

Research Article

ACCOUNTING STUDY OF NON-PROFIT ENTITIES BASED ON SAK ETAP, ISAK 35

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**ABSTRACT**

The Evangelical Christian Church in Minahasa is a very developed church and has succeeded in developing its service to the community with various forms of service, such as establishing schools, help the underprivileged congregation through the coffers of love, cooperatives, free medical treatment and so on.

The success of the church in presenting clear and transparent financial reporting, becomes a measure of the success of every program that has been planned. In addition, church administrators can easily make accountability to God and church members. Accountability increases the confidence of the congregation, so that they do not hesitate to make donations, as well as transparency reduces misunderstandings or suspicions in the church, including conflicts and divisions that should become one in Christ and the church can continue to improve its services for the glory of God.

This study aims to determine the financial management of GMIM, by conducting studies and comparing the management among church organizations, evaluating the financial process into financial statements. The method used is a qualitative method by reviewing transactions that occur at any time, the notes used by each treasurer which are then compiled by Congregation Assembly Working Agency in Financial Statements according to activities. Analysis of the data used is to explain, describe the method of financial management of all cash receipts transactions starting from financial data to become information during the reporting period.

**Keywords:** Church financial management, Transactions, Financial reports

**Introduction**

Etymologically, "religious organization" can be defined as an organization whose movement focus is related to a particular religion, which also involves matters of worship or carrying out all God's obligations related to a

particular religion or belief. "religious organization" can refer to an organization within a mosque, prayer room, church, chapel, temple, pagoda, vihara, or temple or an organization outside a religious organization but engaged in religious activities. In terms of its

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implementation, religious organizations are run by an institution or organization that arises from awareness of the running of the religious vision and mission according to Bastian (2007).

Furthermore, Bastian (2007) stated that religion was revealed to answer human problems, both at the macro and micro levels. Religious teachings must be implemented in all aspects of life. In its implementation, religious teachings as 'messages of the sky' need translation and interpretation, this is the main problem, namely "grounding" the teachings of the sky. In the world, religion must look for its relevance so that it can color the cultural, political, and socio-economic life of the people. Thus, religion is not always at the normative level.

Previous research from Budiono & Enrico (2020) stated that the application of PSAK 45 as a financial reporting standard for non-profit oriented entities in Indonesia has been in effect since 1997. The development of non-profit organizations in Indonesia in terms of implementation and number, IAI through DSAK created ISAK 35 which serves as a new financial reporting standard for non-profit entities. Yayasan Tangan Terbuka as a non-profit business actor has implemented PSAK 45 but it is still not perfect. The imperfect application of PSAK 45 is caused by the lack of capacity of resources owned by the foundation and literacy provided by IAI and the government.

The existence of accounting practices in the Bible, among others:

1. In the book of Nehemiah 12:44; In those days several people were appointed to oversee the treasury chambers, the booths for special offerings, for the first produce and for tithing offerings, so that the contribution which was lawful to the priests and the people the Levites were gathered into the booths according to the fields of each city. For Judah rejoiced over the priests and Levites who served. Nehemiah 13:13; As overseers of the treasury I appointed Shelemiah and Zadok, a scholar of the scriptures, and Pedayah, a Levite, while Hanan son of Zakur son of Mata was assigned to them, because they were considered faithful. They were given the task of taking care of the distribution to their brethren.

2. I Chronicles 26:20; The Levites, their brethren, who oversaw the treasury of the house of God and oversaw the treasury of the holy things.
3. Ezra 5:17; Therefore, if the king deems it good, then let an investigation be carried out in the king's treasury, there in Babylon, to see if the king Cyrus has issued an order to rebuild the house of God which is in Jerusalem. Then the king's decision on the matter may be sent to us.

The activities of this religious organization can be categorized into non-profit organizations, this is due to the orientation of the organization having similarities with non-profit organizations, in terms of measuring its success which includes: the number of receipts from donations of funds, the growth of the organization and the number of members, the number of visitors and people served as well as how much cost can be efficient.

Non-profit organizations continue to be urged to always prepare their plans and programs and budgets. The demand for adequate accountability, for non-profit organizations, especially churches is not an easy thing, often the church treasurer is someone who has experience in the field of business accounting, but does not have special training/skills in church accounting. Church administrators expect the church treasurer or financial secretary to properly handle finances, even though they may have little knowledge in accounting (for churches, 2016).

Every institution founded in the world has a financial problem to solve, where a source of financing has to be found. If a world institution, which owns earthly territory, has problems with finances, so does the church. One day we will be a glorious church, we will be in heaven where every path we walk will be coated with pure gold. But here we are a militant church standing on the grass, like everyone else, we have financial problems, Criswell (2010).

