

# Analysis Of Cash Flow Accounting System On Micro Business “UD Penggilingan Padi” At Ploso Sub-District Of Jombang Regen Of East Java.

Anita Permatasari, Nia Yuniarsih,

**Abstract:** The selling of grain and rice became the largest revenue of rice mill business with cash payment. Whereas, the largest cash expenditure in the rice mill business is the grain purchasing with cash payment. the large Cash flow of rice mill business should be supported by a good accounting system to assist the duties of the relevant divisions. This is study applies case study with qualitative methods. The approach of this study is descriptive. The research data used are primary data, where the data is revealed directly by the owner of UD Penggilingan Padi at Ploso Sub-district of Jombang regen east java province. The data collection was done through field observation and documentation as well as direct interviews with the owner, finance staff, purchasing staff, warehouse staff. The results of this study are the accounting system for cash receipts and cash disbursements of UD Santoso are not effective

**Index Terms:** Accounting system, Micro Business, cash flow, Rice Mill, UD Santoso.

## 1 INTRODUCTION

Rice is a staple food of Indonesian society. Therefore, to meet the national rice consumption, Indonesia imported rice from abroad, there are Vietnam, Thailand and China. The large national rice consumption in Indonesia derived business opportunities, one of which is rice milling business. Rice milling business can be done either in a small or a larger scale, large scale of rice milling can be done in factories. Rice milling business is one of the agribusiness subsystems playing a role in processing grain into rice and other side products, (Putri et al., 2013). Rice milling business can be classified into 3 types. first type is maklon, where rice milling businessmen provide rice milling services for farmers and steamers. The second type is non maklon, where the rice milling businessman uses his machine to process grain which is his own. The third type is combined. Rice milling entrepreneurs usually also trade grain and buy and sell rice. The result of both grain and rice sale are the largest income in the rice milling business. Cash receipts at rice milling businesses can be done in cash or by credit card. Rice milling businesses also make grain purchases, which will reduce the cash held by the company. Cash expenditures can be made by using cheques or small cash funds. grain purchasing activities and many grain and rice sales activities should be supported by a good accounting system. The accounting system can serve to help the tasks of related organizational units. Accounting system that must be adjusted to the condition of each rice milling business. One of the accounting systems that can be used is the cash flow. Cash is a liquid fast asset that is easy to transfer, so strict savers must control cash accounts. Based on the background above, the formulation of this study; what is the effectiveness of the accounting system of cash flow of Micro Business “UD Gilingan Padi” in Ploso Sub-district of Jombang Regen, East Java? The purpose of this research is to find out the effectiveness of the accounting system of cash receipts and cash expenditures.

## 2 LITERATURE REVIEW

### 2.1 System

The system is a collection of several physical and non-physical elements that are interconnected and interact together to lead one or more goals, targets or endings of the system itself, (Mardi, 2014:3).

### 2.2 Accounting

Accounting is the process of a transaction written into to general journals, general ledgers, lane balance sheets and then will generate information in the form of financial statements to be used by certain parties, (Sujarweni 2015:3). Parties that use financial statements such as management, company owners, investors and shareholders, creditors, governments, and employees working at the company. Two accounting functions play an important role in the processing of transactions, accounting can double and record the financial effects of transactions that occur within the company. Second, accounting functions can distribute existing transaction information to operations personnel to coordinate the main tasks they must perform. The value of accounting information when viewed from the user's point of view is determined by the reliability of the information. Information reliability lies in the concept of accounting independence, (Hall, 2001:23-24).

### 2.3 Accounting System

Accounting system is the elements of all forms, records and reports that exist in a form to provide the financial information needed by the management that serves to facilitate the management of the company, (Mulyadi, 2016:3). The elements contained in the accounting system are forms, journals, general ledgers, helper ledgers and reports, (Ikhsan et al., 2013:13-15).

### 2.4 Accounting System of Cash Receipt

The cash receipt accounting system is a record made to carry out cash-related activities stemming from cash sales and receivables collection, (Mulyadi, 2016:456). The cash receipt system from cash sales requires:

1. Cash receipt, then the company should immediately deposit the money to the bank entirely by engaging other parties other than the cashier to conduct an internal check.

- Anita Permatasari is currently Lecturer at faculty of economic, University of Darma Cendika Surabaya. E-mail: [an\\_n1t4@yahoo.com](mailto:an_n1t4@yahoo.com)  
Orcid: <https://orcid.org/0000-0003-4345-825X>
- Nia Yuniarsih is currently Lecturer at faculty of economic, University of Darma Cendika Surabaya. E-mail: [nia.yuniarsih@ukdc.ac.id](mailto:nia.yuniarsih@ukdc.ac.id)  
Orcid: <https://orcid.org/0000-0001-6053-7510>

2. cash sales through credit card transactions may involve the bank issuing credit cards in recording cash receipt transactions.

