

# Implementation, Withholding, and Reporting Analysis of Income Tax Article 26 Based on a Tax Treaty

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**Abstract.** The purpose of this research is to know how to use the application procedures for cash receipts finance and billing management system (FBMS). This research was conducted in the Office of Sea port of Batam engaged in the field of port services in Batam. The method used in this research is descriptive analysis method. The results of this study can be concluded that the procedures for cash receipts to the Office of the Port of Batam is in conformity with the existing theory, but an oversight in the use of the application system of cash receipts should be noted that the report produced more accurate. Suggestions to the authors convey to always pay attention to input data with care and to improve FBMS to avoid mistakes.

Keywords: procedures, cash receipts, finance, billing application management system (FBMS)

## Introduction

Cash on the balance sheet is the most liquid asset. Almost every transaction made by the company will affect cash. The high activity of cash receipts transacted encouraged many companies to use recording media such as software or accounting applications that process cash receipts as was done by the Office of the Port of Batam (Batam Employers Agency, 2010).

The procedure both in cash receipts is very useful for companies, especially related to control of the cash receipts. This situation will encourage companies to make arrangement on cash receipts accounting system that includes several aspects that are interrelated.

Office Seaport Batam is one service company engaged in the field of shipping services such as services and anchor, mooring services, dock services, water services, tug services, stevedoring services and other services. One form of control performed Batam Sea Port Office is to use an application accounting to

record all financial activities with a large enough volume of transactions.

Based on the above background, the authors identified the problem as follows:

a Control of cash receipts by using the application finance and billing system management (FBMS) in the office of sea port still frequent errors in record-keeping so that the cash flow in the report does not correspond with the cash balance should be.

b System is easy in the examples and duplicated by others.

## Literature Review

### *Understanding Systems, Procedures, and Accounting*

The system is a network of procedures that are integrated in a pattern to carry out basic activities of the company (Mulyadi, 2001). The system can also be interpreted a framework of procedures that are interconnected compiled a comprehensive scheme for

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the implementation of an activity or a major function of a company (Baridwan, Zaki 1998).

The procedure is a sequence of clerical activity, usually involving several people in one department or more, which are rendered to ensure handling a variety of corporate transactions that occur repeatedly (Mulyadi, 2001). Accounting System is a proof of the transaction documents, instruments recording reports and procedures that companies use to record transactions and report the results (Jusup, 2001).

#### *Functions Related to the Cash Receipts*

The functions involved in the cash receipt system according to Mulyadi (2001), namely:

- a. function of the Secretariat
- b. Billing Functions
- c. Function Cash
- d. Functions Accounting
- e. Internal Audit Function

According to Mulyadi (2001), documents related to the cash receipts are letter of notification, a list notice, b proof of deposit bank, and receipt. Data are representative of representation or an object. Data was created to facilitate communication and data processing. In order to portray the object it represents, the data should be chosen the most suitable. Accurate data, when will generate information that has been processed is also accurate.

#### *Control Systems*

Internal Control System Control is on information systems based on information technology related to a job or a particular application (each application has the characteristics and needs of different control), the control system is needed to reduce the risk (Gondodiyoto, 2007).

#### *Procedures for cash receipts from Receivables Through Biller Company*

- a. According to Mulyadi (2001) cash receipts from receivables through collection companies conducted by the following procedure:
- b. Section provides a list of accounts receivable that was in turn billed to the billing section. The collections department sends collectors, who are employees of the company, to collections from borrowers.

- c. The collections received a check in the name and a notification letter (remmit-tance advice) of the debtor.
- d. The collections presented a check to the part of the screen.
- e. The collections give notification to the accounts receivable for the benefit of the post into the card receivables.
- f. Section gauze send the bill as a receipt for the cash to the debtor.
- g. Part gauze depositing the check to the bank, after a check on the check is carried peabat endorsement by the authorities.
- h. Bank companies perform clearing the check to the bank on the debtor.