Sakti's research (2007) states that the largest income in the church is from donations from donors, namely the congregation. The results of this study concluded that the church has succeeded in managing financial management within the church and making financial

reporting very clear and transparent as well as being a measure of success. The church in carrying out its duties and vocations in the world requires several supporting tools, such as: good leadership, a well-organized organization, having a constitution and by-laws. Another example, the church needs to have good administrative and financial church management. In addition to managing and seeking and carrying out its duties and vocations, the church needs funds. In seeking to raise funds and regulate their use, churches need good financial management. For this purpose, church finance managers need accurate financial information.

Endrayanto's research (2019) on the application of PSAK 45 concerning Financial Reporting of Non-Profit Entities for Educational Foundations, that the presentation, measurement and disclosure of financial transactions that occur in educational foundations according to PSAK 45 concerning financial reporting of non-profit entities, so it is hoped that the financial statements of non-profit entities can be easier to understand, understandable, relevant, and comparable. Meanwhile, research by Sukmana and Gusman (2008) states that the presentation of financial statements based on PSAK No. 45 regarding financial reporting for non-profit organizations will have a good impact on the implementation of Total Quality Management and vice versa, the implementation of Total Quality Management will have a good impact on the presentation of financial statements based on PSAK No. 45 concerning non-profit organization financial reporting.

Kurniati (2019) The results of this study show the Catholic Church of the Parish of St. Paul Miki Salatiga has complied with the financial reporting standards of the Archdiocese of Semarang and the Statement of Financial Accounting Standards (PSAK) number 45 revised in 2011 by presenting a Statement of Financial Position, Activity Report, Cash Flow Statement, and Notes to Financial Statements. However, there are differences in the adjustment and recording of financial statements made by GPM to PSAK No. 45 revised in 2011 according to the characteristics of the parish.

Ahiabor, Collins, and Yaw (2013) Financial Reporting Quality has a significant positive

relationship between staff competence and the effectiveness of the internal control system which will greatly affect the church's financial account reporting. This means that staff competence greatly affects the quality of financial reporting, and therefore if promoted by church leaders, it will lead to the quality of financial reporting and handling of internal control systems or procedures.

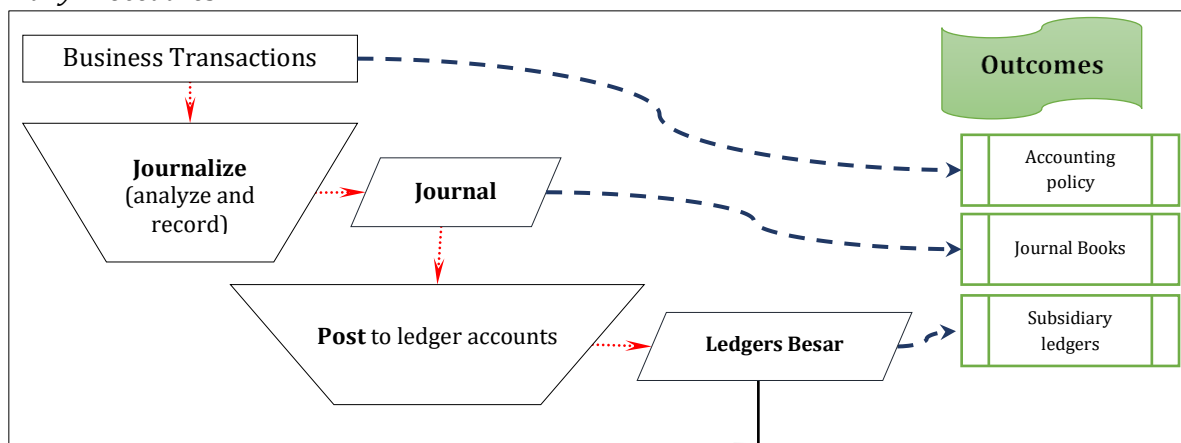
According to the results of previous research, it can be stated that church entities can prepare financial reports based on financial accounting standards for non-profit organizations by taking into account the competence of staff and the availability of an adequate internal control system as well as having an impact on the quality of preparing church financial reports in order to improve service quality.

