International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Implementation Of EMKM SAK In Financial Recording Of Kopi Key Msmes In Bekasi City

Dhiya Nasywa Nabilah[1], Hari Sulistiyo[2], Carolyn Lukita[3]

[1]Accounting Study Program, Singaperbangsa University, Karawang
[23]Singaperbangsa University, Karawang

Abstract

Micro, Small, and Medium Enterprises (MSMEs) are important pillars of the national economy, but their development is often hampered by inadequate financial management. This study aims to evaluate the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) at Kopi Key MSME in Bekasi City, while identifying the inhibiting factors. Using a qualitative approach with a case study method, data were collected through in-depth interviews, observations, and document analysis. The results show that financial records at Kopi Key are still very simple and conventional, namely only recording daily cash inflows and outflows without preparing formal financial reports such as balance sheets, income statements, or Notes to the Financial Statements (CALK) as required by SAK EMKM. This discrepancy is caused by three main inhibiting factors: limited human resource competency in accounting, limited time due to divided focus on daily operations, and the misperception that standard financial reports are only required by large-scale companies.

Keywords: SAK EMKM, Financial Reports, MSMEs

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) play a strategic role in supporting the Indonesian economy through their contribution to job creation, increasing public income, and strengthening the national economic structure. The resilience of MSMEs is also evident during economic downturns, where most businesses are able to maintain their operations through business flexibility and strong adaptability. Amidst the development of the creative economy and culinary industry, the coffee sector is one of the business sectors experiencing significant growth in various regions, including Bekasi City. The increasing number of coffee MSMEs indicates that business actors are beginning to recognize the importance of product innovation and sustainable business

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management. However, this development has not been fully matched by adequate financial management capabilities, particularly in preparing financial reports based on applicable accounting standards. This situation indicates that strengthening accountability and financial record-keeping remains a crucial need for MSMEs to develop professionally and be competitive (Alam & Rita, 2022).

The phenomenon of low-quality financial reporting by MSMEs is still prevalent across various business sectors in Indonesia. Most MSMEs only maintain simple recording of income and expenditure reports without preparing comprehensive financial reports in accordance with accounting standards. Yet, financial reports play a crucial role as a basis for decision-making, business evaluation, and access to external financing. The Indonesian Institute of Accountants, through its Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), has provided guidelines for preparing simpler financial reports that align with the characteristics of MSMEs. These standards are expected to assist MSMEs in producing relevant, reliable, and easy-to-understand financial reports. However, the implementation of SAK EMKM in the field still faces various obstacles such as limited accounting understanding, low human resource competency, and a lack of assistance in preparing financial reports (Purba & Natalia, 2023; Seftiany & Wijayana, 2023).

The main problem facing many MSMEs today is the suboptimal implementation of the Indonesian Accounting Standards (SAK) for MSMEs in preparing their financial reports. Some MSMEs still view financial recording as a simple administrative activity, thus failing to understand the importance of preparing the financial position report, income statement, and notes to the financial statements in accordance with standards. This lack of understanding results in the resulting financial reports not being able to accurately reflect the business's condition. Several previous studies have shown that MSMEs generally only record cash inflows and outflows without summarizing and reporting in accordance with accounting principles. As a result, business owners experience difficulties in measuring business performance and determining appropriate business development strategies (Sudrajat & Sembiring, 2023; Syah et al., 2023).

This problem was also found at the Kopi Kelly MSME in Bekasi City. Based on initial observations, the financial reports prepared by the Kopi Kelly MSME are still simplistic and do not fully implement the financial report components based on the Indonesian Financial Accounting Standards (SAK) for MSMEs. Recording only focuses on basic transactions, thus failing to produce comprehensive financial information. This condition is influenced by the business owner's limited knowledge of accounting, the lack of specialized personnel to handle financial administration, and the minimal use of accounting standards in daily business operations. If this condition persists, the business's financial management has the potential to be ineffective and could hinder the business development process and access to financing from formal financial institutions (Ar'razi et al., 2023; Sari et al., 2023).

