

# ANALYSIS OF ACCOUNTING TREATMENT OF FIXED ASSETS BASED ON PSAK 16 (Case Study: at Al Ma'ruf Foundation (YAM) Surabaya)

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## ABSTRACT

This study aims to analyze the accounting treatment of fixed assets based on PSAK 16, namely recognition, measurement, depreciation, termination and presentation of fixed assets in the financial statements of the Al Ma'ruf Foundation (YAM) Surabaya. The study uses a qualitative descriptive method, and data collection used is by interview, documentation, and observation. The results of this study indicate that the accounting treatment of YAM Surabaya's fixed assets is not fully in accordance with PSAK 16. The treatment of YAM's fixed assets that is in accordance with PSAK 16 is recognition, measurement, depreciation, and presentation of financial statements, while the disposal or termination of fixed assets has not been carried out by YAM.

**Keywords:** Fixed Assets, PSAK No. 16

## INTRODUCTION

Fixed assets are supporting facilities in facilitating company activities, whether in the form of land, buildings, electronic and non-electronic equipment, vehicles. Fixed assets owned by the company are obtained in various ways, including cash purchases, long-term credit purchases, self-made, exchanged, and obtained from donations or donations. The use of fixed assets for a period of more than one year, and is not intended to be traded and has material value. This is also stated in PSAK No. 16 that "fixed assets are tangible assets obtained in ready-to-use form or by being built first, which are used in company operations, are not intended to be sold in the context of normal company activities and have a useful life of more than one year". Recognition of fixed assets in financial statements includes acquisition price, depreciation expense, costs during the acquisition period and their presentation in the financial statements. The acquisition price of fixed assets includes all expenses that must be added to the purchase price, while costs arising from carelessness and extraordinary events that do not add to the usefulness of fixed assets are allocated as expenses in the relevant period.

Fixed assets will provide benefits to the company according to their age and are also influenced by use or usage, obsolescence, imbalance of available capacity and outdated technology. Every fixed asset that has been used by the company needs to be depreciated against its acquisition price. Fixed assets are depreciated throughout their useful life with various

depreciation methods with various depreciation methods, including the straight line method, the double declining balance method, and the unit of production method. While the recognition of the retirement of fixed assets is recorded: 1) at the time of disposal or 2) when there are no more future economic benefits that can be expected from their use or disposal. For the disclosure of fixed assets in the financial statements, namely the statement of financial position and the income statement, each class of fixed assets, the measurement basis used in determining the gross carrying amount, the depreciation method used, the useful life or depreciation rate used, the gross carrying amount and accumulated depreciation and reconciliation of the carrying amount at the beginning and end of the period. Tangible fixed assets whose operation can no longer be used should be written off. The treatment of fixed assets needs to be well planned starting when the acquisition of fixed assets until the fixed assets are retired. Meanwhile, another problem arising from the ownership of fixed assets for the entity is how to allocate the acquisition price of fixed assets to each accounting period appropriately and effectively in accordance with the accounting principles applicable in Indonesia. Presentation of financial statements fairly and correctly will help the management of the entity in providing reliable financial information to interested parties and can be used to determine the prospective activities of the company as well as decision making for the improvement of the performance of the entity in the fixed asset efficiency (Maryana, Rina, and Yulia, 2013).

Al Ma'ruf Foundation (YAM) is one of the foundations located on Jl. Rungkut Mejoyo Selatan VII, Surabaya and the activities carried out are in the field of worship, namely mosques. YAM only has fixed assets consisting of buildings, inventory and mosque equipment, but for land cannot be recognized as YAM assets because the land is a facility provided by the government for public facilities. Fixed assets owned by YAM are obtained by means of cash purchases, donations or donations. These fixed assets for YAM have an important role in supporting all operational activities, especially for worship and other social activities.

Research related to the accounting treatment of fixed assets has been conducted by Mayangsari and Nurjanah (2018) at CV Bangun Perkasa Furniture by showing the results of research that the recognition of fixed assets of CV Bangun Perkasa Furniture is not in accordance with PSAK 16 because the company only recognizes the acquisition value of assets without adding other costs. Meanwhile, other research was also conducted by Rahayu Syah, S., Etha Gustun M., and Rian Yuniarto (2023) which shows the results of research that the accounting treatment of fixed assets at PT Bumi Karsa in Makasar seen from the recognition, measurement, depreciation, termination and presentation of fixed assets in the financial statements is fully in accordance with PSAK 16.