## **Methods**

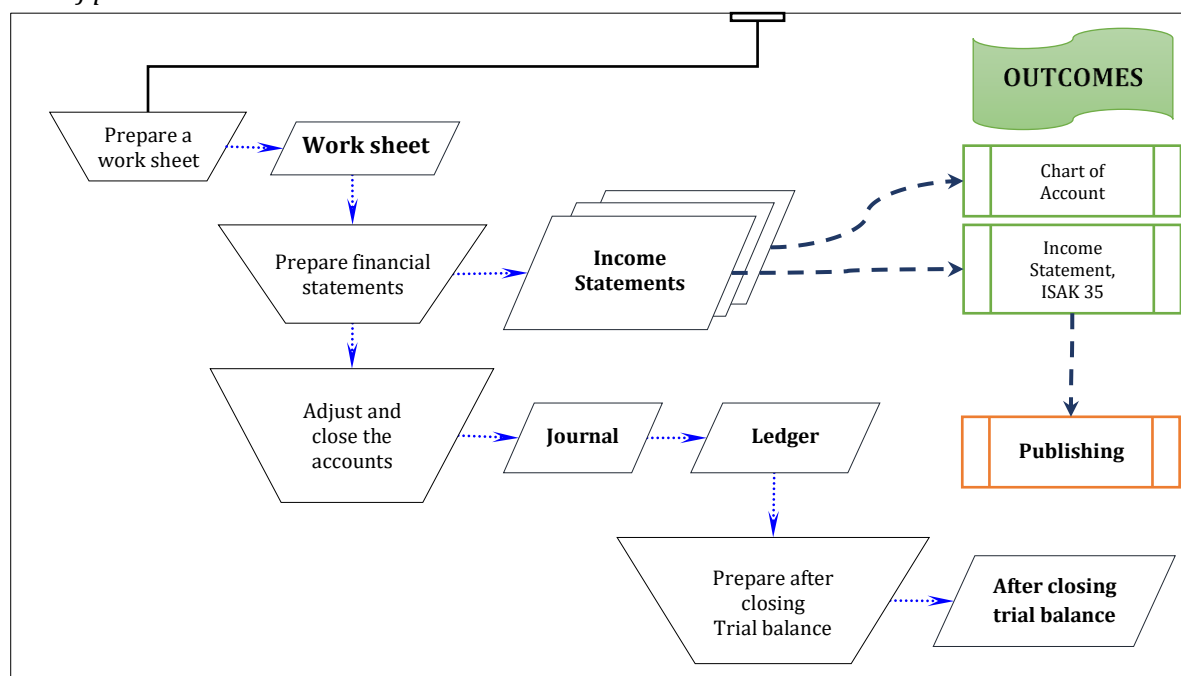
This study aims to analyze the activities of the Church Entity in financial management and identify events that occur related to the entity's financial data and financial information based on SAK ETAP; ISAK 35, and Bible Perspectives on Accounting Standards for non-profit entities in church financial management within the Evangelical Christian Church in Minahasa, by conducting studies and comparisons between management among church organizations. This research was conducted by evaluating the financial process until it became a financial report which is a form of accountability to God as the head of the church and congregation.

The method used in this study is a qualitative method by reviewing transactions that occur at any time, the records used by each manager (treasurer) which will then be compiled by the Congregation Assembly Working Agency in a Financial Report designed in accordance with church activities. The data analysis used by the author in this study is qualitative research and descriptive analysis, namely explaining and describing the method of the church financial management process regarding all cash receipt transactions starting from financial data to becoming church financial information during one reporting period, which follows the stages of Meigs and Meigs (1984) as shown in Figure 1 below.

**1. Daily Procedures**



**2. End of period Procedures**



*Figure 1. Stages of Preparation of Financial Information*

**Results and Discussion**

The GMIM Synod was established on September 30, 1934. One of the important reasons for its establishment is the emergence of a sense of nationalism among the people, which is fertile ground for the desire to be independent within the church. In addition, the reason for the birth of GMIM is the desire for Christians in Minahasa to free themselves from the guardianship of the colonial church and in particular it is noted how the role of Christian School Teachers who began to organize themselves in

the Pangkal Setia organization in 1917; the efforts of the Dutch Government and the Protestant Church to end the ties that had existed since the VOC.

In carrying out the stewardship of the Congregation Assembly Working Agency, the implementing agencies consist of the Department, Foundation and Regional Services. The Department is the implementing organizational unit of the Synod Working Body whose function is to assist BPMS in elaborating the provisions of the Synod Session for certain service areas.

**Transaction**

As with transactions in a company, in non-profit organizations there are also transactions related to the income and expenses of the organization. This difference in income and expenses is a surplus or deficit from the activities of non-profit organizations for a certain period. A surplus will increase Net Assets while a deficit will reduce Net Assets. Based on this, the income and expense transactions will affect net assets. Therefore, the basic accounting equation was developed to be:

<b>Assets =</b> <b>Liabilities + Net Assets + Revenue - Expenses</b>
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**Accounting Policies and Recognition, Measurement of Financial Statements**

Church entities recognize items as assets, liabilities, equity, income and expenses (elements of financial statements) when they meet the definitions and recognition criteria for those items.

