

PREPARATION OF PETTY CASH COA (Chart of Account) GUIDELINES IN THE WOMS APPLICATION AT PT ROYAL INTI MANDIRI ABADI SURABAYA

Tatik Maisaroh¹, Ita Megasari²

Accounting, Politeknik NSC Surabaya

¹tatik.maisaroh94@gmail.com , ²nscita@gmail.com

ABSTRACTION

PT Royal Inti Mandiri Abadi is a company operating in the trading sector (Distributor) located in Surabaya. This company has developed due to the hard work and support of experienced personnel. In one of the system processes, namely the petty cash expenditure input system, problems were found, so the system needed to be repaired so that the business activity process ran well. In carrying out the petty cash disbursement input procedure there are problems related to classification in the COA (Chart of account), namely the cashier's job function, one of whose tasks is to input journals into the system every time he groups or classifies costs that are classified into the COA (Chart of account). He often feels confused because he doesn't There are written guidelines from the company and every time you want to input a cashier function you always ask for the classification. To overcome this problem, it is necessary to improve the procedural system by providing written guidelines regarding the classification of COA (Chart of account), so that the function of the cashier can be more effective in the process of inputting data into the WOMS system.

Keywords: *COA Guidelines, Petty Cash, WOMS Application*

INTRODUCTION

Basically all company activities involve financial matters, so the role of cash is very important, where cash is the most liquid asset in the company and is the object most easily misused. Internal control is a system needed to control a system needed to control company activities. Where this system can improve the control and supervision function in assessing the company's work results.

Businesses need a good and fast system. A system is said to be good if it makes all processes easier, one of which is by changing the manual system (asking questions or remembering) into a written guide for the company. By having a written guide, the data input process will be more effective and save time, compared to the old method.

PT Royal Inti Mandiri Abadi, a company operating as an Official Distributor of Tiga Roda Cement in East Java, has problems with the system of procedures for inputting petty cash disbursements in the cashier function. Often forgetfulness occurs when classifying COA in the system. The cashier function section often asks the accounting function section (Accounting) so that the process

apart from being ineffective for the accounting function and will slow down the time for the cashier function when carrying out the data input process.

To fix this problem, the information system, which was previously carried out manually without any written basis, must create written guidelines regarding the classification of COA in petty cash disbursements. Petty cash (Patty cash) is money

provided to pay expenses that are relatively small in amount and are not economical if paid by check.

Petty cash funds have a very important function for the company to support the smooth running of the company's activities, because any relatively small expenditure is ineffective if done using a check because withdrawing a check takes a long time. However, with petty cash funds, all these expenses can be done immediately. Expenditures included in the petty cash fund are routine expenditures and are of low value.

THEORETICAL REVIEW

Definition of Procedure

According to Mulyadi (2001: 5) defines the meaning of procedures as follows: Procedures are a network of procedures created according to an integrated pattern to carry out the company's main activities. A procedure is a sequence of clerical activities, usually involving several people in one or more departments, created to ensure uniform handling of recurring company transactions.

Understanding Accounting Information Systems

According to Kieso (2007: 4) "Accounting is an information system that identifies, records and communicates economic events from an organization to interested users." Meanwhile, according to Hall (2001: 7) "An accounting information system is a subsystem that processes financial and non-financial transactions which have a direct influence on the processing of financial transactions".

From several expert explanations, it can be concluded that an accounting information system is

the activity of identifying, recording and communicating financial and non-financial transactions for interested users.

Understanding Internal Control

According to Mulyadi (2001: 163) "The internal control system includes organizational structure, methods and measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies." According to Bodnar and Hopwood (2006: 129) state that: Internal control is a process influenced by the company's board of directors, management and other personnel which is designed to provide reasonable assurance regarding the achievement of the following objectives:

1. Reliability of financial reporting
2. Operational effectiveness and efficiency, and
3. Conformity with applicable rules and regulations.

It can be concluded from several experts that internal control is a process for checking and maintaining company assets in each section that is responsible for the policies that apply in the company.

Understanding Cash

The definition of cash according to Martani (2011: 180) "cash is a financial asset used for company operational activities". According to the Indonesian Accounting Association (2009: 2) "cash consists of cash balances and checking accounts, cash equivalents and investments which are liquid, short term, and which can quickly be turned into cash in a certain amount without facing the risk of significant changes in value". Meanwhile, according to Gade and Wasif (2005: 39) "cash is a means of payment that is also used as a measure of value in accounting".