Based on the description above, researchers are also interested in conducting research on the accounting treatment of fixed assets based on PSAK 16, and the similarities in the research to be done is to analyze the accounting treatment of fixed assets based on PSAK 16, namely, measurement, depreciation, termination and presentation of fixed assets in the financial statements. While the difference with previous research is located on the object of research. The research to be done is taking the object of a foundation engaged in worship or social. While previous research took the object of research in a manufacturing company engaged in making furniture (CV Bangun Perkasa Furniture), and PT Bumi Karsa is a private company engaged in construction services.

## THEORETICAL STUDY

### Definition of Fixed Assets

The Financial Accounting Standards Board (SAK) has approved the adjustment to PSAK 16 on Fixed Assets, the definition of fixed assets according to PSAK No.16 paragraph 06 is tangible assets that: (a) are owned for use in the production or provision of goods and services, for rental to other parties, or for

administrative purposes and (b) are expected to be used for more than one period. The following is the classification of fixed assets: Land, Buildings and Structures, Machinery and tools, Vehicles, Equipment Fixed assets according to Ardana and Lukman (2016) are often also referred to as property, factories, and equipment which in English is better known as property, plant and equipment which is abbreviated as PPE.

### Recognition of Fixed Assets

Based on PSAK 16 Paragraph 07 it is explained that fixed assets can be recognized as assets if and only if: (a) it is likely that the entity will obtain future economic benefits from the asset and (b) the acquisition cost can be measured reliably. In PSAK 16 paragraphs 11-14 it is explained that the initial acquisition cost and subsequent costs include the following:

1. Initial Acquisition Cost. Fixed assets may be acquired for safety or environmental reasons. The acquisition of such fixed assets, although not directly increasing the future economic benefits from a particular existing fixed asset, may be necessary for the entity to obtain future economic benefits from other assets.
2. Subsequent Costs. In accordance with the recognition principle in paragraph 07, an entity does not recognize the costs of day-to-day servicing of an item of property, plant and equipment as part of that item of property, plant and equipment. Instead, these costs are recognized in profit or loss as incurred. Day-to-day servicing costs primarily consist of labor and consumables including minor spare parts. The purpose of this expenditure is often described as "repair and maintenance" of the item of property, plant and equipment.

According to Martini, Siregar, Wardhani, Farahmita, and Tanujaya, 2016 in Rahayu, Gustin, dan Rian (2023), it is stated that as with the recognition of other assets, the acquisition cost of fixed assets should be recognized as an asset if and only if it is probable that future economic benefits associated with the asset will flow to the entity and the acquisition cost of the asset can be measured reliably. This principle applies at the time of initial recognition of an asset, namely when a certain part of the asset is replaced and when there are expenses incurred related to the asset during its useful life. If the expenditure can provide future economic benefits, then the cost of the expenditure can be capitalized as an asset.

### Fixed Asset Measurement

Measurement of fixed assets can be done as follows:

1. Measurement at the time of recognition of fixed assets

According to PSAK Number 16 paragraph 16 regarding the components of acquisition costs include: a) Its acquisition price, including import duties and non-refundable purchase taxes after deducting discounts and other deductions. b) Any costs that are directly attributable to bringing the asset to the desired location and condition so that the asset is ready for use in accordance with management's intentions.

In the financial position report, fixed assets are recognized at their book value, which is the net value of an asset obtained from the acquisition cost of fixed assets after being reduced by accumulated depreciation of the asset. The following is the journal entry for the acquisition of fixed assets.

Table 1. Fixed Asset Acquisition Journal

Date	Account Name	Debit	Credit
	Fixed assets	xxx	
	Cash/Accounts Payable		xxx

Source: Jusup, 2011.