**Church Entity Accounting Cycle**

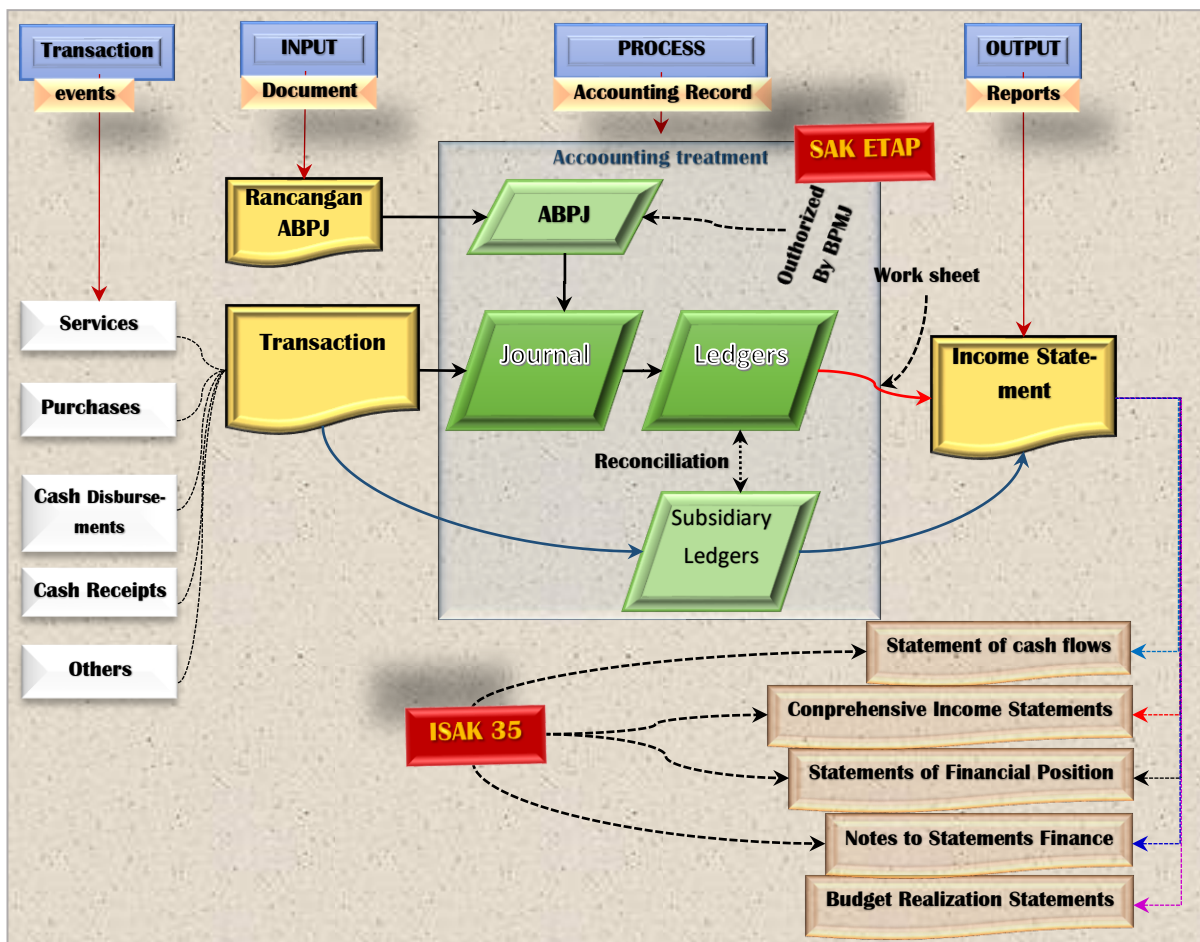


Figure 2. Stages of Preparation of Financial Information

1. Asset

Entities usually use assets for services that can meet the wishes or needs of the congregation; because this service can satisfy the wants or needs of the congregation, the congregation responds by giving

an expression of gratitude so that it contributes to the entity's cash flow.

The future economic benefits of the asset can flow to the entity in several ways. The asset can:

- a. used either alone or in combination with other assets in

- b. provision of entity services to the congregation;
- c. exchanged for other assets;
- d. used to settle liabilities; or
- e. distributed to the service entity.

## 2. Liabilities

The essential characteristic of a liability is that the entity has a present obligation. Obligation is a duty or responsibility to do something in a certain way. Liabilities are amounts owed for goods and services that have been received. However, obligations also arise from normal service practices, customs and a desire to maintain good business relationships or act in a fair manner.

Settlement of a present obligation usually requires an entity to sacrifice resources that have economic benefits in order to satisfy the claims of the other party. Settlement of current obligations can be done in various ways, for example, by:

- a. cash payments;
- b. transfer of other assets;
- c. service provision;
- d. replacement of these obligations with other obligations; or
- e. conversion of liabilities to equity.