Based on several quotes from experts above, it can be concluded that cash is a component of current assets in the balance sheet which is very liquid. Cash is called the most liquid asset because cash can be used at any time without any time limit and there is also no risk of significant changes in value. Cash is usually used as a means of payment by companies to carry out daily operational activities.

Understanding Petty Cash

According to Soemarso SR (2009:320), petty cash is a certain amount of cash that is set aside in the company and used to finance certain expenses. According to Baridwan (2008: 86), petty cash funds are cash provided by the company to pay expenses that are relatively small in amount and are not economical if paid by check.

Based on the definition above, it can be concluded that petty cash funds are cash used to pay relatively small amounts of operational costs within a company.

1. Petty Cash Recording System (Petty Cash)

According to Mulyadi (2016:425), petty cash expenditures which are made in cash are carried out through petty cash funds which are organized using one of two systems, namely: a fixed fund system (imprest system) and a fluctuating fund system.

a. Fixed Fund System (Imprest System)

The administration of petty cash funds is carried out using the following procedures:

- 1) The formation of the Petty Cash Fund is carried out by check and recorded by debiting the Petty Cash Fund account. This Petty Cash Fund account may not change from what was previously determined, unless the predetermined balance is increased or decreased.
- 2) Petty Cash Fund expenditures are not recorded in the journal (so they do not credit the Petty Cash Fund account)
- 3) Replenishment of the Petty Cash Fund is carried out in the amount of rupiah stated in the collection of evidence of petty cash disbursements. Replenishment of petty cash funds is done by crediting the Petty Cash Fund account.

b. Fluctuating Fund System (fluctuating system)

Petty cash management is carried out using the following procedures:

- 1) The formation of petty cash funds is recorded by debiting the petty cash fund account.
- 2) Expenditures of petty cash funds are recorded by crediting the petty cash fund account, so that at any time the balance of this account fluctuates.
- 3) Replenishment of the petty cash fund is carried out in an amount according to requirements, and recorded by debiting the petty cash fund account. In this system, the petty cash fund account balance fluctuates from time to time.

2. Related Functions

According to Mulyadi (2016:446) Functions related to the petty cash fund system include:

1) Cash function

The cash function is responsible for filling out checks, requesting authorization for checks, and handing over checks to petty cash fund holders at the time of

establishing the petty cash fund and at the time of replenishing the petty cash fund.

- 2) Accounting function
The accounting function is responsible for recording petty cash expenditures involving expenses and inventories, recording transactions for the formation of petty cash funds, recording the replenishment of petty cash funds in the cash disbursement journal or check register, creating cash out receipts which authorize the cash function to issue checks for stated in the document.
- 3) Function of holding petty cash funds
This function is responsible for storing petty cash funds, disbursing petty cash funds in accordance with authorization from certain appointed officials, and requests for replenishment of petty cash funds.
- 4) Functions that require cash payments
This function is responsible for the use of petty cash funds by producing proof of petty cash expenditures and collecting supporting documents.
- 5) Internal audit function
This function is responsible for periodically calculating petty cash funds and matching the calculation results with cash records.

3. Documents Used

According to Mulyadi (2016:443), documents used in the petty cash fund system include:

- a. Proof of Cash Out
This document functions as an order for cash disbursement from the accounting function to the cash function in the amount stated in the document. In the petty cash fund system, this document is required when establishing the petty cash fund and when replenishing the petty cash fund.
- b. Petty Cash Disbursement Request
This document is used by users of petty cash funds to request money from petty cash fund holders. For petty cash fund holders, this document serves as proof that petty cash has been disbursed by them.
- c. Proof of Petty Cash Expenditures
This document is created by users of petty cash funds to account for users of petty cash funds. This document is accompanied by evidence of petty cash disbursements and is submitted by the user of petty cash funds to the holder of petty cash funds.
- d. Petty Cash Replenishment Request

This document is created by the petty cash fund holder to request the Debt Department to provide proof of cash outflow to replenish the petty cash fund.

- 1) Accounting Records Used
Noten accounting used in the petty cash fund system includes (Mulyadi, 2016:445):
 - a) Cash Disbursement Journal
In the petty cash fund system, the cash disbursement journal is used to record cash disbursements in establishing the petty cash fund and replenishing the petty cash fund. The source document used as the basis for recording in the cash disbursement journal is proof of cash outgoings that have been stamped "paid" by the cash function.
 - b) Check / Giro Register
Noten This accounting is used to record company checks issued for the establishment and replenishment of the petty cash fund.
 - c) Petty Cash Fund Expenditure Journal
To record petty cash disbursement transactions, a special journal is required. This journal is only used in a petty cash fund system with a fluctuating balance system.