The acquisition price of fixed assets according to Martini, Siregar, Wardhani, Farahmita, and Tanujaya, (2016:272) includes import costs and non-creditable purchase taxes after deducting purchase discounts and other deductions, costs that can be directly included to bring the asset to the desired location and condition so that the asset is ready for use in accordance with the wishes of the company's management and the initial estimate of the cost of dismantling and moving fixed assets and restoring the asset location". Fixed assets can be obtained in various ways so that each acquisition method will affect the determination of the acquisition price of the fixed assets (Rahayu, Gustin, dan Rian, 2023), The following are ways to acquire fixed assets, namely:

- a. Cash Purchase.
- b. Installment Purchase.
- c. Acquisition by Exchange. Acquisition of fixed assets through exchange can be grouped into 2 (two), namely:
  - 1) Exchange of similar fixed assets.
  - 2) Exchange of fixed assets is not in kind.

- d. Acquisition with Securities.
- e. Build Your Own.
- f. Acquisition of Assets from Gifts/Donations/Contributions.
- g. Acquisition by way of Lease. There are two ways of leasing that can be used, namely:
  - 1). Capital Lease and 2). Operating Lease.

2. Measurement After Initial Recognition of Property, Plant and Equipment

According to Alizar and Gayatrie (2018), recording the recognition of fixed assets at the end of each period will be recorded for the depreciation of the fixed assets. The following is the recording of the fixed asset depreciation journal.

Table 2. Fixed Asset Depreciation Journal

Date	Account Name	Debit	Credit
	Depreciation Expense of Fixed Assets	xxx	
	Accum. Fixed Assets		xxx

Source: Jusup, 2011.

There are 2 (two) models of measurement or assessment of fixed assets that can be carried out by companies (PSAK 16 paragraphs 30-31), namely:

- a. Cost Model. The cost model is to record fixed assets at acquisition cost after deducting accumulated depreciation and accumulated impairment losses.
- b. Revaluation Model. After recognition as an asset, fixed assets whose fair value can be measured reliably are recorded at the revalued amount, which is the fair value at the revaluation date less any accumulated depreciation and any subsequent accumulated impairment losses.

PSAK 16 paragraph 55 states that depreciation of an asset begins when the asset is ready for use, namely when the asset is in the location and condition necessary for the asset to be ready for use in accordance with management's intentions.

### Depreciation of Fixed Assets

Fixed assets will experience their utility value due to the use of these fixed assets, this is what is called depreciation except for land. This statement was also expressed by Warren et al. (2017:491) in Rahayu, Gustin, dan Rian (2023) that fixed assets other than

land will lose their ability to provide services. As a result, the costs of equipment, buildings and land development need to be transferred to expense accounts systematically over their useful life.

According to PSAK 16 (2011) explains that asset depreciation begins when the asset is ready to be used in the company's operational activities. For example, when the asset is in the desired location and condition so that the asset is ready to be used in accordance with company policy. The calculation of fixed asset depreciation according to Warren et al. (2017:492) in Sri Rahayu et al. (2023) is determined by the following factors:

1. Acquisition cost, which is the amount of money spent to acquire the asset so that it is ready to be used in company operations.
2. Residual value, which is the estimated remaining value of a fixed asset when its useful life has expired.
3. Estimated economic life, namely the estimated life of the fixed assets in question that can be used in the company's operational activities.

There are 3 (three) methods that are often used in calculating depreciation, namely:

1. Straight Line Method.

This depreciation method results in the same amount of depreciation expense for each year over the useful life of the asset. The formula for the straight-line method is as follows:

$$\text{Depreciation} = \frac{\text{Acquisition Cost} - \text{Residual Value}}{\text{Economic Life}}$$

2. Double Declining Balance Method (DDB)

The DDB method produces decreasing periodic charges over the estimated useful life of the asset, and is applied in 3 stages:

- a) Step 1. Determine the straight-line percentage, using the expected useful life.
- b) Step 2. Determine the double declining balance by multiplying the straight-line rate from step 1 by 2.
- c) Step 3. Calculate depreciation expense by multiplying the double declining balance rate from step 2 by the book value of the asset.