### **There are three procedures in the cash receipt system from cash sales;**

1. Procedure for receiving cash from over-the-counter sales  
The buyer comes directly to the company to select the goods or products to be purchased and make payment at the Cashier. Payment at the Cashier has been completed then the next step is that the buyer will receive the selected item or product.
2. Cash receipt procedure from cash on delivery sales (COD)  
Sales transactions are carried out involving post offices, public transport companies or other transportation in terms of receipt and delivery cash of the sale. Cash on delivery sales is one of the means that can be used by the company to expand the marketing area.
3. Procedure for receiving cash from credit card sales  
Credit card is one of the payment suggestions used by buyers either in over-the-counter sales or sales whose delivery of goods is done by postal service or public transportation. In over the counter sales, then the buyer comes and make a payment at the Cashier using a credit card, while the cash sale is made using the postal service, then the buyer does not need to come, only the buyer gives written consent about the use of credit card in the payment of the price of the goods.

### **The functions associated with the cash receipt system are**

#### **1. Sales function**

Responsible for receiving orders from buyers, filling out cash sales invoices and submitting those invoices to the buyer for payment.

#### **2. Cash function**

Responsible for the receipt of cash in the form of cash from the buyer.

#### **3. Warehouse function**

Responsible for preparing goods ordered by the buyer and delivering the goods to the buyer

#### **4. Delivery Function**

Responsible for sending goods that have been purchased by the buyer.

#### **5. Accounting Functions**

Responsible for recording sales transactions and cash receipts and making sales reports.

### **2.5 Accounting system of cash expenditures**

Cash expenditures is a transaction that can reduce the balance of cash owned by the company in question due to cash purchases, debt payments or other transactions that lead to reduced cash balance, (Soemarso, 2014:299). The cash expenditure accounting system can be defined as the organization of forms, records and reports used to perform activities related to cash expenditures, either in cash or by using cheques. There are two accounting systems for spending cash according to Lailil and Dzulkriom (2019), namely:

#### **1. Cash expenditures using cheques**

The procedure of recording the cash expenditures system with checks in the payable system account and in the voucher payable system.

### **2. Cash withdrawal system using small cash funds**

There are two events in implementing a small cash fund system namely fluctuating fund balance system and imprest system.

### **The related functions in the accounting system of cash expenditures using checks according to Esteria et al. (2016) are as follows:**

1. Functions that require cash expenditures
2. Cash function  
Be responsible for filling out checks, requesting cheque authorization and handing checks to creditors.
3. Accounting functions  
Responsible for recording all transactions related to cash expenditures
4. Intern check function  
Responsible for performing periodic cash calculations and match the balance of the calculation result with the cash balance according to the cash account records in the general ledger.  
Esteria et al. (2016) reveal the related functions in the accounting system of cash expenditures using small cash funds are as follows:

#### **1. Cash function**

Responsible for filling out checks, requesting authorization for cheques and giving up checks to small cash fund holders at the time of replenishing small cash.

#### **2. Accounting functions**

Responsible for recording transactions that occur in small cash funds.

#### **3. Function of small cash fund holders**

Responsible for storing small cash funds, issuing small cash funds and replenishing small cash.

#### **4. Functions that require cash payment**

#### **5. Internal functions**

Responsible for the sudden inspection of small cash balances

### **2.6 Previous study**

Kahubung (2013) stated that the accounting system of cash flow for financial planning and control in the congregation of GMIM Nafiri Malayang Satu has been adequate regard with it corresponds to basic elements of an accounting information system. Tuerah (2013) states that the cash flow at UD Roda Masa Manado has been implemented effectively and runs following procedures. Salasa et al. (2016) state that the accounting system of cash flow at PG. Kebon Agung Malang is not effective, one of the causes is double job of the logistics function.

### **3. RESEARCH METHODOLOGY**

This is case studies with qualitative methods, this study applies a descriptive approach, the research data used in this study is primary data, the data is directly collected from UD

Penggilingan Padi at Ploso Sub-district of Jombang regen. The research population used in this study is UD Penggilingan Padi located at Ploso Sub-District, Jombang. Samples used by UD Rice Milling in Ploso Sub-District, Jombang are still actively in production. The sample used in this study is Rice Milling of "UD Santoso". This study was conducted from February 2020 to October 2020.

