

ANALYSIS IMPLEMENTATION OF SAK EMKM ON MICRO, SMALL, AND MEDIUM ENTREPRISES (MSMEs) IN TEMBOKREJO VILLAGE, GUMUKMAS DISTRICT, JEMBER REGENCY

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ABSTRACT

This research aims to measure the extent to which the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) are implemented by MSMEs in Tembokrejo Village, Gumukmas District, Jember Regency. The aim of this research is to explain in depth the implementation of SAK EMKM carried out by MSME actors in Tembokrejo Village. The analytical method used is a qualitative descriptive analysis method derived from observation, interviews, literature study and documentation. The informants studied were three MSME actors who were included in the criteria: brick craftsman business, tile craftsman business, and idol stall business. The results of this research indicate that the preparation of financial reports implemented by MSMEs in Tembokrejo Village is not in accordance with applicable standards. This can result in inaccurate financial information presented and difficulties in analyzing the financial performance of these MSMEs. UMKM players in Tembokrejo Village have not implemented SAK EMKM due to a lack of understanding of SAK EMKM and limited resources which are the main factors hindering the implementation of this standard.

Keywords: SAK EMKM, MSMEs, Financial Statement.

INTRODUCTION

Micro Enterprises in Indonesia, commonly known as Micro, Small, and Medium Enterprises (MSMEs), are the backbone of the economy in Indonesia. MSMEs play a crucial role in creating job opportunities and contributing to the national economy. Based on data from the Micro Enterprises Cooperative Office of Jember Regency in 2022, there are a total of 647,000 MSME units spread across the entire Jember Regency. In Gumukmas Subdistrict alone, there are 5,149 MSMEs scattered throughout the eastern, western, southern, and northern regions. Gumukmas Subdistrict is located in the western part of Jember Regency, which consists of 31 subdistricts, including Gumukmas. Gumukmas Subdistrict comprises 8 villages: Bagorejo Village, Gumukmas Village, Kepanjen Village, Karangrejo Village, Tembokrejo Village, Mayangan Village, Menampu Village, and Purwoasri Village (BPS Kabupaten Jember, 2022).

Tembokrejo Village is a village located in Gumukmas Subdistrict, Jember Regency, East Java Province, Indonesia. Currently, there are 350 Micro, Small, and Medium Enterprises (MSMEs) in Tembokrejo Village. The village has significant MSME potential because the majority of its population work as MSME entrepreneurs in trade and crafts. Some residents of Tembokrejo Village operate MSMEs in the trade sector, such as opening eateries or shops. Moreover, the most common type of MSME in Tembokrejo Village operates in the household crafts sector. They are skilled in making house roof tiles and bricks (Desa Tembokrejo, 2024).

Based on research by (Efendi, 2023) and (Nuvitasari et al, 2019), it is shown that the process of preparing financial statements by MSMEs in Indonesia still predominantly utilizes manual and simple methods of recording. Observing this phenomenon, researchers are interested in one of the villages located in Gumukmas Subdistrict, Jember Regency, namely Tembokrejo Village. The author sees potential for MSMEs in Tembokrejo Village to further develop in the future. On the other hand, MSME entrepreneurs face difficulties in obtaining capital loans because banks require financial statements. MSMEs need financial statements to enhance sales and expand their businesses; hence, the researcher chose Tembokrejo Village as the study location. This study aims to analyze the extent of SAK EMKM implementation among MSMEs in Tembokrejo Village in preparing financial statements. The results of this research are expected to provide recommendations to enhance the implementation of SAK EMKM by MSMEs and inform policymakers about supporting MSMEs in applying SAK EMKM (Ikatan Akuntan Indonesia, 2018).