The following is the DDB method formula:

$$\text{Depreciation} = (2 \times (100\% : \text{economic life}) \times \text{Book value of fixed assets})$$

3. Unit of Production Method (*Unit of Production Method*)

This unit of production method results in the same amount of depreciation expense for each unit produced or each unit of capacity used by the asset, depending on the asset. This method can be expressed in hours, miles or the number of production quantities. The following is the application of the unit of production through 2 (two) stages, namely:

a) Stage 1. Determine depreciation per unit

$$\text{Depreciation per unit} = \frac{\text{Cost} - \text{Residual Value}}{\text{Total Production Units}}$$

b) Step 2. Calculating depreciation expense

$$\text{Depreciation Expense} = \text{Depreciation per unit} \times \text{Total units of production}$$

**Derecognition of Fixed Assets**

According to PSAK No. 16 paragraph 67 states that the recorded amount of fixed assets is derecognized: (a) upon disposal or (b) when there are no more future economic benefits that can be expected from its use or disposal. In PSAK No. 16 paragraph 68 the gain or loss arising from the derecognition of fixed assets is included in profit or loss when the fixed assets are derecognized except for PSAK 30: Leases require different treatment in sale and leaseback transactions (paragraph 68), and the gain or loss arising from the derecognition of fixed assets is determined as the difference between the net disposal proceeds, if any, and the recorded amount (paragraph 71). The gain or loss due to the derecognition of fixed assets will be recognized as profit or loss when the fixed assets are retired. The following is the journal entry for the derecognition of fixed assets.

Table 3. Asset Disposal Journal

Date	Account Name	Debit	Credit
	Accum. Fixed Assets	xxxxx	
	Fixed assets		xxxxx

Source: Jusup, 2011.

Fixed asset disposal also occurs when a company sells and exchanges fixed assets other than because their useful life has ended. The following is a fixed asset sales journal if the company makes a profit:

Table 4. Fixed Asset Sales Journal (Profit)

Date	Account Name	Debit	Credit
	Cash	xxxxx	
	Accum. Fixed Assets	xxxxx	
	Fixed assets		xxxxx
	Profit on Sale of Fixed Assets		xxxxx

Source: Jusup, 2011.

Meanwhile, if the company experiences a loss in the sale of its assets, the journal recorded is as follows:

Table 5. Fixed Asset Sales Journal (Loss)

Date	Account Name	Debit	Credit
	Cash	xxxxx	
	Accum. Fixed Assets	xxxxx	
	Loss on Sale of Fixed Assets	xxxxx	
	Fixed assets		xxxxx

Source: Jusup, 2011.

The release of fixed assets through exchange usually occurs because a company wants to increase its assets in order to compete with other companies. Companies generally recognize profits or losses resulting from fixed asset exchange transactions (Alizar and Gayatrie, 2018 in Rahayu, Gustin, dan Rian (2023), There are two things that are calculated first to record fixed asset exchange transactions (Jusup, 2011), namely:

1. Calculate the acquisition cost of the new asset received in exchange.
2. Calculate the profit or loss arising from fixed asset exchange transactions.

If the company experiences a profit in exchanging fixed assets, the journal recorded is as follows:

Table 6. Journal at the time of Exchange of Fixed Assets (Profit)

Date	Account Name	Debit	Credit
	New Fixed Assets	xxxxx	
	Accum. Fixed Assets	xxxxx	
	Old Fixed Assets		xxxxx
	AT Exchange Benefits		xxxxx
	Cash		xxxxx

Source: Jusup, 2011.

Meanwhile, if the company experiences a loss in exchanging its fixed assets, the journal recorded by the company is as follows:

Table 7 Journal at the time of Exchange of Fixed Assets (Loss)

Date	Account Name	Debit	Credit
	New Fixed Assets	xxxxx	
	Accum. Fixed Assets	xxxxx	
	AT Exchange Loss	xxxxx	
	Old Fixed Assets		xxxxx
	Cash		xxxxx

Source: Jusup, 2011.

### Disclosure of Fixed Assets

The presentation of fixed assets in the financial position report must be clear so that it can be read and understood by its users. Fixed assets are presented based on the acquisition value of the assets minus the accumulated depreciation. According to PSAK 16 (2011:16.22) that the financial report discloses for each group of fixed assets:

1. The measurement basis used in determining the gross carrying amount.
2. The depreciation method used.
3. The useful life or depreciation rate used.
4. The gross carrying amount and accumulated depreciation (plus any accumulated impairment losses) at the beginning and end of the period.
5. Reconciliation of the carrying amounts at the beginning and end of the period showing additions, assets classified as available for sale, acquisitions through business combinations, increases or decreases resulting from revaluations and depreciation.