#### *Finance and Billing Application Management System (FBMS)*

Application transaction system Finance and Billing Management System or commonly abbreviated FBMS is the simplest form of the information system, because its function is to record the data, process the data, and generate the raw information (Board of Batam, 2010).

#### *Characteristics of the transaction processing system applications FBMS*

As with other systems, applications FBMS also share common characteristics, namely:

1. Applications FBMS function records the data into the database. The data recorded includes master data and transaction data. Master data is the data complete and can stand alone, for example, employee data, data and customer, the transaction data is data that is used to record transactions. Transactions are changes or events that occur in the company.
2. Applications FBMS used by end users (end-user), which consists of operators, financial, information data, and more.
3. Applications FBMS present information or statements that are raw or standards, does not contain a lot of variety.
4. The transaction is always happening. Each transaction must be recorded.
5. Application FBMS tersruktur useful for decision-making.

Transaction processing system designed and implemented FBMS applications has several goals. Interest Application FBMS of them are as follows:

1. Take note of any transactions that occur in the company. The transaction is not merely receivable transactions, but including also a variety of data changes.
2. Speeding up the process is going on within the company.
3. Provide information on the operations with accurate and timely. Improve the performance and service companies.

The main activity of FBMS Application DBMS is a system application processing the data into information needed by most companies, organizations, or government agencies, consisting of:

1. Recording of data and transactions. Applications FBMS record data into the database. The recorded data can take many forms, for example in the form of letters, numbers, signs, and even pictures. Advances in the field of computers, data is recorded into the computer system, is no longer in its original form, but has been converted into a digital form that can only be read by a computer. Data is stored in a digital form of media that is specifically made to accommodate the data, which are: a floppy disk, hard disk, CD, flash memory, and magnetic tape or tapes. Typically data is stored in tables, as well as the guest list and the list of presence. The table consists of several rows and each row consists of several columns. Data can be recorded in several ways, each way can be grouped into the indirect method and the indirect method requires a keyboard, so that the original data with a computer, there is an additional process, ie keyboard keystrokes by the operator.
2. Processing of data Processing the data is an activity manipulate the data in order to obtain the necessary information. Activity can manipulate data in the form of activities arithmetic (add, subtract, multiply, divide, add), or manual activities (eg, summarize, sort, split, merge, delete, and set up). Data processing can be done either manually or using a computer. Of course, data processing using a computer. Of course, using computer data processing is much better than the manual method, because it is consistent, unaffected emotion, fast, and accurate. Data processing can be done in two ways, namely how batch processing or sequential

processing and on-line manner. How batch is done by the data collected in advance, either physically or in digital form on the computer, and berkalaakan processed, for example, after a certain number of data collected. This method does not require expensive equipment, even one computer is enough. For example a company record receivable transaction data manually into the settlement of accounts receivable invoices. Nota Invoice settlement of receivables collected during the day, and then inputted into a computer and processed.

3. Generate the raw information the last function in the same practice is FBMS generate various reports that bentuknya is standard. Reports may take the form of hardcopy and softcopy. Reports generated by the computer is pretty standard and not a lot of variation. Also reporting time has been determined, either periodically or after an event such as after the transaction is recorded receivable.

## Results and Discussion

Procedures for cash receipts at the sea port of Batam office are as follows:

1. Printing evidence of the system to do a debit
2. recap evidence that has been printed and given to the bank to debit
3. After successfully debited, then print a memorandum in accordance with the memorandum of code listed on evidence
4. Make the registration proof of cash inflows using the application FBMS
5. Verification of cash to put into evidence
6. Issue of evidence of cash (Final confirmation)
7. Proof of cash given to the finance department to do the journaling to financial reporting. References

*Cash Receipts procedure using FBMS after the debit by the Bank*

Part of Treasury received a memorandum Debit (Evidence) that has been successfully debited by the Bank. Procedures for cash receipts using the Finance application and billing management system (FBMS) on sea port office are as follows: BP Batam login through the portal, using the user id associated parts.