Liability can also be written off in other ways, such as the creditor waving or canceling his rights.

## 3. Net Assets (PSAK 45)

The statement of financial position presents the amount of each group of net assets based on the presence or absence of restrictions by contributors, namely:

### a. Permanently bound

Permanently restricted net assets are resources whose use restrictions are permanently maintained. However, organizations are permitted to use some or all of the income or other economic benefits derived from these resources, for example: endowments, inheritance, grants, donations.

Permanent restrictions on (1) assets, such as land or works of art, that are donated for a specific purpose, to be cared for and not to be sold, or (2) assets donated to investments that generate

income permanently may be presented as a separate item in the net assets group, whose use is permanently restricted or presented in the notes to the financial statements. The second group's permanent restrictions come from grants and inheritance which are endowments.

### b. Temporarily bound,

Temporarily restricted net assets are resources whose use restrictions are maintained until a certain period or until certain conditions are met. These usage restrictions can be set by the donor or by the non-profit organization itself (eg to expand, or to purchase certain assets).

Temporary restrictions on (1) donations in the form of certain operating activities, (2) investment for a certain period of time, (3) use during a certain period in the future, or (4) acquisition of property, plant and equipment, can be presented as a separate item in the group of net assets whose use temporarily restricted or presented in the notes to the financial statements. Temporary restrictions by donors can take the form of time restrictions or usage restrictions, or both.

Information about the nature and amount of permanent or temporary restrictions is disclosed by presenting the amount in the financial statements or in the notes to the financial statements.

### c. Not bound

Temporarily restricted net assets are resources whose use restrictions are maintained until a certain period or until certain conditions are met. These usage restrictions can be set by the donor or by the non-profit organization itself (eg to expand, or to purchase certain assets).

Unrestricted net assets generally include income from services, sales of goods, donations, and dividends or investment returns, less the costs of obtaining such income. Limitations on the use of unrestricted net assets may stem from the nature of the non-profit

entity. Information regarding these limits is generally presented in the notes to the financial statements.

#### 4. Reporting Standards

Church Entity Financial Reporting aims to regulate the financial reporting of entities which are expected to make the financial statements of these entities easier to understand, have relevance, and have high comparability. The Entity's Financial Reporting is presented and meets the following characteristics:

- a. The entity's resources come from donors who do not expect repayment or economic benefits commensurate with the amount of the resources provided.
- b. Produce services without the aim of generating profit, and if it generates profit, then the amount is not distributed to stakeholders.
- c. There is no ownership as is customary in business entities, in the sense that ownership in the entity cannot be sold, transferred, or redeemed, or the ownership does not reflect the proportion of the distribution of resources of the non-profit entity at the time of liquidation or dissolution of the non-profit entity because the ownership wholly belongs to God the Father in Heaven as the Creator of the Universe includes the entity of the Church as a form of fellowship that has faith in Jesus Christ as the Head of the Church.

The financial statements consist of :

- a. statement of financial position (balance sheet),
- b. activity report,
- c. cash flow statement, and
- d. notes to financial statements.
- e. budget realization report

#### 5. Financial Statements

- a. Classification of Assets and Liabilities
- b. Net Asset Classification:

#### 6. Accounting Policies

Transactions that occur in non-profit entities/organizations will always affect

the left side and the right side with the same amount so that the equation will continue to apply. So that non-profit entities/organizations also have transactions related to revenues and expenses. This difference in income and expenses is a surplus or deficit from the activities of non-profit organizations for a certain period. A surplus will increase Net Assets while a deficit will reduce Net Assets.

Transactions are recorded based on data from valid source documents in journal books. The data that has been recorded in the journal is then separated based on each group and recorded in a ledger. The data in the general ledger is recapitulated so that the balance can be displayed in a simple report in the form of a trial balance.

##### a. Proof of transaction

In simple terms, proof of transaction is a legally valid document that can be used as the basis for the occurrence of a transaction. This document can be a single document, it can also be a collection of several documents that become a unity. Proof of transactions in Church entities is based on receipts, expenditures, income and procurement transactions as well as other transactions.

##### b. Chart of Accounts

A church entity accountant chart includes Assets, Liabilities, and Equity. and the classification is more detailed. The number and account names for each Church entity vary widely, depending on the interests of management to the extent of the level of information expected from this grouping. However, each non-profit organization must compile a list of accounts that contains all valid account codes and names used by the non-profit organization concerned. This account list should also provide a description/description for each account, making it easier for accounting operators.