In financial statements, fixed assets are detailed by type such as land, vehicles, etc. Accumulated depreciation is presented as a reduction to fixed assets either individually by type or as a whole, and it is a good idea to make a breakdown of the acquisition price of each depreciation.

## RESEARCH METHODS

### Type of Research

This study uses a method with a case study and qualitative approach, namely the problem-solving process that is investigated by describing or depicting the conditions of the research object during the research period based on existing facts (Rahayu, Gustin, dan Rian (2023). Meanwhile, the definition of qualitative research methods according to Nurdin, Ismail and Hartanti (2019: 42) is a research method based on the philosophy of positivism and is used to study the state of objects that are natural in nature compared to an experiment, where the researcher is the key, data collection techniques are combined triangulation, data analysis is inductive / qualitative and qualitative research data that emphasizes the importance of generalization. The data source triangulation technique can use one type of data, for example informants, while according to Sutopo (2006) states that this data source triangulation technique can be done by extracting information from different types of data sources, for example certain sources, certain conditions, from activities that describe people's behavior, or from sources in the form of records or archives and documents.

The type of research and case study conducted relates to the accounting treatment of fixed assets in PSAK 16. The research was conducted at YAM located at Jalan Rungkut Mejoyo Selatan VII, Surabaya.

### Data Collection Technique

The following research data collection techniques that will be used by the author are as follows:

1. Literature study (*library research*) namely data collection techniques using books, journals and other literature related to this research.
2. Field study (*field research*) is done in the following way:
  - a. Observation techniques are carried out through direct observation.
  - b. Interview techniques with leaders or parties involved in fixed asset management and YAM accounting department
  - c. Documentation technique by collecting YAM documents including financial reports, YAM fixed asset recaps, general ledgers and YAM fixed asset subsidiary ledgers.

### Data analysis

The data analysis technique used is a descriptive research approach that aims to describe or describe the data collected accurately and systematically. Analysis is done in depth about the application of fixed assets in YAM by comparing the application of fixed asset accounting based on PSAK No. 16. The stages carried out in the analysis process, namely

1. Conducting interviews to the YAM regarding fixed asset accounting policies that have been applied.
2. Processing and analyzing information collected through interviews and documentation studies. While the measuring tool used is PSAK 16.
3. Collecting supporting data to assist research in ensuring the accuracy and correctness of the application of fixed assets.
4. Comparing the application of YAM's fixed asset treatment with PSAK 16.
5. Draw conclusions from the analysis that has been done on the application of PSAK 16 at YAM..

## RESULTS AND DISCUSSION

### Classification of Fixed Assets at Al Ma'ruf Foundation (YAM)

YAM identifies fixed assets as tangible fixed assets acquired in ready-to-use or pre-built form and used in its normal operations, not intended for sale, and have a useful life of more than one year. The following is a comparison of types of fixed assets between YAM and PSAK 16:

Table 8 Comparison of Fixed Asset Types

Types of Fixed Assets – YAM	Types of Fixed Assets based on PSAK No. 16
Building	Building
Mosque Inventory and Equipment	Mosque Inventory and Equipment

Source: processed data, 2023

Based on the table above, YAM has identified the fixed assets owned and has complied with PSAK No. 16. YAM cannot recognize the existing land, this is because the land is provided for public facilities, while the buildings erected are the result of self-help from the surrounding community and donors.

YAM divides fixed assets into 2 (two) groups and records its fixed assets separately based on economic life. The following is the grouping of YAM fixed assets, namely

1. Buildings are assets that have a useful life of 20 years and these buildings consist of a mosque and a room for religious study activities.
2. Mosque Inventory and Equipment has a useful life of 4 years and consists of LCD, projector, computer, table, chair, cupboard, water pump, meat cutting tool, podium, fan, AC, Mic, sound system.

