

[36]

Review of Revenue Treatment and Expense Recognition Using the Visual Hotel Program Application

Devi Rizky Agustika and Jasmadeti

Sekolah Tinggi Ilmu Ekonomi Kesatuan

devirizkyagustika@gmail.com, jasma.deti@yahoo.com

Abstract. Izi Hotel Bogor is a company engaged in hospitality that was established in the Bogor area as a place that was visited a lot on weekends especially for residents of Jakarta and its surroundings.

Izi Hotel Bogor uses Visual Hotel Program (VHP) in its operational activities in every department in IZI Hotel Bogor both in the Front Office, Housekeeping, Marketing, and finance departments.

The writing of this practical work report aims to find out how to recognize revenue and expenses by using the Visual Hotel Program (VHP) system at IZI Hotel Bogor. Recognition of income and expenses at IZI Hotels using Accrual Basic. How to apply to the VHP system with the Basic Accrual method.

Recognition of income and expenses with the Basic Accrual method is Accrual Basic is the process of recording accounting transactions where transactions are recorded when they occur, even though they have not received or issued cash. At Accrual Basic, revenue is recorded when sales occur even though cash has not been received, while costs are recorded when the costs are used or used, even though they have not yet issued cash. Thus, the Basic Accrual method of income is recorded when a sale occurs, even though cash has not been received.

Keywords: Revenue Recognition, Expense

INTRODUCTION

In general, optimum profit is the goal of every company established. Therefore, to achieve these objectives in the current conditions, it is necessary to be careful in executing or managing the company to establish strong synergies among parts of the company organization. The integral synergy of all parts of the company will be able to support the smooth operation of the company which is ultimately expected to achieve the company's goals.

Among various company policies, one of the important functions is how to recognize revenue and expenses on the company. This function is said to be quite important because the source of the company's profits comes from income and expenses so it is necessary to know the recognition of income and expenses for the company so that no recording errors occur. For small companies and have a limited amount of sales, recognition of income and expenses is not a complicated matter. But for large companies on a large sales scale, recognition of revenues and expenses has become a complex and complex problem.

In general, profit is the difference between the sum of the income and expenses of a company in a certain period. In other words, income and expense are important elements in presenting information in financial statements. Therefore, it is necessary to have an appropriate recognition of the elements of income and expense

Recognition of income and expenses is done by recording and listing according to the value that should be. If the income or expense that is recognized is not the same as it should be (too large or too small), the information presented in the income statement becomes incorrect.

According to Eli Dasmi (2013: 1) Revenue is an increase in the amount of assets or a decrease in liabilities of a business entity, which arises from the delivery of goods or other business activities in a period, which aims to obtain income, while the costs directly or indirectly utilized in income business is called a burden.

According to the Financial Accounting Standards reveal that income is defined as gross cash inflows from economic benefits arising from normal activities of the company during one accounting period if the inflow results in an increase in equity that does not originate from investment contributions. While the burden can be interpreted as an economic sacrifice to produce something in economic activities. Income can be recognized at the time, 1. Finished production, 2. Revenue is recognized professionally during the production phase, 3. Revenue is recognized when payment is received, 4. Revenue from consignment sales. Revenues are realized when the assets received are ready to be exchanged for cash or cash equivalents. Retained income on the substance of an exchange unit must bring profit (profit) generated from that income, that is profit is recognized or has complete value.

Recognition of income and expenses is one of the important things to determine when an income is recognized as income and costs are recognized as an expense. Analysis of income and expense accounting is an analysis carried out on the recognition of disclosure, recording and presenting revenue and expenses to a company.

Revenue and expense recognition aims to find out the amount of income earned (revenue recognition) and some costs that are sacrificed (cost recognition). This is intended to get a reasonable profit and loss. The principle used is the Accrual Basic principle. If the Basic Accrual is used, the income is recognized when the income is generated even though the physical cash has not been received and the expense is recognized when the expense occurs without regard to cash outflows in the income earning business.

In recognizing an income received and the expense that is sacrificed, the problem of cut-off is an important matter that needs to be considered. The basis for financial accounting states that income must not be anticipated or materially stated to be too large or too small. As with income, the problem of separating boundaries also applies to costs. This is what needs to be considered in the application of cut-offs is to ensure that all costs incurred have been recorded as the corresponding costs. For the decision, the boundary is closely related to recognition.

Determination of a basis for revenue recognition is largely determined by the nature and type of company, there are several ways of recognizing income, namely: recognition of sales revenue, recognition of income after delivery, and revenue recognition for sales transactions.

The main purpose of recognition is to determine when an income will be recognized as income and when it is recognized as an expense. Recognition of income and expenses is very important to get a reasonable profit and loss. The principle used is to get a reasonable profit and loss. The principle used is Accrual Basic.

According to the matching principle, expenses must be recognized when the income associated with them is also recognized. So the income is reported first, then followed by reporting the expense associated with the income in the same period. Only in cases where income is deferred until the burden can be measured or classified. Therefore, matching is very necessary. Periodic determination, for example quarterly, quarterly or yearly. This matching concept is not required if the company is sufficiently reported at the end of the period. Transactions regarding income and expenses are reported separately. When the use of goods and services is usually not at the same time as the sale of the company's products.

IZI Hotel Bogor is a service company engaged in the hospitality sector, which obtains sources of income from room rental income, meeting room rental income, restaurant income, and operating income. While the expenses incurred are tax expense, provision and commission expenses, company operational expenses, general and administrative expenses.