##### c. Journal Recording

The recording of transactions from the basic evidence is carried out in the journalizing process. Each transaction

is recorded in a separate journal entry. Transactions are recorded in a General Journal Book. This journal entry must inform:

1) Transaction date;

Transaction date is the actual date when a transaction occurs or a transaction can be recognized according to the usual accounting provisions. Because it adheres to the accrual basis, the date of the transaction is recorded according to its occurrence, not based on when it was paid or received the payment, nor based on the date it was recorded.

2) Accounts affected by transactions and their nominal amounts;

Account is the name of a group as in a specific basic accounting equation so that we can distinguish them for reporting purposes. Accounts that are separate in nature and have a certain influence in decision making must be separated from other accounts.

3) Transaction description.

Transaction descriptions are absolutely necessary so that readers of accounting reports can find out the details of the actual events of the transaction, before looking into the evidence base.

4) Reference to post

The posting reference column in the general journal is usually filled with the account code. The goal is to make it easier when posting to the general ledger.

In non-profit organizations there are several routine transactions that often occur and need to be journalized. These transactions include:

- a) Cash/Bank Receipt/Disbursement
- b) Transfer Funds Between Accounts
- c) Program Implementation Payment
- d) Donation Acceptance

- e) Purchase of Office Stationery and Consumables
- f) Advance Payment
- g) Down Payment Accountability
- h) Office Administration Expenses Payment

The following are transactions that occurred during January 2019 at the GMIM Synod Office. Transactions are made through bank accounts.

- 1) 2<sup>nd</sup>: a non-profit organization was established by the name of the GMIM Musafir Kleak Congregation by the founders with the founder's initial contribution of IDR 5,000,000 is used for the cost of managing the deed of establishment of IDR 4,000,000 and the rest to open an institutional checking account at Bank Manado.
- 2) 3<sup>rd</sup>: received a donation from the Ministry of National Education through the institution's account in the amount of IDR 50,000,000 for the Congregational Teacher Training Program.
- 3) 5<sup>th</sup>: received assistance from education observers in the form of cash amounting to IDR 10,000,000.
- 4) 6<sup>th</sup>: office equipment was purchased in cash in the form of a table, chair, and filling cabinet for IDR 2,300,000
- 5) 7<sup>th</sup>: Purchased cash for office stationery worth IDR 450,000
- 6) 14<sup>th</sup>: an advance payment for the cost of the meeting of the supervisors, supervisors, and administrators of the institution is paid in the amount of IDR 350,000
- 7) 17<sup>th</sup>: implemented a donation from the Ministry of National Education of IDR 25,000,000 for teacher training at GSM congregation partners.
- 8) 28<sup>th</sup>: paid employee honorarium in cash IDR 1,500,000
- 9) 30<sup>th</sup>: receipt of a copy of the unpaid meeting document bill of IDR 50,000
- 10) 31<sup>st</sup>: Accountability of the down payment for meeting expenses which has been issued on the 14<sup>th</sup> is received in the form of costs amounting to IDR 400,000 and the shortfall is paid in cash.



11) February, 1<sup>st</sup>: Bank Manado statement received stating data not included in the above transaction:

a) Interest on demand deposits of IDR 15,250

b) Administration fee IDR 10,000

Using the data above, the journals made to record these transactions are as follows:

**JOURNAL**

Page 1

Date	Explanation	Ref	Debit	Credit
02/01/2019	Cash		5.000.000	
	Donation (Without restrictions)			5.000.000
	Initial donation from the founder for the establishment of the institution			
	Giro Bank Manado		1.000.000	
	NGO Establishment Expenses		4.000.000	
	Cash			100.000.000
	Opening Current Accounts and Notary Fees for Establishment of Non-profit Organizations			
03/01/2019	Giro Bank Manado		50.000.000	
	Donation (With restrictions)			50.000.000
	Accepting Donations from the city government			
05/01/2019	Giro Bank Manado		10.000.000	
	Donation (Without restrictions)			10.000.000
	Acceptance of Donations from the provincial government			
06/01/2019	Office equipment		2.300.000	
	Giro Bank Manado			2.300.000
	Purchase of office equipment in cash paid for through demand deposits at bank manado			
07/01/2019	Office Supplies		450.000	
	Giro Bank Manado			450.000
	Purchase of office stationery			
14/01/2019	Cash (Down payment)		350.000	
	Giro Bank Manado			350.000
	Advance payment of meeting fees for supervisors, supervisors, and board members			
17/01/2019	Teacher Training Program		50.000.000	
	Giro Bank Manado			50.000.000
	Implementation of the Church Member Training Program			
28/01/2019	Employee and Assistance Honors expense		1.500.000	
	Giro Bank Manado			1.500.000
	Payment of employee fees			
30/01/2019	Printing and Photocopying expense		50.000	
	Accrued Expense			50.000
	Recognition of accrued printing and photocopying expenses			
31/01/2019	Leadership Meeting Expense		400.000	
	Giro Bank Manado			50.000
	Cash (down payment)			350.000
	Accountability of meeting advances			
01/02/2019	Giro Bank Manado		15.250	
	Interest Bank income			15.250
	Interest receipts for bank checking services			

**JOURNAL**

Date	Explanation	Ref	Debit	Credit
01/02/2019	Bank administrative expense		10.000	
	Giro Bank Manado			10.000
	Payment of bank administration expenses			

d. Post General Ledger

The general ledger contains a collection of all the accounts used by a company. Information recorded in general journals or special journals is periodically transferred to the appropriate accounts contained in these ledgers. This transfer is generally referred to as the posting process.