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Besides limited accounting competency, another challenge in implementing SAK EMKM in MSMEs is the low awareness of business actors regarding the importance of standardized financial reports. Many business actors are still focused on operational and sales activities, so financial record-keeping is not a top priority. However, standardized financial reports can increase transparency, aid business evaluation, and strengthen long-term business sustainability. Previous research also shows that personal skills and accounting understanding significantly influence the complexity of preparing SAK EMKM-based financial reports in MSMEs. Therefore, implementing accounting standards requires not only regulation but also ongoing educational support and mentoring for business actors to enable them to prepare financial reports independently and in accordance with standards (Yastini & Devi, 2023; Mutiah, 2019).

This study aims to analyze the application of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) in the preparation of financial reports for the Kopi Kelly MSME in Bekasi City and identify the obstacles faced in its implementation. The urgency of this research lies in the importance of strengthening the quality of MSME financial reporting as an effort to improve accountability, business sustainability, and access to formal financing. In addition, this research is expected to provide practical contributions for MSME owners, local governments, and academics in improving the effectiveness of the implementation of SAK EMKM in the micro and small business sector. The novelty of this research lies in the focus of the study on coffee MSMEs in Bekasi City, which is still limited in research, particularly regarding the evaluation of the implementation of SAK EMKM in coffee-based culinary businesses that are currently growing rapidly in Indonesia. Thus, this research is expected to be able to provide an empirical picture of the practice of preparing MSME financial reports in the coffee industry sector in a more specific and contextual manner (Mutiah, 2019).

THEORITICAL REVIEW

Micro, Small, and Medium Enterprises (MSMEs)

Based on the concept of independence and business scale, Law Number 20 of 2008 establishes legal definitions for three types of MSMEs. The first category, micro-enterprises, consists of productive units run by individuals in accordance with applicable micro-enterprises standards. Small businesses, included in the second category, are autonomous businesses that are not owned or involved by medium-sized or large organizations. Finally, medium-sized businesses are positioned as independent productive businesses that are not connected to a network of small or large businesses. Their classification is strictly regulated by meeting requirements related to the accumulation of net assets and realized sales during a given year.(Yolanda & Hasanah, 2024)This law facilitates the establishment of appropriate regulations and assistance for each type of business by providing a clear framework for classifying MSMEs based on their size and ownership status.

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Micro, small, and medium enterprises (MSMEs) drive inclusive and sustainable economic development, increase national competitiveness, and reduce poverty. However, current trends in globalization and digitalization present several challenges for MSMEs. Low technology adoption, limited access to cash, and increasingly fierce competition are some of them. However, by developing new products, services, and business models that have the potential to accelerate economic growth, MSMEs can play a role as innovators.(Ramadhan et al., 2025).

In the research of Widiastiawati and Hambali(2020), said that MSMEs can be categorized into three, mainly based on the number of assets and turnover as stated in Law Number 20 of 2008 concerning MSMEs as follows:

1. Micro Enterprises: A business consisting of productive units run by individuals in accordance with applicable micro standards, such as having business assets with relatively low capital and income, a business with a maximum net worth of IDR 50,000,000.00 (fifty million rupiah), excluding land and buildings where the business is located, or with annual sales results of a maximum of IDR 300,000,000.00 (three hundred million rupiah).
2. Small business : A business that operates on a larger scale than a micro business but remains within certain limits. A business that has net assets of more than Rp. 50,000,000.00 (fifty million rupiah) up to Rp. 500,000,000.00 (five hundred million rupiah), or with annual sales of more than Rp. 300,000,000.00 (three hundred million rupiah) up to Rp. 2,500,000,000.00 (two billion five hundred million rupiah).
3. Medium Enterprises : A productive business that is independent and not connected to a small or large business network.Businesses that have net assets of more than IDR 500,000,000.00 (five hundred million rupiah) up to IDR 10,000,000,000.00 (ten billion rupiah), or with annual sales results of more than IDR 2,500,000,000.00 (two billion five hundred million rupiah) up to IDR 50,000,000,000.00 (fifty billion rupiah).

