of local tax revenues. Receivables can be recognized, then the following criteria must be met: Issuance of a legal determination/document; or a billing letter has been issued and collection has been carried out; or has not been paid until the end of the reporting period.

The records required to record receivables that arise based on the laws and regulations are as follows:

- a. Tax receivables are determined as set forth in an Underpaid Tax Assessment Letter (SKPKB) or a Notification of Underpayment of Import Duty (SPKPB), or a similar assessment letter.

Table 2. Accounts Receivable Acknowledgment Journal

Description	Ref	Debit	Credit
Tax Debt		Rp. 8.849.550.626,00	
Income Tax Receivable - LO			Rp. 8.849.550.626,00

- b. Receivables for retribution are determined based on the bill of lading that has been determined by the local government of the Nganjuk Regency concerned.

Table 3. Retribution Receivable Journal

Description	Ref	Debit	Credit
Retribution Receivable		Rp. 2.262.006.435,58	
Income Retribution Receivable - LO			Rp. 2.262.006.435,58

- c. Other Receivables - Other Legit PAD is determined based on the bill of lading that has been determined by the local government

Table 4. Journal of Recognition of Other Receivables Legitimate PAD

Description	Ref	Debit	Credit
Recognition of Other Receivable Legitimate PAD		Rp. 14.500.000,00	
Other Legitimate PAD			Rp. 14.500.000,00

- d. BLUD receivables are determined based on the outstanding invoices that have been determined by the regional government

Table 5. BLUD Accounts Receivable Acknowledgment Journal

Description	Ref	Debit	Credit
BLUD Receivables		Rp 4.347.639.008,00	
BLUD Receivable Income - LO			Rp 4.347.639.008,00

- e. Provincial Regional Tax Revenue Sharing is determined based on a bill payable that has been determined by the regional government

Table 6. Provincial Tax Revenue Sharing Journal

Description	Ref	Debit	Credit
Provincial Tax Revenue Sharing		Rp 9.919.470.445,00	
Tax Revenue Sahrng - LO			Rp 9.919.470.445,00

- f. Transfer receivables are determined based on the outstanding invoices that have been determined by the regional government

Table 7. Transfer Receivables Journal

Description	Ref	Debit	Credit
Transfer Receivables		Rp. 11.920.347.057	
Transfer Revenue - LO			Rp. 11.920.347.057

- g. Other Receivables are determined based on the bill of lading that has been determined by the regional government

Table 8. Other Receivables Journal

Description	Ref	Debit	Credit
Others Receivables		Rp. 1.823.829.273,00	
Other Revenue - LO			Rp. 1.823.829.273,00

Account Receivable Measurement

Measurement of income receivables based on SAP is measured and recorded at the nominal value of the outstanding receivables. The measurement of receivables arising from the laws and regulations is recorded in accordance with the Regent's regulation:

1. Presented at the amount that has not been paid up to the reporting date of each bill determined based on the underpayment assessment letter issued.
2. Presented at the amount that has not been repaid up to the reporting date of each claim that is determined to be payable by the Tax Court for taxpayers who file an appeal.
3. Presented at the amount that has not been paid up to the reporting date of each claim that is still in the process of being appealed against and has not been determined by the panel of claims for compensation.

The assessment of bad debts is carried out at the end of each accounting period based on the appropriate allowance for receivables. The quality of the percentage of allowance for receivables based on the age of the receivables is divided into 4 (four) groups consisting of:

Table 9. Percentage of Allowance for Receivables

No	Receivable Quality	Estimated Bad Debts
1	Fluent	0,5 %
2	Not that Smooth	10 %
3	Doubtfull	50 %
4	Congested	100 %

The measurement of receivables at the BPKAD of Nganjuk Regency is measured and recorded at the nominal value of the outstanding receivables. The measurement of receivables arising from laws and regulations is recorded in accordance with the Nganjuk Regent's Regulation.

1. Presented at the amount that has not been paid up to the reporting date of each bill determined based on the underpayment assessment letter issued.
2. Presented at the amount that has not been repaid up to the reporting date of each claim that is determined to be payable by the Tax Court for taxpayers who file an appeal.
3. Presented at the amount that has not been paid up to the reporting date of each claim that is still in the process of being appealed against and has not been determined by the panel of claims for compensation.