### Recognition of Fixed Assets of Al Ma'ruf Foundation (YAM)

Based on an interview with Mr. Budi as Treasurer (August 31, 2024), it was stated that YAM in obtaining fixed assets is as follows:

1. Fixed assets obtained by YAM through cash purchases

Recognition of the three types of assets owned by YAM, begins with recognition and grouping into fixed assets when YAM purchases the goods, when YAM spends a certain amount of money to purchase goods grouped into fixed assets, it does not make it an expense, but rather enters the asset category in this case into fixed assets. The following is the journal or recording made by YAM for the acquisition of assets by means of cash purchases:

Fixed assets	xxxxx
Cash/Bank	xxxxx

2. Fixed assets obtained by YAM on credit.

Recognition of YAM fixed assets purchased on credit or in installments is recorded in the following journal:

Fixed assets	xxxxx
Input VAT	xxxxx

Cash	xxxx
Fixed Assets Liabilities	xxxxx
When fixed assets are paid for, the journal entry recorded is:	
Fixed Assets Liabilities	xxxxx
Fixed Asset Interest	xxxxx
Cash/Bank	xxxx

However, throughout 2023, YAM did not make any purchases of fixed assets on credit but the acquisition of fixed assets was purchased in cash. After analyzing the policies implemented by YAM in recognizing, acquiring, and recording fixed assets, it was in accordance with PSAK 16.

### YAM Fixed Asset Measurement

Based on an interview with Mr. Budi as the Treasurer of YAM (August 31, 2024), he explained that the measurement of fixed assets carried out by YAM was carried out through 2 (two) types of assessments, namely:

1. Initial measurement at recognition  
In the initial measurement, fixed assets that qualify to be recognized as assets will be recorded at the acquisition cost of the asset plus costs incurred until the YAM fixed asset is ready for use. These costs include transportation costs, equipment installation costs, asset legality management costs and others until the YAM fixed asset is ready for use.
2. Measurement after recognition  
YAM makes measurements after recognition using the cost model, namely when fixed assets have been recognized as assets recorded at acquisition cost less accumulated depreciation and accumulated impairment losses on the assets.

The conclusion from the results of the analysis of YAM's fixed assets measurement is that the cost model for measuring YAM's fixed assets is in accordance with PSAK 16.

### Depreciation

Based on the results of the interview with Mr. Budi as the Treasurer of YAM (August 31, 2024) regarding the depreciation of YAM's fixed assets, it was explained that the fixed assets acquired will be depreciated separately based on the type of asset and its useful life. The fixed asset depreciation method used by

YAM in calculating its asset depreciation expense is the straight-line method, and depreciation is calculated consistently from year to year. Meanwhile, the records made by YAM related to the depreciation of fixed assets are as follows:

Depreciation Expense of FA	xxxxx
Accumulated Depreciation of FA	xxxxx

The conclusion of the analysis of the calculation, recording and use of depreciation method policies used by YAM is in accordance with PSAK 16.

### Disposal or Termination of Fixed Assets

Fixed assets that can no longer be used in running the company's business need to be recorded for the release or termination of fixed assets. The results of the study at YAM show that fixed assets are stopped or released because they are obsolete, badly damaged, lost or stolen. YAM has not made a policy related to the release or termination of fixed assets due to obsolescence, badly damaged, lost or stolen. According to the results of an interview with Mr. Tris as the YAM Advisor (August 31, 2024) that YAM had lost an asset in the form of an LCD in 2023, but no journal entry had been made for the loss of the asset so that there was no recognition of losses on the disposal of assets.

Based on the analysis of the release or termination of fixed assets, it can be concluded that the release or termination of fixed assets carried out by YAM is not in accordance with PSAK 16. YAM Management should create a policy related to the release or termination of fixed assets for the loss of LCD and uninsured LCD by making the following records or journals:

FA Loss Cost – LCD	xxxxx
Accumulated Dep.of FA – LCD	xxxxx
Fixed Assets – LCD	xxxxx

### Presentation of Fixed Assets in YAM Financial Statements

Fixed assets presented in YAM's financial statements in 2023 are made separately such as buildings, inventory and mosque equipment. Based on observations in YAM's financial position statement, the value of fixed assets presented is at the acquisition value minus accumulated depreciation and the presentation of these fixed assets is carried out separately from other asset groups. This is intended to make the presentation of fixed assets in the financial statements easier to understand and the disclosure of fixed assets in YAM's financial position statement more complete and systematic. Thus, the presentation

of YAM's fixed assets in the financial statements is in accordance with PSAK 16.