RESEARCH METHODS

This study employs a qualitative approach with a descriptive research design (Efendi, 2023). This approach was chosen to deeply explain how the implementation of SAK EMKM is carried out by MSMEs in Tembokrejo Village. The sampling technique used in this study is purposive sampling, selecting specific informants who own their business, have been operating for at least 5 years, and already have financial reports. Data collection methods include literature review, observation, interviews, and documentation to ensure the data obtained is relevant and comprehensive regarding the research issues (Sugiyono, 2017). Informants meeting the criteria for this study include brick craft businesses, tile craft businesses, and a small shop business. The research stages include pre-fieldwork, fieldwork, data analysis, each playing a crucial role in the research process (Moloeng. L. 2007). Data analysis approach involves steps such as data

reduction, data display, and conclusion drawing (Sugiyono, 2018). The validity of the research is ensured by meeting four criteria: credibility, dependability, neutrality, and applicability.

RESULT ANALYSIS

At the end of this study, the sample was reduced from initially 7 to 3 MSME samples, consisting of two MSMEs engaged in household craft sectors, namely Brick Craft Business and Tile Craft Business, and one more sample, Small Shop Business, engaged in the trade sector. The reduction in samples occurred because the researcher set specific criteria for this study. The MSMEs selected as samples for this study meet the following criteria: independently owned businesses operating for at least 5 years, and already having financial records, resulting in 3 samples for this research.

An Overview Of The Research Object

1. Brick Craftsmen

The efforts of brick craftsmen are business activities in the field of household crafts, this brick business was founded by Mr. Imam Hutomo on March 5, 2018.

a) Number of Employees of the Brick Craftsman Business

The number of employees in the brick craftsman business is 5 people, namely: 1 leader, 1 administration, 3 employees.

b) Days and Hours of Work

The working days set by the brick craftsman business in one week are 5 working days.

1) Working Hours : 06.00 AM to 11.00 AM

2) Break Time : 12.00 PM

c) Product

The products sold are bricks made from mountain sand and cement.

2. Roof Tile Craftsmen

The Roof Tile Craftsman Business was founded by Mr. Suwono on June 13, 2004, reflecting a journey full of perseverance and spirit to develop the business.

a) Number of Employees of the Roof Tile Craftsman

The number of employees in the roof tile craftsman business is 4 people, namely: 1 leader, 3 workers.

b) Days and Hours of Work

The working days in the roof tile craftsman business are 7 working days in one week.

1) Working Hours : 06.00 AM to 11.00 AM and 13.00 PM to 16.00 PM

2) Break Time : 12.00 PM to 13.00 PM

c) Products

The products sold are roof tiles made from clay mixed with water.

3. Idol Stall Business

The Idol Stall Business was founded by Mr. Imam Syafi'i on April 5, 2012, this business is a success story of a journey that began with determination and hard work.

a) Number of Employees of the Idol Stall Business

The number of employees in the Idol Stall Business is: 1 leader, 3 employees.

b) Days and Hours of Work

The working days in the Idol Stall business are 6 working days in one week. The working days start from Sunday to Monday, except for Friday due to being a day off. As for the detailed working hours, they can be described as follows:

- 1) Working Hours : 17.00 PM to 22.00 PM
 - 2) Break Time : 22.00 PM
- c) Products
The products sold are food and beverages. The food menu sold by the Idol Stall Business owned by Mr. Imam Syafi'i includes fried rice, fried noodles, and chicken noodles. The beverages sold include iced tea, orange juice, and juice.

Research Implementation

This research was conducted in less than 4 months, starting from March 1st to June 15th, 2023. The research was carried out by selecting 3 samples that met the criteria of this study using data collection techniques. The techniques employed by the researcher were literature review, observation, interviews, and documentation.

Research Findings

The characteristics of the informants in this research are as follows:

Table 1. Table Research Informants Data

Table Research Informants Data			
Name	Title	Adress	Education
Imam Hutomo	Owner of Brick Craftsman Business	Kemukuh, Desa Tembokrejo	Senior High School
Suwono	Owner of Roof Tile Craftsman Business	RT 001, RW 22 (Pojoy Carwash) Desa Tembokrejo	Senior High School
Imam Syafi'i	Owner of Idol Stall Business	Rowoan, Desa Tembokrejo	Vocational School

Source : Data processed by the research, 2024

Financial Position Report

1. Financial Position Report of the Brick Craftsman Business

The result of the interview with the business owner is as follows:

“We still use manual bookkeeping for financial records such as main raw materials, electricity bills, and employee salaries.” (Mr. Imam Hutomo)

Table 2. Table of Financial Position Report of the Brick Craftsman Business As of December 31, 2022

Cash	Rp 100.000.000
Bank	Rp 50.000.000
Account Receivable	Rp 36.500.000
Allowance for Loss on Receivable	Rp 800.000

Inventory	Rp 100.000.000
Building	Rp 35.000.000
Depreciation Of Building	Rp (1.400.000)
Equipment	Rp 1.340.000
Depreciation Of Equipment	Rp (50.000)
Vehicles	Rp 25.000.000
Depreciation Of Vehicles	Rp (1.050.000)
TOTAL	Rp 346.140.000
Capital	Rp 130.380.000
Profit	Rp 32.246.381
Bank Mandiri Payable	Rp 50.000.000

Source: Data obtained by the researcher, 2024

2. Financial Position Report of the Roof Tile Craftsman

The result of the interview with the business owner is as follows:

“I have indeed done financial recording, but it is still basic and only to the best of my knowledge.”

(Mr. Suwono)

**Table 3. Table of Financial Position Report of the Roof Tile Craftsman
As of December 31, 2022**

ASET	
Cash	Rp 96.000.000
Account Receivable	Rp 15.000.000
Loss on Account Receivable	Rp 450.000
Inventory	Rp 50.000.000
Bank	Rp 25.000.000
Building	Rp 16.500.000
Accummulated Depreciation of Building	Rp (6.500.000)
Vehicles	Rp 12.000.000
Accummulated Depreciation of Vehicle	Rp (600.000)
Equipment	Rp 620.000
Accummulated Depreciation of Equipment	Rp (35.000)
TOTAL ASSETS	Rp208.435.000
Bank Payable	Rp 45.000.000
Gross Profit	Rp 23.216.489
Capital	Rp 85.935.000
Current Year's Profit	Rp 54.283.511

Source: Data obtained by the researcher, 2024

3. Financial Position Report of the Idol Stall Business

The result of the interview with the business owner is as follows:

”I have already prepared the financial report, but I do not know if the financial report meets the criteria provided by the lady earlier or not.” (Mr. Imam Syafi’i)

**Table 4. Table of Financial Position Report of the Idol Stall Business
As of December 31, 2022**

Explanation	D	C
Cash	Rp120.000.000	
Bank	Rp 60.000.000	
Account Receivable	Rp 63.200.000	
Loss on Account Receivable	Rp 900.000	
Inventory	Rp120.000.000	
Equipment	Rp 1.620.000	
Accummulated Depreciation of Equipment		Rp 65.000
Building	Rp 55.000.000	
Accummulated Depreciation of Building		Rp 1.800.000
Vehicles	Rp 45.000.000	
Accummulated Depreciation of Vehicles		Rp 1.360.000
Bank Payable	Rp 75.000.000	
Provit	Rp 21.436.742	
Capital	Rp 290.365.000	

Source: Data obtained by the researcher, 2024

Income Statement

1. Income Statement of the Brick Craftsman Business

The result of the interview with the business owner is:

“I also made it simple and manual because I am not very familiar with the recording procedures.” (Mr. Imam Hutomo)

**Table 5. Table of Income Statement of the Brick Craftsman Business
As of December 31, 2022**

Brick Sales	Rp 200.000.000
Returned Bricks	Rp 19.000.000
Cost Of Good Sold	Rp 106.000.000
Gross Profit	Rp 96.000.000
Unrecognized Production Cost	Rp (18.283.328)
Income Tax	Rp (820.000)
Business Liability	Rp (740.000)
Other Income	Rp 462.000

Source: Data obtained by the researcher, 2024

2. Income Statement of the Roof Tile Craftsman Business

The result of the interview with the business owner is:

“I made it as best as I know and understand because I do not know the correct standards.” (Mr. Suwono)

**Table 6. Table of Income Statement of the Roof Tile Craftsman Business
As of December 31, 2022**

Sales Revenue	Rp 196.000.000
Returned Goods	Rp 18.000.000
Cost Of Good Sold	Rp 85.000.000
Operating Expenses	Rp (360.000)
Other Income	Rp 280.000
Gross Profit	Rp 78.000.000
Unrealized Gross Profit	Rp (23.216.489)
Tax	Rp (420.000)