The description column is filled with a brief explanation of the transactions that occurred. In the posting reference section (Ref.) it is filled with code '2' which means the transfer from transaction number 2 of the General Journal book. The balance column shows the account balance on a specific date. In the example above, the balance on January 3 is IDR 50,000,000 as the effect of the placement transaction on that date.

Posting the general ledger, as follows:

Account: <b>Cash</b>		Account No:			
Date		Expalanation	Ref	Debit	Credit
2019 Jan	1	Balance			
	2			5.000.000	
	2				5.000.000

Sometimes a separate ledger is created to contain detailed information to support balance sheet items or income statement accounts. The General Ledger contains all the accounts that appear in the financial statements, while the Subsidiary Ledger contains details of balances/transactions that support the balances in the Ledger.

account can be known. There are accounts that have debit balances, some have credit balances or some even have zero balances. Trial balance is a list of all the following accounts with their balances. A trial balance needs to be prepared with the aim of conducting a general check whether the recording and posting process carried out is accurate. The total amount for the debit side and the credit side must be the same.

e. Trial balance

After all transactions in a period such as monthly have been posted to the general ledger, the balance of each

The following is the trial balance as of February 1, 2019.

TRIAL BALANCE				
1 Februari 2019				
Number	Account	Debit	Credit	
	Cash	0	0	
	Giro Bank Manado	0	0	
	Cash (Down payment)	0	0	
	Office supplies	0	0	
	Office equipment	0	0	

Accrued Expenses	0	0
Net Assets without restriction	0	0
Net Assets with restriction	0	0
Donation (without restriction)	0	0
Donation (Temporary restriction)	0	0
Teacher Training Program	0	0
Employee & Assistance Honors expense	0	0
Printing & Photocopying expense	0	0
Leadership Meeting expense	0	0
NGO Establishment Expense	0	0
Income Interest of bank	0	0
Bank administrative expense	0	0
Balance Per 1 February 2019	0	0

a. Financial Statements

THE CHRISTIAN EVANGELICAL CHURCH IN MINAHASA				
STATEMENT OF FINANCIAL POSITION				
PER : 31 Decembre 2019				
No Akun	Nama Akun	Pos	Debit	Kredit
<b>1100</b>	<b>AKTIVA</b>			
1101	Kas	Debit	IDR	
1102	Bank Lembaga	Debit	IDR	
1103	Bank Proyek A	Debit	IDR	
1104	Bank Proyek B	Debit	IDR	
1105	Piutang	Debit	IDR	
1106	Uang Muka Kerja	Debit	IDR	
1107	Sewa Dimuka	Debit	IDR	
1108	Inventaris/Aset Tetap	Debit	IDR	
1109	Akum. Peny. Inventaris/Aset Tetap	Debit	IDR	
<b>2100</b>	<b>KEWAJIBAN</b>			
2101	Hutang Staf	Kredit		IDR
2102	Pendapatan diterima dimuka	Kredit		IDR
2103	Hutang Lain-lain	Kredit		IDR
<b>3100</b>	<b>ASET BERSIH</b>			
3101	Aset Bersih Tidak Terikat	Kredit		IDR
3102	Aset Bersih Terikat Sementara	Kredit		IDR
3103	Aset Bersih Terikat Permanen	Kredit		IDR
	<b>JUMLAH</b>		<b>IDR</b>	<b>IDR</b>

THE CHRISTIAN EVANGELICAL CHURCH IN MINAHASA					
COMPREHENSIVE INCOME STATEMENT					
Years 2019					
Acc. no	Account Name	Pos	Without Restriction	Temporary Restriction	With Restriction
<b>4100</b>	<b>INCOME</b>				
4101	Donation Income	Credit	IDR	IDR	IDR
4102	Grant Income	Credit	IDR	IDR	IDR
4103	Service ncome	Credit	IDR	IDR	IDR