Understanding the Cash Disbursement System

According to Mulyadi (2001: 509) "Cash disbursements in the company are carried out using checks. Cash disbursements that are not made by check (usually because the amount is relatively small), are carried out through the petty cash fund."

The documents used in the cash disbursement system by check according to Mulyadi (2001: 509) are as follows:

1. Proof of cash out is a document that functions as an order for cash disbursement to the Kasa department in the amount stated on the document.
2. A check is a document that orders the bank to pay a sum of money to the person or organization whose name is written on the check.
3. A check request is a document that functions as a request from a function that requires cash

disbursement to the accounting function to create proof of cash disbursement.

COA (Chart Of Account) definition

COA (Chart of accounts) is a coded list of estimates such as assets, equity, income and expenses in a public sector entity. In addition to information on the estimate code, each chart of accounts list describes the contents of the account, including specific transactions that affect the balance (Bastian, 2006.)

According to Yunarto (2006), a chart of accounts is a collection of approximate account numbers used by a company. Account number is an approximate number used to classify similar transactions. In an account number there is usually information about where the income or cost center costs occur and the name of the estimate. Each company has a different chart of accounts pattern and format.

RESEARCH RESULTS AND DISCUSSION

Historyh Company Brief

PT Royal Inti Mandiri Abadi was established in 1980 as the Official Distributor of Tiga Roda Cement in East Java under the direct supervision of PT Indocement Tunggal Prakarsa Tbk. Through hard work and high commitment, we have experienced very rapid development to date 1,700 customers, consisting of building/retail shops, industry, and various projects spread across various cities in East Java. The products include: White Cement, Gray Cement, Mortar

PT Royal Inti Mandiri Abadi (RIMA) was established and trusted by PT Indocement Tunggal Prakarsa, Tbk to market Tiga Roda Cement in the East Java region. The founder of RIMA started this business very simply, namely cement revenue of only around ± 100-200 tons per month. However, the RIMA Group continues to work hard and strive with high commitment to always improve service to customers, so that to this day the RIMA Group can develop and serve ± 1,700 customers consisting of building shops, industry and various kinds of projects spread widely in various cities in East Java.

To improve service to customers and on time delivery service, PT Sarana Inti Transindo Perkasa, one of the companies under the RIMA Group banner, decided to strengthen its transportation fleet and warehousing infrastructures.

Logo PT Royal Inti Mandiri Abadi



Source: Logo PT Royal Inti Mandiri Abadi Surabaya

Lolfrom PT Royal Inti Mandiri Abadi

Lolsection of PT Royal Inti Mandiri Abadi Surabaya is located on Jl. Ambengan No.1, Block NO Surabaya 60272

Telephone (031) 5452992, email:support@rima.co.id

Vision and mission of the company

1. Vision

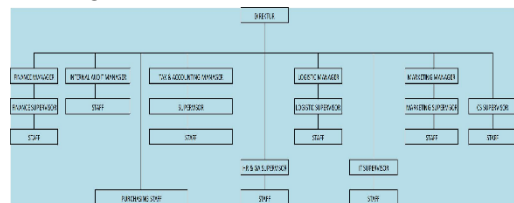
PT Royal Inti Mandiri Abadi Company Vision, To become a superior, leading and trusted company in marketing, logistics and distribution of building materials.

2. Mission

PT Royal Inti Mandiri Abadi Company Mission:

- Providing the best service to create an excellent customer experience.
- Marketing building materials with excellent supply chain management to create competitive advantages.
- Have a commitment to continue developing ourselves, improving service quality, providing the right solutions and being part of efforts to advance the world of construction and building materials in the country.

d. Organizational structure



Source: Organizational Structure of PT Royal Inti Mandiri Abadi Surabaya

Description of Duties, Authorities and Responsibilities

1. Tax and Accounting

- Ensure the availability of monthly and annual financial and tax reports
- Ensure availability of daily budget
- Ensure the validity of financial transactions and corporate taxes.
- Ensure the application of tax and financial regulations to the company
- Ensure that the company's accounting and taxation system is monitored.
- Ensure that financial data data management is carried out well.
- Ensure that OJK (Financial Services Authority) reporting procedures are carried out properly.