Source: Data obtained by the researcher, 2024

3. Income Statement of the Idol Stall Business

The result of the interview with the business owner is:

“I made the report simple and manual because I only included what I know.” (Mr. Imam Syafi’i)

**Table 7. Table of Income Statement of the Idol Stall Business
As of December 31, 2022**

Explanation	D	C
Sales	Rp 220.000.000	
Sales Return	Rp 12.000.000	
Gross Profit	Rp 98.000.000	
Unrealized Gross Profit		Rp 21.436.742
Operating Expenses		Rp 600.000
Income Tax payable		Rp 720.000
Cost Of Goods Sold	Rp 111.000.000	
Other Income	Rp 450.000	

Source: Data obtained by the researcher, 2024

Notes on Financial Statements of MSMEs

1. Notes on Financial Statements of the Brick Craftsman Business

The result of the interview with the business owner is as follows:

“I have never made one before because I do not understand.” (Mr. Imam Hutomo)

2. Notes on Financial Statement of the Roof Tile Craftsman Business

The result of the interview with the business owner is as follows:

“I have never made one before because I did not know.” (Mr. Suwono)

3. Notes on Financial Statement of the Idol Stall Business

The result of the interview with the business owner is as follows:

“I have never made one before because I do not understand.” (Mr. Imam Syafi’i)

Discussion on the Financial Position Report of MSMEs

1. Financial Position Report of the Brick Craftsman Business

Based on the statements obtained, the financial report presented by the Brick Craftsman Business does not comply with the SAK EMKM. The owner did not clearly and accurately account for assets and liabilities. The following is an example of the application of SAK EMKM in the financial report of the Brick Craftsman Business that complies with the standards after processing:

**Table 8. Table of Financial Position Report of the Brick Craftsman Business
As Of December 31, 2022 (Processed)**

Financial Position Report of the Brick Craftsman Business	
As of December 31, 2022	
ASSETS	
CURRENT ASSETS	
Cash	Rp 100.000.000
Bank	Rp 50.000.000
Account Receivable	Rp 36.500.000
Allowance for Loss on Receivables	Rp 800.000
Inventory	Rp 100.000.000
TOTAL CURRENT ASETS	Rp 287.300.000
FIXED ASSETS	
Building	Rp 35.000.000
Accumulated Depreciation of Building	Rp (1.400.000)
Vehicles	Rp 25.000.000
Accumulated Depreciation of Vehicles	Rp (1.050.000)
Equipment	Rp 1.340.000
Accumulated Depreciation of Equipment	Rp (50.000)
TOTAL FIXED ASSETS	Rp 58.840.000
TOTAL ASSETS	Rp 346.140.000
LIABILITIES	
Business Payable	
Bank Payable	Rp 50.000.000
Unrealized Gross Profit	Rp 18.283.328
TOTAL LIABILITIES	Rp 68.283.328
EQUITY	
Equity	Rp 201.238.000
Current Year’s Profit	Rp 76.618.672
TOTAL EQUITY	Rp 277.856.672
TOTAL LIABILITIES AND EQUITY	Rp 346.140.000

Source: Data processed by the researcher, 2024

2. Financial Position Report of the Roof Tile Craftsman Business

From the statements obtained, it is stated that the financial statements presented by the roof tile craftsman business do not comply with the MSME Financial Accounting Standards (SAK EMKM). The owner did not account for assets and liabilities more clearly and accurately. The calculations made by the roof tile craftsman business are simpler and not clearly organized, indicating that the roofing craftsman business does not apply SAK EMKM. The following is an example of the application of SAK EMKM in the financial statements of the roofing craftsman business that comply with the standards after processing:

**Table 9. Table of Financial Position Report of the Roof Tile Craftsman Business
As of December 31, 2022 (Processed)**

Financial Position Report of the Roof Tile Craftsman Business	
As of December 31, 2022	
ASSETS	
CURRENT ASSETS	
Cash	Rp 96.000.000
Bank	Rp 25.000.000
Account Receivable	Rp 15.000.000
Allowance for Loss on Receivables	Rp 450.000
Inventory	Rp 50.000.000
TOTAL CURRENT ASETS	Rp186.450.000
FIXED ASSETS	
Building	Rp 16.500.000
Accumulated Depreciation of Building	Rp (6.500.000)
Vehicle	Rp 12.000.000
Accumulated Depreciation of Vehicles	Rp (600.000)
Equipment	Rp 620.000
Accumulated Depreciation of Equipment	Rp (35.000)
TOTAL FIXED ASSETS	Rp 21.985.000
TOTAL ASSETS	Rp208.435.000
LIABILITIES	
Business Payable	
Bank Payable	Rp 45.000.000
Unrealized Gross Profit	Rp 23.216.489
TOTAL LIABILITIES	Rp 68.216.489
EQUITY	
Equity	Rp 85.935.000
Current Year's Profit	Rp 54.283.511
TOTAL EQUITY	Rp140.218.511
TOTAL LIABILITIES AND	Rp208.435.000

EQUITY	
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Source: Data processed by the researcher, 2024

3. Financial Position Report of the Idol Stall Business

From the statements obtained by the author, it is stated that the financial statements presented by the idol stall business do not comply with MSME Financial Accounting Standards (SAK EMKM). The owner did not account for the wealth of the business owned and also did not account for liabilities and equity in accordance with the standards. The calculations made by the idol stall business are still simple and not clearly organized, indicating that the idol stall business does not apply MSME. The following is an example of the application of MSME in the financial statements of the idol stall business that comply with the standards after processing:

**Table 10. Table of Financial Position Report of the Idol Stall Business
As Of December 31, 2022 (Processed)**

Financial Position Report of the Idol Stall Business	
As of December 31, 2022 (Processed)	
ASSETS	
CURRENT ASSETS	
Cash	Rp 120.000.000
Bank	Rp 60.000.000
Account Receivable	Rp 63.200.000
Allowance for Loss on Receivables	Rp 900.000
Inventory	Rp 120.000.000
TOTAL CURRENT ASSETS	Rp364.100.000
FIXED ASSETS	
Building	Rp 55.000.000
Accumulated Depreciation of Building	Rp (1.800.000)
Vehicle	Rp 45.000.000
Accumulated Depreciation of Vehicles	Rp (1.360.000)
Equipment	Rp 1.620.000
Accumulated Depreciation of Equipment	Rp (65.000)
TOTAL FIXED ASSETS	Rp 98.395.000
TOTAL ASSETS	Rp462.495.000
LIABILITIES	
Business Payable	
Bank Payable	Rp 75.000.000
Unrealized Gross Profit	Rp 21.436.742
TOTAL LIABILITIES	Rp 96.436.742
EQUITY	
Equity	Rp290.365.000
Current Year's Profit	Rp 75.693.258
TOTAL EQUITY	Rp366.058.258

TOTAL LIABILITIES AND EQUITY	Rp 462.495.000
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Source: Data processed by the researcher, 2024

The statement shows that the financial position reports of the brick craftsman business, roof tile craftsman business, and idol stall business after processing comply with MSME Financial Accounting Standards (SAK EMKM). In the financial position report that complies with MSME, there are 3 components that must be recorded clearly as follows:

1. Assets

a) Current Assets

Current assets are assets estimated to be used within one year or the normal operational cycle of the company.

b) Fixed Assets

Fixed assets are assets estimated to be used for more than one year or the normal operational cycle of the company.

2. Liabilities

Liabilities, or commonly known as obligations according to MSME Financial Accounting Standards (SAK EMKM), include financial obligations or company responsibilities arising from past transactions or events that are expected to result in the outflow of economic resources in the future.

3. Equity

Equity according to MSME is the difference between total assets and total liabilities of the company. It includes capital and the company's retained earnings.