4104	Services revenue	Credit	IDR	IDR	IDR
<b>Total Income</b>			<b>IDR</b>	<b>IDR</b>	<b>IDR</b>
<b>5100</b>	<b>Program Fee</b>				
5101	Fee for Facilitator / Notulen etc.	Debit	IDR	IDR	IDR
5102	Transport fee	Debit	IDR	IDR	IDR
5103	Meeting package expense	Debit	IDR	IDR	IDR
5104	Local transportation expense	Debit	IDR	IDR	IDR
5105	Consumption expense	Debit	IDR	IDR	IDR
5106	Accommodation expense	Debit	IDR	IDR	IDR
5107	Stationery & Photocopy expense	Debit	IDR	IDR	IDR
5108	Distribution expense	Debit	IDR	IDR	IDR
5109	Office rent expense	Debit	IDR	IDR	IDR
5110	Website expense	Debit	IDR	IDR	IDR
<b>Total Program Expense</b>			<b>IDR</b>	<b>IDR</b>	<b>IDR</b>
<b>6100</b>	<b>Administration &amp; Secretariat Exp</b>				
6101	Salary expense	Debit	IDR	IDR	IDR
6102	Allowance expense	Debit	IDR	IDR	IDR
6103	Transport expense	Debit	IDR	IDR	IDR
6104	Rental expense	Debit	IDR	IDR	IDR
6105	Depreciation expense	Debit	IDR	IDR	IDR
6107	Distribution expense	Debit	IDR	IDR	IDR
6108	Stationery & Photocopy expense	Debit	IDR	IDR	IDR
6109	Electricity & Water expense	Debit	IDR	IDR	IDR
6110	Consumption expense	Debit	IDR	IDR	IDR
6112	Tax expense	Debit	IDR	IDR	IDR
6113	Bank Administration expense	Debit	IDR	IDR	IDR
6114	Others expense	Debit	IDR	IDR	IDR
<b>Total Administration &amp; Secretariat Expense</b>			<b>IDR</b>	<b>IDR</b>	<b>IDR</b>
<b>Total Expense</b>			<b>IDR</b>	<b>IDR</b>	<b>IDR</b>
Net Assets for the Current Period			IDR	IDR	IDR
Net Assets Past Period			IDR	IDR	IDR
Net Assets			IDR	IDR	IDR

**THE CHRISTIAN EVANGELICAL CHURCH IN MINAHASA**

**BUDGET REALIZATION STATEMENT**

**PERIODE 2019**

Budget no	Budget Item	Budget	Realization	Difference
R1	<b>Reception</b>		IDR	IDR
	<b>Amount of Receipt</b>	<b>IDR</b>	<b>IDR</b>	<b>IDR</b>
	<b>Expenditure</b>			
1.1	Centralization	IDR	IDR	IDR
1.2	Categorical Commission	IDR	IDR	IDR
1.3	Church Worker Allowance	IDR	IDR	IDR
1.4	Holiday allowance		IDR	IDR
1.5	Khadim Fee		IDR	IDR
1.6	Music Player Expense		IDR	IDR
1.7	Office Equipment Expense		IDR	IDR
1.8	Reading Procurement expense		IDR	IDR

1.9	Meeting expense	IDR	IDR	IDR
1.10	Training expense	IDR	IDR	IDR
1.11	Diakonia expense		IDR	IDR
1.12	Electricity, water, phone accounts	IDR	IDR	IDR
1.13	Others		IDR	IDR
<b>Expenditure Amount</b>		<b>IDR</b>	<b>IDR</b>	<b>IDR</b>
<b>Cash Balance</b>			<b>IDR</b>	

## Conclusion

The demand for accounting practices for non-profit organizations and uniformity has caused the Indonesian Accounting Association in ISAK No. 35 compiling financial reporting of non-profit organizations. Application of ISAK No. 35 in the preparation of financial statements of non-profit organizations as a form of accountability to donors to determine organizational performance. Non-profit organizations, including churches, are a form of non-profit organization with the type of serving Church members who are also foundations or social institutions under an ecclesiastical organization with an organizational structure (Church Regulations) or articles of association. Administrative activities include making budget and income; preparation of simple financial statements based on needs and adjusted to the work program that is set every year. The Church's financial reports consist of weekly and annual financial reports, all of which are accounted for periodically every year and submitted to church members every week and the Congregational Council Meeting every month. The preparation of financial statements is not in accordance with ISAK No. 35 because they do not have an understanding of applicable financial management and lack of accounting knowledge possessed by administrators or administrators, even though the Church cannot apply the form of financial statements based on applicable accounting standards, namely ISAK No. 35 but there are things that allow it to be applied and become one of the elements of reporting standards.

Based on the management of church resources or sources of income over a period of a year, the Church has the ability to manage funding sources and organizational expenses that must be accounted for properly, therefore it is time for financial management to use the

ability to better understand accounting science which has developed rapidly. and the Church must have competent human resources in the field of accounting.

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