The assessment of bad debts is carried out at the end of each accounting period based on the calculation of the appropriate allowance for receivables, with the following formula:

$$\text{Percentage of Receivables} = \text{Allowance for Receivables} \times \text{Percentage} (\%)$$

Table 10. Allowance for Receivables and Estimated Doubtful Accounts

No.	Description	2019	Estimated Bed Debts	2020	Estimated Bed Debts
1	Allowance for Tax Receivables	Rp 1.831.546.292,56	Rp 183.154.629,26	Rp 2.313.704.657,25	Rp 231.370.465,73
2	Allowance for Retribution Receivables	Rp 1.231.719.369,58	Rp 123.171.936,96	Rp 1.177.531.303,13	Rp 117.753.130,31
3	Allowance for Other Recievables Legitimate PAD	Rp 14.587.592,50	Rp 1.458.759,25	Rp 14.500.000,00	Rp 1.450.000,00
4	Allowance for BLUD Receivables	Rp 2.826.580.469,51	Rp 282.658.046,95	Rp 684.085.458,73	Rp 68.408.545,87
5	Allowance for Other Receivables	Rp 1.866.186.829,00	Rp 186.618.682,90	Rp 1.823.829.273,00	Rp 182.382.927,30
	Total	Rp 7.770.620.553,15	Rp 777.062.055,32	Rp 6.013.650.692,11	Rp 601.365.069,21

The table above is the calculation of allowance for receivables at the Nganjuk Regency Government in 2019 and 2020. Determination of the percentage for each quality of receivables is used as a basis for interpreting

bad debts obtained from the local government receivables accounting policy. After multiplied by the percentage of receivables, each item of allowance for receivables will produce the estimated percentage of receivables that cannot be collected for that period. Receivables in the Regional Government Financial Statements of Nganjuk Regency are included in non-current receivables because the payment is more than 1 year or 1 accounting period. The estimated percentage of allowance for receivables in Nganjuk Regency is 10%.

Allowance for receivables is not accumulative in nature but is applied at the time of preparation of financial statements, in accordance with the development of the quality of receivables. The illustration of the allowance journal for tax receivables for 2019 – 2020 is as follows:

Table 11. Account Allowance Receivable Journal 2019

Description	Ref	Debit	Credit
Allowance for Receivables - LO		Rp.777.062.055,32	
Allowance for Account Receivable			Rp.777.062.055,32

The table above is a journal of memorial evidence for the amount of outstanding receivables. Allowance for receivables as of December 31, 2019 at the Regional Financial and Asset Management Agency of Nganjuk Regency recorded allowance for receivables on the debit side and credited allowance for receivables amounting to Rp. 777.062.055,32. This amount is the gross amount from the calculation of allowance for receivables.

Table 12. Account Allowance Receivable Journal 2020

Description	Ref	Debit	Credit
Allowance for Receivables - LO		Rp. 601.365.069,21	
Allowance for Account Receivable			Rp. 601.365.069,21

The table above is a journal of memorial evidence for the amount of outstanding receivables. Allowance for receivables as of December 31, 2020 in the Asset and Regional Financial Management Agency of Nganjuk Regency recorded the allowance for receivables on the debit side and credited the allowance for receivables of Rp. 601.365.069,21. This amount is the gross amount from the calculation of allowance for receivables.

The presentation of receivables in accordance with the laws and regulations is a bill that must be paid off by taxpayers in the current period of the following year, so that there are no types of receivables that exceed one accounting period. The net value of receivables is obtained from the amount of receivables minus the allowance for receivables. Receivables from laws and regulations are presented on the balance sheet as Current Assets. Receivables from laws and regulations are presented from current assets if the maturity date is less than one financial year and is accompanied by an allowance for receivables. Allowance for receivables is recognized when using the accrual basis so that it reflects the net amount of receivables.

Table 13. Balance Sheet as of Desember 31, 2020 and 2019

NGANJUK DISTRICT GOVERNMENT BALANCE SHEET DESEMBER 31, 2020 and 2019		
Description	2020	2019
ASSET		
CURRENT ASSETS		
Cash in Regional Treasury	Rp 307.591.800.610,67	Rp 281.014.443.122,97
Cash in the Receiving Treasurer	Rp -	Rp 31.964.466,00
Cash in the Disbursement Treasurer	Rp 34.960,70	Rp 401.197.264,72
Cash at Regional Public Service Agency	Rp 39.276.679.950,73	Rp 9.200.092.451,30
Cash BPJS in FTKP Treasurer		
Cash JKN in FTKP Treasurer	Rp 18.562.813.527,36	Rp 23.555.805.738,04
Boss Cash	Rp 315.172.415,00	Rp 5.225.954.390,00
Others Cash	Rp 1.085.545.143,76	Rp 1.487.501.443,65
Short Term Investment		
Tax Debt	Rp 8.849.550.626,00	Rp 8.075.808.586,16
Tax Debt Allowance	Rp (2.313.704.657,25)	Rp (1.831.546.292,56)
Net Tax Payable	Rp 6.535.845.968,75	Rp 6.244.262.293,60