UMKM or MSMEs Profit/Loss Statement

1. Profit/Loss or Income Statement of the Brick Craftsman Business

From the statements obtained by the author, it is stated that the profit/loss statement presented by the brick craftsman business does not comply with MSME Financial Accounting Standards (SAK EMKM), because it does not involve operational costs and does not include the summation of net profit and the prices used as a basis to refer to factory price standards. The following can be shown examples of the application of MSME in the profit/loss statement of the brick craftsman business that comply with the standards after processing:

**Table 11. Table of Profit/Loss Statement of the Brick Craftsman Business
As of December 31, 2022 (Processed)**

Profit/Loss Statement of the Brick Craftsman Business	
As of December 31, 2022 (Processed)	
Sales	Rp 200.000.000
Sales Return	Rp 19.000.000
Net Sales	Rp 181.000.000
Cost Of Good Sold	Rp 106.000.000
Gross Profit	Rp 96.000.000
Unrealized Gross Profit	Rp (18.283.328)
Realized Gross Profit	Rp 77.716.672

Operating Expenses	Rp (740.000)
Other Income	Rp 462.000
Profit Before Tax	Rp 77.438.672
Income Tax	Rp (820.000)
Net Profit After Tax	Rp 76.618.672

Source: Data processed by the researcher, 2024

2. Profit/Loss Statement of the Roof Tile Craftsman Business

From the statements obtained by the author, it is stated that the profit/loss statement presented by the roof tile craftsman business does not comply with MSME Financial Accounting Standards (SAK EMKM). The calculations made by the roof tile craftsman business show results that are still not accurate because they do not involve production costs. The following can be shown examples of the application of MSME in the profit/loss statement of the roof tile craftsman business that comply with the standards after processing:

**Table 12. Table of Profit/Loss Statement of the Roof Tile Craftsman Business
As of December 31, 2022 (Processed)**

Profit/Loss Statement of the Roof Tile Craftsman Business	
As of December 31, 2022	
Sales	Rp 196.000.000
Sales Return	Rp 18.000.000
Net Sales	Rp178.000.000
Cost Of Good Sold	Rp 85.000.000
Gross Profit	Rp 78.000.000
Unrealized Gross Profit	Rp (23.216.489)
Realized Gross Profit	Rp 54.783.511
Operating Expenses	Rp (360.000)
Other Income	Rp 280.000
Profit Before Tax	Rp 54.703.511
Income Tax	Rp (420.000)
Net Profit After Tax	Rp 54.283.511

Source: Data processed by the researcher, 2024

3. Profit/Loss Statement of the Idol Stall Business

From the statements obtained by the author, it is stated that the profit/loss statement presented by the idol stall business does not comply with MSME Financial Accounting Standards (SAK EMKM). The profit/loss statement of the idol stall business is still inaccurate because it does not involve production costs, operational costs, and administrative costs, and also does not include net profit in its financial statements. The idol stall business has started financial recording, but it is still not in accordance with MSME. The following can be shown examples of the application of MSME in the profit/loss statement of the idol stall business that comply with the standards after processing:

**Table 13. Table of Profit/Loss Statement of the Idol Stall Business
As of December 31, 2022 (Processed)**

Profit/Loss Statement of the Idol Stall Business	
As of December 31, 2022	
Sales	Rp 220.000.000
Sales Return	Rp 12.000.000
Net Sales	Rp208.000.000
Cost Of Good Sold	Rp111.000.000
Gross Profit	Rp 98.000.000
Unrealized Gross Profit	Rp(21.436.742)
Realized Gross Profit	Rp 76.563.258
Operating Expenses	Rp (600.000)
Other Income	Rp 450.000
Profit Before Tax	Rp 76.413.258
Income Tax	Rp (720.000)
Net Profit After Tax	Rp 75.693.258

Source: Data processed by the researcher, 2024

The statement above shows that the profit/loss statements of the brick craftsman business, roof tile craftsman business, and idol shop business after processing comply with the MSME Financial Accounting Standards (SAK EMKM). In the profit/loss statement that complies with MSME, it includes components that must be clearly recorded as follows:

1. Business Revenue
Business revenue in the profit/loss statement that should be prepared by the brick craftsman business is the total revenue obtained from business activities such as sales.
2. Operating Expenses
Operating expenses include various costs incurred in carrying out business activities, such as production costs.
3. Gross Profit
The gross profit included in the profit/loss statement that complies with SAK EMKM should reflect the profitability of business activities.
4. Profit Before Tax
Profit before tax here includes income tax calculations.
5. Income Tax
Income tax is the tax that the entity must pay on the profits earned.
6. Net Profit
Net profit is the profit remaining after deducting income tax, which is the net profit earned by the entity in a certain period.