The following is a comparison of the accounting treatment of YAM fixed assets with PSAK 16, namely:

No	Accounting Treatment of Fixed Assets		Information
	According to PSAK 16	According to YAM	
1	Recognition of Fixed Assets a. It is probable that the entity/company will obtain future economic benefits from the asset.	a. YAM recognizes fixed assets as assets owned when the assets have been acquired and provide economic benefits for more than one period that are able to support YAM's operational activities, and the assets have a useful life.	In accordance
	b. The acquisition cost of fixed assets can be measured reliably.	b. The acquisition cost of YAM fixed assets can be measured reliably and is evidenced by the existence of supporting documents or records for the acquisition of fixed assets.	In accordance
2	Fixed Asset Measurement a. It is probable that the entity/company will obtain future economic benefits from the asset.	a. YAM records fixed assets at the value stated on the purchase note plus other costs including transportation costs, installation costs, and costs for managing the legality of the assets.	In accordance
	b. The acquisition cost of fixed assets can be measured reliably.	b. YAM's policy for measuring its fixed assets is to use the cost model, namely when fixed assets have been recognized as assets recorded at acquisition cost minus accumulated depreciation and accumulated impairment losses on the assets.	In accordance
3	Depreciation of Fixed Assets a. Each fixed asset that has an acquisition cost that is significant to the total acquisition cost of all assets must be depreciated separately.	a. YAM carries out depreciation separately based on the type of asset and its useful life.	In accordance

No	Accounting Treatment of Fixed Assets		Information
	According to PSAK 16	According to YAM	
3	b. The depreciable amount of an asset is allocated systematically over its useful life	b. YAM depreciates its fixed assets based on acquisition cost and depreciation is calculated consistently from year to year.	In accordance
	c. The depreciation methods that can or may be used to allocate the depreciable amount of an asset during its useful life are the straight-line method, the declining balance method ( <i>Double Declining Balance Method</i> ), and the method of the number of production units ( <i>Unit of Production Method</i> )	c. YAM uses the straight-line method in calculating the depreciation of each of its fixed assets.	In accordance
4	Fixed Asset Disposal a. Disposal of fixed assets can be carried out in various ways such as: sold, thrown away, and exchanged for new assets	a. YAM has not made a policy related to asset termination, so that if there is an asset termination, it has not been recorded.	It is not accordance
	b. Gains and losses arising from the disposal of fixed assets must be recognized and recorded in the financial statements.	b. YAM has not recognized and recorded any gain or loss arising from the disposal of fixed assets in the profit and loss statement.	It is not accordance
5	Presentation of Fixed Assets a. Fixed assets are presented in the statement of financial position at the acquisition value of the assets minus accumulated depreciation of fixed assets.	a. YAM has presented the value of fixed assets in the statement of financial position at the acquisition value minus accumulated depreciation of assets.	In accordance
	b. The useful life or depreciation rate used.	b. The age or useful life of fixed assets owned by YAM has been disclosed in the financial report notes.	In accordance

## CONCLUSIONS, SUGGESTIONS, IMPLICATIONS, AND LIMITATIONS

### Conclusion

Based on the results of the analysis and discussion that have been carried out above, it can be concluded that YAM has implemented PSAK 16 in the treatment of its fixed assets which include

## Comparison of Fixed Asset Accounting Treatment between YAM and PSAK 16

recognition, measurement, depreciation of fixed assets, and presentation of fixed assets. However, for the disposal or termination of fixed assets, YAM has not recorded in accordance with PSAK 16 so that it does not recognize any profit or loss arising from the disposal of fixed assets in the income statement.

### Suggestion

YAM should make a policy related to the release or termination of fixed assets because the assets are obsolete, badly damaged, lost or stolen and then record the release or termination of the fixed assets. Thus, the treatment of fixed assets based on PSAK 16 can be applied by YAM effectively and can provide complete information to users of financial statements.

### Implications And Limitations

The results of this study illustrate that the accounting treatment of fixed assets at YAM in principle has been implemented consistently for recognition, measurement, depreciation of fixed assets, and presentation of fixed assets. The results of this study are expected to be useful for YAM so that fixed asset information presented in its financial statements becomes more accurate and reliable to users of financial statements. And this research is expected to be used as a reference for further research on the accounting treatment of fixed assets.

This research has limitations related to the time of research conducted so that the information obtained is less in-depth. In addition, there are time constraints from YAM informants themselves because they have other duties, while the duties at YAM are only social. Thus the policies concerning the accounting treatment of fixed assets have not all been made by YAM Management.

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