NGANJUK DISTRICT GOVERNMENT BALANCE SHEET DESEMBER 31, 2020 and 2019		
Description	2020	2019
Retribution Receivable	Rp 2.262.006.435,58	Rp 3.446.550.946,58
Allowance for Retribution	Rp (1.177.531.303,13)	Rp (1.231.719.369,58)
Net Retribution Receivable	Rp 1.084.475.132,45	Rp 2.214.831.577,00
Other Legitimate PAD Receivable	Rp 14.500.000,00	Rp 16.251.850,00
Legal Allowance for Others Receivable PAD	Rp (14.500.000,00)	Rp (14.587.592,50)
Net Other Legitimate PAD Receivable	Rp -	Rp 1.664.257,50
BLUD Receivable	Rp 4.347.639.008,00	Rp 47.243.541.736,26
Allowance for BLUD Receivable	Rp (684.185.458,73)	Rp (2.826.580.469,51)
Net BLUD Receivable	Rp 3.663.453.549,27	Rp 44.416.961.266,75
Provincial Tax Revenue Sharing Receivable	Rp 9.919.470.445,00	Rp 5.494.377.615,00
Transfer Receivable	Rp 11.920.347.057,00	Rp 30.386.817.575,00
Current Part of Indemnity Claim		Rp -
Other Receivables	Rp 1.823.829.273,00	Rp 2.131.917.946,10
Other Receivables Allowance	Rp (1.823.829.273,00)	Rp (1.866.186.829,00)
Net Other Receivable Allowance	Rp -	Rp 265.731.117,10
Supply	Rp 45.274.604.133,47	Rp 31.255.723.188,00
Amount of Current Asset	Rp 445.230.242.894,16	Rp 441.197.327.766,63

Source: BPKAD Nganjuk, 2020

The following is a comparison of the accounting treatment of receivables presented by researchers with the Regional Financial and Asset Management Agency of Nganjuk Regency.

Table 13. Comparison of Account Receivable Treatment

Account Receivable Treatment	SAP No.06 regarding Account Receivable Policy	BPKAD Nganjuk
Confession	a) Issuance of legal decrees/documents; or b) A letter of collection has been issued and collection has been carried out; or c) Unpaid until the end of the reporting period.	a) Issuance of legal decrees / documents; or b) A letter of collection has been issued and collection has been carried out; or c) Unpaid until the end of the reporting period. The journal entries required for the recognition of receivables are as follows: Receivable xxx Income Receivable – LO xxx
Measurement	1. Presented at the amount that has not been paid up to the reporting date of each bill determined based on the underpayment assessment letter issued 2. Presented at the amount that has not been paid up to the reporting date of each claim that is determined to be payable by the Tax Court for taxpayers who file an appeal. 3. Presented at the amount that has not been paid up to the reporting date of each invoice still in the process of appeal against the objection and has not been determined by the panel for compensation claims.	1. Presented at the amount that has not been paid up to the reporting date of each bill determined based on the underpayment assessment letter issued 2. Presented at the amount that has not been paid up to the reporting date of each claim that is determined to be payable by the Tax Court for taxpayers who file an appeal. 3. Presented at the amount that has not been paid up to the reporting date of each invoice still in the process of appeal against the objection and has not been determined by the panel for compensation claims.
	The assessment of bad debts is carried out at the end of each accounting period by	The assessment of bad debts can be calculated using the quality of the age of

Account Receivable Treatment	SAP No.06 regarding Account Receivable Policy	BPKAD Nganjuk
	calculating the quality of the age of the receivables.	the receivables, namely by the formula: Allowance for receivables x percentage of receivables (%). Before calculating the percentage of receivables, BPKAD calculates the net value of receivables by: Net value of receivables = Total Receivables – Allowance for Receivables. Then make adjustments by journalizing unpaid receivables: Allowance for Receivable-LO ... xx Allowance for Account Receivable..xx
Presentation	The presentation of receivables in accordance with the laws and regulations is a bill that must be repaid in the current period of the following year, so that no receivables exceed the following period. Receivables originating from laws and regulations are presented on the balance sheet as current assets, their presentation on the balance sheet.	Receivables are receivables that must be repaid in the next period, so that there are no receivables that exceed the next period. Receivables are presented in the balance sheet as current assets at their maturity in the current year and will be collected within the next 12 months based on the settlement assessment letter issued by the Company. has been established.

Source: processed data, 2022

Above is a comparison table of accounts receivable accounting treatment in Government Accounting Standard Number 06 concerning Accounts Receivable Policy and the Regional Financial and Asset Management Agency of Nganjuk Regency. The accounting treatment of receivables consists of recognition, measurement and presentation. Recognition at BPKAD is recognized after obtaining a statement of receivables that has been issued and has not been repaid until the end of the period. The BPKAD of Nganjuk Regency also makes journalizing at the beginning of the occurrence of receivables, namely by debiting accounts receivable accounts and crediting receivables income.