Notes to the Financial Statements of Micro, Small, and Medium Enterprises (MSMEs)

1. Notes to the Financial Statements of the Brick Craftsman Business

The Brick Craftsman Business does not prepare notes to the financial statements because they do not understand the financial reporting standards in accordance with SAK EMKM. This statement shows that the notes to the financial statements of the brick craftsman business do not comply with the Financial Accounting Standards for Small and Medium-sized Entities (SAK EMKM). This causes the owner of the brick craftsman business to have difficulty in viewing the profit/loss and obtaining information about the business's assets.

2. Notes to the Financial Statements of the Roof Tile Craftsman Business

The Roofing Craftsman Business does not prepare notes to the MSME Financial Accounting Standards (SAK EMKM), because they do not understand the information that should be presented in making notes to the financial statements. The financial statements prepared by the roofing craftsman business only align with the owner's understanding. This causes the owner of the roofing craftsman business to have difficulty in viewing the profit/loss in the financial statements and obtaining information about the business's assets.

3. Notes to the Financial Statements of the Idol Stall Business

The Idol Stall Business does not prepare notes to the financial statements because they do not understand the information that should be presented in the notes to the financial statements. This statement shows that the notes to the financial statements of the idol shop business do not comply with the Financial Accounting Standards for Small and Medium-sized Entities (SAK EMKM). This causes the owner of the idol stall business to have difficulty in viewing the profit/loss and obtaining information about the business's assets, as well as difficulty in obtaining loans from banks or other parties.

INTERPRETATION

Analysis of the Application of SAK EMKM

The Financial Accounting Standards for Small and Medium-sized Entities (SAK EMKM) includes several provisions that can be used as guidelines for preparing financial statements for the three MSMEs studied. However, to date, the recording of current assets, non-current assets, long-term liabilities, and short-term liabilities has not been implemented in accordance with the applicable SAK EMKM standards. Financial statements components based on SAK EMKM should be prepared with a financial position report, profit/loss statement, and notes to the financial statements. However, in the notes to the financial statements, there is no recording process found by the three MSMEs studied.

The statement has shown their financial statements, and it can be concluded that the Notes to the Financial Statements of the three MSMEs studied: Brick Craftsman Business, Roof Tile Craftsman Business, and Idol Stall Business do not comply with the Financial Accounting Standards for Small and Medium-sized Entities (SAK EMKM). This research supports previous research by [3], which stated that the process of preparing financial statements for MSMEs in Tegalwangi Village, Umbulsari District, Jember Regency still uses manual and simple methods. This is shown by MSMEs in Tegalwangi Village with recording of received and outgoing cash, which is not in accordance with SAK EMKM. The constraints experienced by MSMEs in Tegalwangi Village in preparing financial statements are the lack of knowledge among MSMEs

in the field of accounting, lack of socialization from the village regarding accounting standards, and the limited education of MSMEs, resulting in a lack of human resources understanding SAK EMKM in preparing financial statements properly.

CONCLUSION

Based on the analysis of the application of SAK EMKM to MSMEs in Tembokrejo Village, Gumukmas District, Jember Regency, it can be concluded as follows:

1. The preparation of financial statements applied by MSMEs in Tembokrejo Village tends to not comply with the applicable MSME Financial Accounting Standards (SAK EMKM). This can lead to inaccuracies in the financial information presented and create difficulties in analyzing the financial performance of these MSMEs.
2. The application of SAK EMKM in preparing financial statements for MSMEs in Tembokrejo Village has not been implemented, due to a lack of understanding of SAK EMKM and limited resources being the main factors hindering the application of these standards.

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