The Central Statistics Agency (BPS) reports that MSMEs employ less than 100 people, with the following category criteria: household businesses and micro businesses employ 1 – 4 people, small businesses employ 5 – 19 people, medium businesses employ 20 – 90 people, and large businesses employ 100 people or more.

Financial statements

Financial statements, as regulated by Financial Accounting Standards (FAS), are an integral part of the reporting process, including the balance sheet, income statement, statement of changes in equity, and cash flow statement. Prepared by company management, these statements aim to show financial performance at a specific point in time, usually at the end of an accounting period. As a crucial source of financial information, financial statements assist in decision-making that ensures the continuity of a company's operations.(Amani, 2018)In a business context, financial reports are crucial

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because they provide accountability for the performance of the company's owners or management to stakeholders.

Financial Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM)

SAK EMKM is an accounting standard designed specifically for MSMEs with the aim of simplifying the process of preparing financial reports without compromising the quality of the financial information presented. This standard covers the basic accounting principles that MSMEs must adhere to.(Alam & Rita, 2022).

RESEARCH METHODS

This research uses a qualitative approach with a case study method. Qualitative research is a research approach that emphasizes an in-depth understanding of social phenomena and human behavior. The method focuses on aspects that cannot be measured numerically, such as meaning, experiences, and individual subjective perspectives. In qualitative research, data is collected through techniques such as in-depth interviews, direct observation, and document analysis.(Sugiyono, 2023).

This research uses primary data obtained through observation and interviews, as well as secondary data from documents. Data collection was conducted by interviewing MSME owners, observing their financial reporting activities, and analyzing relevant materials such as financial records, publications, and research literature. The data was then processed by reducing, presenting, and drawing conclusions.

RESULTS AND DISCUSSION

In accordance with the qualitative approach used with a case study method, the data in this chapter was obtained through triangulation techniques consisting of in-depth interviews with informants (business owners), direct observation of financial recording activities, and analysis of transaction documents. The collected data was then processed circularly through the stages of data reduction, data presentation, and drawing conclusions.

Accounting Bookkeeping Process at Kopi Key MSME in Bekasi City

Based on field research, Kopi Key, a small and medium-sized business in Bekasi City, still uses a very simple accounting system. The business owner's basic knowledge and practical intuition in overseeing daily operations are the only support for the financial recording system implemented. The following quote, taken from an in-depth interview with the key informant, the owner of Kopi Key, supports this phenomenon:

"I keep books to monitor my finances. I simply record daily expenses and sales in a sales ledger, transfer the data to my laptop, and then re-enter it into Excel in the same format as the general ledger. According to accounting standards, bookkeeping is actually

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complicated and time-consuming. In reality, bookkeeping done according to accounting principles is very complicated and time-consuming."

The above statement is in line with Mutiah's research findings.(2019)when conducting follow-up interviews and document observations related to the technical details of the business's financial reporting, "There are no formal financial reports such as balance sheets, profit and loss statements, and so on, which are complete and well-structured, because bookkeeping only consists of the financial records that I have mentioned previously, namely, sales ledger, expenditure ledger, and income ledger."

Based on the interview results, empirical data indicates that the owners and managers of these leading MSMEs actually possess a fairly high level of financial understanding regarding the importance of bookkeeping as a financial control tool in their companies. This practice reflects concrete efforts by management to maintain consistency, order, and internal accountability in documenting their daily operational activities, even though the recording process used is still considered manual, conventional, and simple.

Evaluation of the Compliance of Kopi Key's Bookkeeping with SAK EMKM

Based on the assessment using the SAK EMKM benchmark, the overall accounting procedures implemented by Kopi*Key,*a major MSME, has not demonstrated compliance with basic accounting principles or applicable financial accounting standards.