2. Accounting Staff
 - a. Make office financial bookkeeping
 - b. Posting operational journals
 - c. Inputting accounting journal data into the company's system
 - d. Check and verify the completeness of documents related to financial transactions
 - e. Reconciliation and adjustment of financial data

Research Results and Discussion

From the theory discussed in the previous chapter and from research tests on this company, it can be stated regarding the process of petty cash disbursement carried out by the cashier function. The first procedure is when the cashier receives a receipt for a purchase that has been approved by certain parties. As a company rule, the function of the cashier section is to carry out the next process, namely making BKK (Proof of cash out) and the function of the cashier section to be able to disburse the funds must have approval from their superior (supervisor cashier). The function of the cashier section, once approved and the funds have been disbursed so they can be paid To the biller who brings the note, the cashier's function is to then input the petty cash disbursement journal into the system.

The input process to the system often becomes an obstacle to the performance of the cashier's function because the classification of costs in the COA (Chart of account) in the application still uses guesswork. It can be seen that it is important to have COA (Chart of account) guidelines to assist the cashier's function in classifying cost definitions. -petty cash disbursement costs, because during inputting into the journal system the cashier function often asks the accounting function regarding the classification of these costs,

GiveTake the example of Figure 3.2 Incorrect Petty Cash Journal and Figure 3.3

Correct Petty Cash Journal, which has been entered into the journal where an error occurred due to incorrect classification in the COA (Chart of account).

Source: JPT Royal Inti Mandiri Abadi Surabaya Petty Cash Journal

Journal above shows the errors that occurred in the purchase of cleaning supplies for office toilets which should have been included in office kitchen costs but by the cashier's function section they were classified as security and cleanliness costs, therefore, to help make the cashier's function more effective in entering journals, a manual should be made that can be used as a company standard in the journal input process.

Source: Processed Petty Cash Journal of PT Royal Inti Mandiri Abadi Surabaya

Based on the results of the interview with the Accounting Manager which had been agreed verbally regarding the classification of petty cash expenditure costs, the term for each cost contained in the COA (Chart of account) for petty cash expenditures of PT Royal Inti Mandiri Abadi Surabaya was obtained, as follows: COA (Chart of accounts) handbook.

Table. COA (Chart of account) Guidelines for Petty Cash Expenditures

NO	REKONSILIASI	REKONSILIASI	REKONSILIASI
1	1.2.0000.0018.0120.8101	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
2	1.2.0000.0018.0120.8102	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
3	1.2.0000.0018.0120.8103	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
4	1.2.0000.0018.0120.8104	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
5	1.2.0000.0018.0120.8105	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
6	1.2.0000.0018.0120.8106	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
7	1.2.0000.0018.0120.8107	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
8	1.2.0000.0018.0120.8108	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
9	1.2.0000.0018.0120.8109	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
10	1.2.0000.0018.0120.8110	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
11	1.2.0000.0018.0120.8111	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
12	1.2.0000.0018.0120.8112	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
13	1.2.0000.0018.0120.8113	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
14	1.2.0000.0018.0120.8114	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
15	1.2.0000.0018.0120.8115	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
16	1.2.0000.0018.0120.8116	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
17	1.2.0000.0018.0120.8117	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
18	1.2.0000.0018.0120.8118	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
19	1.2.0000.0018.0120.8119	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
20	1.2.0000.0018.0120.8120	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)
21	1.2.0000.0018.0120.8121	Biaya Dipekang (Berkas + Stempel) (Berkas + Stempel)	Biaya untuk dipikang (Berkas + Stempel) (Berkas + Stempel)

Source: Company Data (2019)

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of discussions that have been carried out regarding the design and development of COA (Chart of Account) guidelines at PT. Royal Inti Mandiri Abadi Surabaya can be concluded that: So far, the function of the cashier when inputting the petty cash disbursement journal is still doubtful and even forgetful and often asks the function of the accounting department in classifying costs into COA (Chart of Account) there are no written guidelines.

Suggestion

Based on the conclusions of the discussion regarding the preparation of COA (Chart of

Account) guidelines at PT Royal Inti Mandiri Abadi Surabaya. So the author suggests that a COA (Chart of Account) guideline be created to facilitate the cashier's function in inputting journals related to the classification of costs in petty cash. It is hoped that with the COA (Chart of Account) guidebook, the classification of costs in the COA (Chart of Account) will become more precise, and support the preparation of financial reports more quickly and readily.

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