The measurement of receivables at the Nganjuk BPKAD is carried out when the unpaid value is presented up to the reporting date of each claim that has been determined based on the underpayment assessment letter and is determined by the debtor by the Tax Court for Taxpayers who file an appeal and report any claims that are still in process. appeal against the objection and has not been determined by the panel of claims for compensation. BPKAD Nganjuk Regency also calculates the age of receivables that occur by using the formula for allowance for receivables multiplied by the quality of the percentage of bad debts. The percentage of bad debts in Nganjuk Regency is 10%, it can be concluded that the quality of unpaid receivables is included in the quality of non-current receivables. The BPKAD of Nganjuk Regency also journalizes the allowance for unpaid receivables by debiting the allowance for receivables expense account and crediting the allowance for receivables account.

The presentation of receivables in the financial statements is presented on the balance sheet on the side of current assets at their maturity value in the current year and will be billed within the next 12 months based on the settlement assessment letter that has been determined. Net receivables or net receivables are obtained from the amount of receivables minus the allowance for receivables. After a comparison, it was found that the accounting treatment of receivables at the Regional Financial and Asset Management Agency of Nganjuk Regency was in accordance with the Government Accounting Standards (SAP) contained in Government Regulation Number 71 of 2010.

CONCLUSION

Conclusion

1. Recognition of receivables based on Government Accounting Standards is recognized when the criteria determined by the receivables accounting policy are met to issue a valid assessment of receivables and issue a collection of receivables that have not been paid until the end of the period.
2. Recognition of receivables based on the Regional Financial and Asset Management Agency of Nganjuk Regency is recognized when it meets the criteria set by Government Accounting Standard No. 6 concerning Accounts Receivable Policies and journalizes the recognition of receivables that arise as a result of events based on laws and regulations.
3. Measurement of receivables based on Government Accounting Standards is measured and recorded at the nominal value of receivables that have not been repaid up to the reporting date arising from laws and regulations and measuring or assessing the age of receivables based on the quality of receivables
4. The measurement of receivables based on the Regional Financial and Asset Management Agency of Nganjuk Regency is measured and recorded based on the Government Accounting Standards regarding receivables accounting policies and calculates the allowance for receivables using the formula of percentage of receivables = allowance for receivables x percentage (%). The estimated percentage of bad debts in Nganjuk Regency is included in non-current receivables because the payment is more than 1 year or one accounting period, then BPKAD also journalizes the allowance for receivables by debiting allowance for receivables - LO and crediting allowance for receivables in 2019 amounting to Rp. 777,062,055.32 and in 2020 it is Rp. 601.365.069.21.
5. Presentation of the balance sheet based on Government Accounting Standard Number 6 concerning Accounts Receivable Policy in accordance with the laws and regulations as of December 31, 2020. Current assets consist of cash, investments, receivables, allowance for doubtful accounts and inventories. The presentation of receivables in accordance with the laws and regulations is a bill that must be repaid in the current period of the following year, so that no receivables exceed the following period. Allowance for receivables on the balance sheet will reduce the amount of receivables on the balance sheet
6. The presentation of the balance sheet based on the Regional Financial and Asset Management Agency of Nganjuk Regency in accordance with the laws and regulations is a bill that must be paid off by taxpayers in the current period of the following year, so that there is no type of receivable that exceeds one accounting period. The net value of receivables is obtained from the amount of receivables minus the allowance for receivables. Receivables from laws and regulations are presented from current assets if the maturity date is less than one financial year and is accompanied by an allowance for receivables. Allowance for receivables is recognized when using the accrual basis so that it reflects the net amount of receivables.
7. Local Government Financial Reports (LKPD) of Nganjuk Regency have implemented Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP). After conducting research on the accounting treatment of accounts receivable at the Regional Financial and Asset Management Agency of Nganjuk Regency, it has been in accordance with Government Accounting Standards Number 06 concerning Accounts Receivable Policies. Total current assets in 2020 experienced a large increase of Rp. 4,032,915,127.53 obtained from the total current assets in 2020 of Rp. 445,230,242,894.16 minus the total current assets in 2019 of Rp. 441,197,327,766.63.

Recommendation

The recommendations submitted are:

1. The Nganjuk Regency Government should improve the effectiveness that occurs because of the allowance for receivables to be followed up immediately in terms of tightening the control of receivables collection, especially the imposition of sanctions such as late fees, so that the Nganjuk Regency government is expected to gradually reduce the balance of the allowance for receivables to be paid in the future. in the future, but it will also absorb the write-off of additional receivables that occur.
2. The Nganjuk Regency Government should improve the quality of Human Resources (HR) performance and carry out systematic and continuous supervision in the process of calculating receivables, so as to avoid material errors in uncollectible receivables.

3. It is expected that the Regional Financial and Asset Management Agency of Nganjuk Regency can maintain performance in terms of reporting and preparation of Regional Government Financial Reports (LKPD), so that they can present systematic and structured financial reports.

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