**The data collection techniques in this study are as follows:**

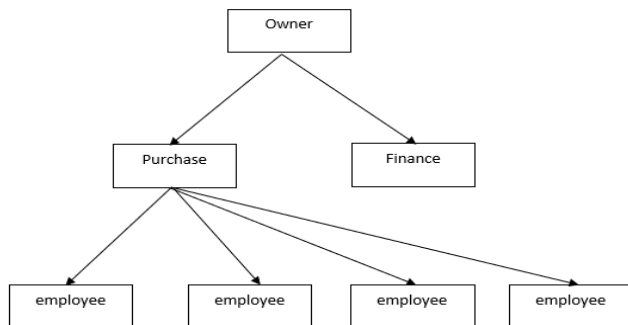
1. Interviews, in the form of question and answer with financial division, purchasing, warehouse and also with business owners.
2. Study documentation
3. Observation

### Data Analysis Techniques

1. Identify the cash flow system at the rice milling of UD Santoso
2. Identify the responsibilities of the purchasing, warehouse and finance division.
3. Identify the problems often occurs in the purchasing, warehouse and finance division.
4. Identify a system of the analysis report. The prepared report should focus on the issue of cash flow accounting system. Reports can also be used by leaders as a basis for decision-making.

## 4. FINDING AND DISCUSSION

The organizational structure of UD Santoso at Ploso Sub-District Jombang Regen.



Source: Adapted Data

The duties, authorities and responsibilities of each part of UD Santoso are as follows:

1. Owner:
  - Responsible for all activities carried out by UD Santoso.
  - Make decisions related to activities carried out by UD Santoso.
2. Purchase Division
  - Request information about the grain to suppliers or service supervisors.
  - Make a grain purchase requisition
  - Make a deal with the supplier
  - Receiving grain from suppliers
  - Match grain receipt documents with bills from suppliers
  - Serving grain purchase demand following consumer demand
  - Helps consumers in finding information about the grain sought

- Control damaged grain
3. Finance department
    - Responsible for the cash flow at UD Santoso.
  4. Employees
    - Drying the grain and put the dried grain into the gunny and put at the warehouse

### 4.1 UD Santoso Cash Receipt Accounting System

UD Santoso's cash receipts come from the sale of grain and rice as well as from the proceeds of other side products such as Dedek. Payment receipts at UD Santoso is cash. The cash receipt procedure used is over the counter sales, where the buyer comes directly to UD Santoso to see the condition of grain or rice condition to be purchased. Once the selection is complete, then the buyer will make payment at the cashier and if it has been paid off, then the buyer will receive the grain or rice that he has chosen.

**The functions related to the accounting system of cash receipts at UD Santoso are as follows:**

1. The customer's share, it is responsible for making payments by carrying payment data and cash to be handed over at the cashier.
2. The finance department, it is responsible for receiving cash from customers as well as recording all transactions related to cash receipts.
3. Leadership section

UD Santoso's cash receipt accounting system has several drawbacks, namely:

1. There is no separation of functions between finance, purchase and warehouse divisions.
2. The finance division also performs multiple functions where there is no separation between the cashier and the finance division.

Accounting notes used by UD Santoso in the cash receipt system are cash receipt journals

### 4.2 UD Santoso Cash Expenditure Accounting System

UD Santoso's largest cash expenditure comes from the purchase of grain and other administrative expenses in the process of grinding grain into rice, such as salary and wage payments. UD Santoso's cash expenditures use cash. Accounting system of cash expenditure with cash in UD Santoso in the form of small cash funds using the imprest system.

**The functions related to the accounting system of cash expenditures at UD Santoso are as follows:**

1. The leadership section, tasked to receive the report of the purchase of grain from the purchasing section and approve the grain stock needed
2. The purchasing section is responsible for making grain purchase reports submitted to the chairman and making a list of grain or rice stocks approved by the chairman
3. The finance department is responsible for recording all transactions related to cash receipts.

The accounting notes used by UD Santoso in the cash expense system are cash expense journals. UD Santoso's cash expenditure accounting system has a weakness that is due to the trap of function between the cashier function and the financial part, then the cashier will be able to take cash at any time without the approval or authorization of the relevant

financial part. The advantages of UD Santoso's cash receipt accounting system and cash expenses are located in the financial part of each day matching the cash balance in the bookkeeping with the one in hand and will be deposited into the owner's account daily. It can also be used to facilitate checking in case of incorrect bookkeeping in later life. The results of this study are in line with research conducted by Salasa et al. (2016) where there are traps of function so that the accounting system of receipts and cash expenditures does not run effectively.