Empirical field data shows that the balance sheet, income statement, statement of changes in equity, cash flow statement, and notes to the financial statements (calculated as part of the financial statements), among other important financial statement components required by the Indonesian Financial Accounting Standards (SAK) for MSMEs, are not prepared by large MSMEs. The following statements from informants acknowledge the lack of these reports:

"I don't have a balance sheet or financial statements on file. I don't keep detailed financial reports, as such; I simply record the total cash available and the cash inflows from sales and expenses. Furthermore, unless an item is damaged and needs to be repaired or replaced, I don't include the value of equipment and other supplies."

In accounting terms, profits are still monitored in a simple way, even though this business has implemented the concept of a business entity by separatingThe owner's personal assets are derived from business assets. The difference between daily sales revenue and daily expenses, as well as employee salaries paid at the end of each week, are used to directly monitor the level of profit (profit and loss).

Utilization of sales notes as evidence of services*on line*The Kopi Key MSME has not yet progressed to the next stages of the accounting cycle, such as journaling, general ledger entries, or preparing a trial balance. This reduction in the accounting cycle has resulted in existing financial reports relying solely on the business owner's subjective methodology. The lack of standardization in this process has resulted in the low quality of

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the financial information presented, thus suboptimally facilitating accurate economic decision-making.

Factors Inhibiting the Implementation of SAK EMKM in Kopi Key MSMEs

This study identified several significant barriers contributing to the low level of SAK EMKM utilization in Kopi Key MSMEs, based on data reduction analysis from interviews. These issues are grouped into three main categories:

1. Limited Human Resources Competence

   Business owners are solely responsible for financial management. They rely on limited basic understanding due to a lack of formal education or training in accounting. Due to this limited access to information, standard accounting methods are not theoretically understood.
2. Time Constraints

   Business owners expressed dissatisfaction with time management issues within their businesses. They must simultaneously manage employee performance and devise business development strategies, while also managing financial bookkeeping. These conflicting operational needs often lead to bookkeeping tasks being neglected, ultimately resulting in data inconsistencies, such as discrepancies between financial report data and actual physical inventory on site.
3. Perception of Business Scale and Low Awareness of Urgency

   One of the main challenges lies in the perspectives and behavioral characteristics of business owners. Kopi Key's MSME category, which empirically still falls into the micro-scale category, reinforces the mistaken assumption that only large companies should use conventional accounting systems due to the complex processes. This mindset ultimately leads to a lack of understanding of the importance of financial reporting, which is actually a crucial tool for ensuring long-term business continuity and sustainability.

CONCLUSION

Based on the results of research and discussions regarding the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) at the Kopi Key MSME in Bekasi City, it can be concluded that the current financial reporting system does not yet demonstrate compliance with the parameters of the SAK EMKM. Although business owners have internal awareness of the importance of bookkeeping as a control instrument, the practice remains conventional, manual, and very simple. Current financial recording is limited to documenting daily cash inflows and outflows through ledgers and Excel spreadsheets, without continuing to the comprehensive accounting cycle stages such as journalizing and preparing a trial balance. As a result, the components of normative financial reports required by the standard such as the statement of financial position (balance sheet), standard income

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statement, statement of changes in equity, cash flow statement, and Notes to the Financial Statements (CALK) are not available, thus degrading the quality of the resulting financial information to facilitate accurate economic decision-making.

The lack of implementation of the Indonesian Accounting Standards for MSMEs (SAK MSME) is due to three main interrelated factors. First, limited accounting skills due to business owners' lack of specialized education or training in the field. Second, time constraints, as owners must juggle daily operations, managing employees, and devising business strategy, often lead to bookkeeping being neglected. Finally, the owner's perspective, which considers coffee businesses*Key*It's still micro-scale, leading to the mistaken belief that only large companies need to prepare neat financial reports due to the complex process. This mindset makes owners less aware of the importance of standardized financial reports for the long-term sustainability of their businesses.

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