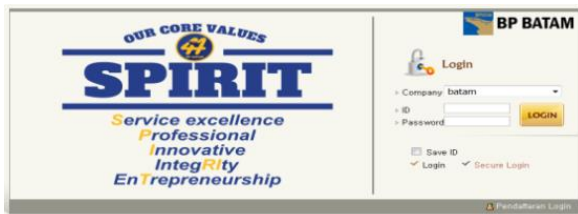


Fig. 1 Portal BP Batam

After a successful login, it will display the initial (home) on the application. In this section there is general information that is addressed to all employees of BP Batam.

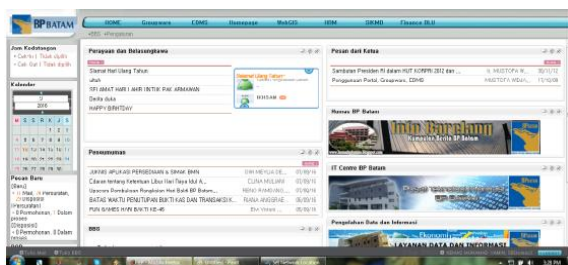


Fig. 2 Portal BP Batam

Cash receipts registration is done on the sub menu Revenue Finance DLU use numbers in accordance with a memorandum Debit evidence that has been received by the Treasurer.

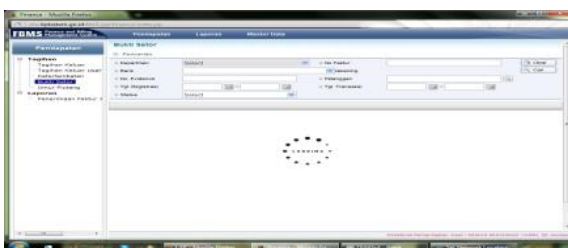


Fig. 3 FBMS

Further verification to make proof of cash through the system, cash Evidence published as final confirmation and sent to the finance department. This registration will result in the Cash Receipt will be in the archive to the financial section.

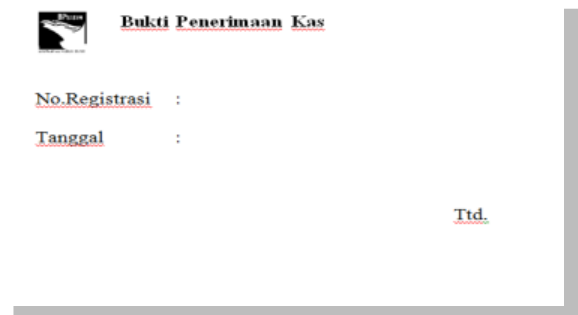


Fig. 4 Receipt of Cash

Evidence of cash that has been submitted to the finance department confirmed to perform journaling and financial reports.

*Analysis of Information Control System Table Analysis Information System Control*

Practice healthy at seaports office batam include: Using a customer's bill in order to remind the customer to pay off debts before the maturity date. Accept payments receivable from the customer through a third party that is the bank that is concrete proof of payment, and to avoid manipulation by employees.

**Conclusion**

In general, the Office of the Port of Batam is already using the procedures for cash receipts properly, but the use of the system still has an error and does not minimize the time, for example during the process of cash receipts are twice the work that is in the use of the system and manual. Supposed to process cash receipts by using the application much easier in the process of work to be accurate and timely.

Internal control system seaports Batam office has not been implemented properly, because there are two aspects that are important not done well. Physical surveillance and internal verification should be carried out so as to facilitate internal controls and reducing errors in inputting data. Control of information systems at seaports Batam office has not been implemented properly, because there are still important aspects of the information that has not been done. Timeliness in reporting, the verified data is to facilitate the search of data sources, and data is easily obtained must also be considered in view of the

information would affect the company's reporting processes and easily duplicated by outsiders. At the office of the harbor there are many boats service transactions that occur each day resulting in the number of documents related to the transaction to be processed. In this activity, we suggest more attention to the important aspects in internal control, especially in data entry to be more careful to avoid miscalculation that could create a good service to customers. Improve the performance of the application system FBMS (Finance and Billing Management System), in order not to hinder the work and avoid the mistakes that arise when verifying memorandum.

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