#### 4.3 System Design

The design of the accounting system of cash receipts from the sale of grain and rice in cash to UD Santoso can be seen in figure 2. The design of the cash-out accounting system from the purchase of grain in cash for UD Santoso can be seen in figure 3. The design of UD Santoso's cash expenditure accounting system with the small cash expense procedure used is that the fixed balance can be seen in figure 4.

**The following is an explanation of the design of the cash receipt accounting system in figure 2. The part associated with cash receipts from the sale of grain and rice is**

1. The customer's part is responsible for making payments by carrying payment data and cash.
2. The cashier in charge of receiving cash from the customer, making a cash receipt report. Cash receipt report to be submitted to the financial system. The next task is to receive a cash receipt report from the cashier and make a double sales report 2, where the 1st double is given to the leader and the 2nd duplicate is stored.
3. The leadership is tasked with receiving cash sales reports.

**The following is an explanation of the design of the system of accounting cash expenses from the purchase of grain in cash in figure 3. The sections associated with purchasing grain in cash are as follows:**

1. The warehouse section is responsible for checking the grain stock in the warehouse, making a list of grain stocks, checking the required grain, making double grain stock documents 2. The first duplicate is saved and the second double is given to the leader.
2. The leadership is tasked with receiving grain stock documents from the warehouse, approving the purchase of grain, making lists of approved grain stocks. The first duplicate is saved and the second duplicate is given to the purchase section. The chairman will also receive a purchase report from the purchase section.
3. The purchasing section is tasked to receive a list of grain stocks that have been approved by the leader, creating a double order form. The first duplicate is saved and the second double is given to the supplier. The next task is to receive a grain purchase note from the supplier and make two-grain purchase reports. The first duplicate is given to the leader.
4. The supplier's part is responsible for receiving the second double goods order form from the grain purchase section and making a double grain buyer's note. The first duplicate will be given in the purchase section.

#### 5. Conclusion

UD Santoso's cash flow accounting system is not effective.

This is due to several factors such as the trapping of functions in the purchasing section, sales section and warehouse section and also the trapping of functions between the cashier and the financial part. Lack of complete function concerning the documents used or accounting records of receipts and cash expenditures must be corrected. The suggestion of improving the design of UD Santoso's cash receipt and expense accounting system is to eliminate the trap of existing functions by increasing the number of employees in the warehouse, sales and financial parts or improving the organizational structure, documents used and accounting records.

#### REFERENCES

- [1] Esteria, S. L. (2016). Accounting system analysis on cash receipt and expenditure PT. Hasjrat Abadi Manado. *Jurnal Berkala Ilmiah Efisiensi*. Vol. 16(04). Pp 1087-1097.
- [2] Kahubung, M. (2013). The use of accounting information system on cash receipt and expenditure toward business plan and control (case study at jemaat Nafiri Malalayang Satu). *Universitas Sam Ratulangi, Jurnal EMBA*. Vol.1(3) pp. 339-438.
- [3] Hall, J. A. (2001). *Accounting information system*, Book 1, Jakarta: Salemba Empat.
- [4] Ikhsan, A., and Prianthara, T. (2013). *Accounting for manager (first edition)*. Yogyakarta: Graha Ilmu.
- [5] Lailil and Dzulkhirom. (2019). Accounting system analysis on cash receipt and expenditure toward intern control development (case study at PT. Angkasa Pura I (PERSERO) Bandar Udara Internasional Juanda Surabaya). *Jurnal Administrasi Bisnis (JAB)*. Vol.75(1). pp. 53-62.
- [6] Mardi. (2014). *Accounting information system*. Jakarta: Ghalia Indonesia.
- [7] Mulyadi. (2016). *Accounting system*, 4<sup>th</sup> Edition. Jakarta Selatan: Salemba Empat.
- [8] Putri, K., and Rachmina. (2013). Reice milling performance; case study at 3 rice milling business at Cianjur, West Java. *Jurnal Agribisnis Indonesia*. Vol. 1(2.) pp. 143-154.
- [9] Salasa, S., and Azaizah. (2016). Evaluation of accounting system on cash receipt and expenditure toward intern control development (cas study at suger factory Kebon Agung Malang). *Jurnal Administrasi Bisnis (JAB)*. Vol. 34(1). pp. 47-55.
- [10] Soemarso. (2014). *Accounting; an Introduction*, Book 1 (5<sup>th</sup> edition). Jakarta: Salemba Empat.
- [11] Sujarweni, V. W. (2015). *Accounting system* Yogyakarta: Pustaka Baru Press.
- [12] Tuerah, D. (2013). The evaluation of accounting information system on cash receipt and expenditure at UD Roda Mas Manado. *Universitas Sam Ratulangi, Jurnal EMBA*. Vol.1(3.) pp. 225-232.