The basis of recording used by IZI Bogor Hotel is to use the Basic Accrual principle that is applied using the Visual Hotel Program (VHP) which according to the company will be recorded as upfront income. Recognition of income and expenses using VHP should be able to facilitate companies in carrying out bookkeeping to make financial reports as a basis for decision making for all parties. In the acknowledgment, there are often obstacles in revenue and expenses related to income and expenses using VHP which are different from other programs such as MYOB and Accurate.

PURPOSES

The purpose of the preparation of this final project is to meet the final requirements of the final assignment that must be taken to complete the diploma study program 3 (three) and to obtain the Associate Expert degree. The purpose of the preparation of this final project is to find out the method of recording with Accrual Basic that is better and more appropriate for IZI Hotels to apply either by using the Visual Hotel Program or manually recording using the Cash Basic method in recognizing revenue and expenses, while

providing knowledge about Visual Hotel Program (VHP) to service companies, especially in hospitality, students and the general public.

LOCATION AND TIME of THE RESEARCH

The author conducts research at IZI Bogor Hotel which is located at Jl. Ciheuleut, Pakuan No.25, Bogor which is conducted for 3 months from 1 February to 30 April 2018.

RESULTS of AN OVERVIEW AND DISCUSSION

Revenue and Expense Recognition at IZI Hotel Bogor

Revenue recognition is something that must be done by an entity because earning income is the entity's goal in running its business. With the increase in income obtained, it is expected to have a positive influence on the development and progress of the entity.

In applying the recognition of income and expenses to the IZI Hotel the author will explain how to recognize the income and expenses at the IZI Hotel that is applied to the Visual Hotel Program (VHP) program.

Time of Revenue Recognition

Service revenue is recognized when the services delivered are as well as revenue recognition using VHP, the recognition of income in VHP is the same. Hotel room revenue is recognized based on actual occupancy rates, while other hotel revenues are recognized when services have been provided to customers. Revenue recognition at IZI Hotels applied to the Visual Hotel Program (VHP) is recognized using an accrual basis so that every customer who uses hotel rooms or facilities will recognize the revenue even though the company has not received the money received from the customer

Examples of recording when the accounting department receives FIT room sales revenue.

Explanation	Debit (Rp)	Credit (Rp)
<i>Online Travel Agent</i> (Traveloka, Pegi-peg, tiket.com)	Xxx	
Tn. Xxx		xxx

Examples of recording when the accounting section receives sales revenue

Room Group/ Meeting Group.

Explanation	Debit (Rp)	Credit (Rp)
<i>Other Banquet/ Banquet Event</i>	xxx	
<i>Government/ Company</i>		xxx

Time of Load Recognition

Expenses at IZI Hotel Bogor are recognized at the time the expense arises and if the collection arises on the end of the period or on the next period, the debt will arise on the second party in the previous period according to the date the expense occurred. At IZI Bogor Hotel, payment of fees is issued by withdrawing a sum of money from the company's account which will then be paid to the supplier or vendor in collaboration with IZI Hotel Bogor.

Example of recording salary expenses on *Visual Hotel Program* (VHP)

Explanation	Debit (Rp)	Credit (Rp)
<i>Salaries Expense- Marketing</i>	Xxx	
<i>Account Payable</i>		xxx

Conclusion and Suggestion

Conclusion

Based on the results of the research that the author did at IZI Bogor Hotel regarding the review of the recognition of income and expenses applied by using the Visual Hotel Program (VHP) system, the conclusions the authors can provide are as follows:

1. IZI Hotel Bogor applies the Accrual Basis recording method in recognizing revenue from sales of rooms that is recognizing revenue on the date of the transaction regardless of when cash is received, the recognition of revenue is in accordance with the standards set out in SAK ETAP.
2. The revenue recognition applied using the VHP application is recognized when IZI Hotel receives an order voucher that has been sent by the relevant OTA which will then be input into the VHP system as revenue.
3. IZI Hotel Bogor applies the accrual basis recording method in recognizing the expenses incurred for the company's operational activities, namely recognizing expenses on the transaction date regardless of when cash is issued. Likewise, it is applied to the VHP system, the load is input when the load occurs.
4. Because the recognition of income and expenses has been clearly recorded and in accordance with applicable standards, namely applying the accrual method. Likewise when applied to the VHP system that is inputting is done when it happens so that in the preparation of financial statements that use the VHP system has met the applicable standards.

Suggestions

1. The company should continue to maintain the Accrual Basis recognition method in accordance with applicable accounting standards.
2. The company should make adjustments to the recognition of revenue recognized at the beginning. How much income has become income in a period?
3. The company must increase control over inputting income so that there is no misstatement in the financial statements in making decisions for interested parties.

REFERENCES

- [1] Arthur J. Keown, John D. Martin, J. William Petty, David F. Scott, JR. 2011
- [2] *Financial Management: Principles and Applications*, Tenth Edition, Alih Bahasa: Marchus Prihminto Widodo, M A. PT Indeks.
- [3] Bruce Mackenzie, Allan Lombard, Danie Coestee, Tpiwa Njikizana, Raymond Chamboko, Edwin Selbst. 2012. Alih Bahasa: Priyo Darmawan. IFRS for SMEs. PT. Indeks.
- [4] Harahap, Sofyan Syafri. 2015. *Teori Akuntansi*, Edisi Revisi, Rajawali Pers, Jakarta.
- [5] Eeng Ahman, Epi Indriani. 2007. *Membina Kompetensi Ekonomi*. Grafindo Media Pratama
- [6] Ikatan Akuntan Indonesia. 2015. *Pernyataan Standar Akuntansi Keuangan No.23*, Edisi Revisi, Jakarta.
- [7] Ikatan Akuntan Indonesia. 2016. *Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik*, Edisi Revisi, Jakarta.
- [8] Kieso Donald E., Jerry J. Weygandt dan Terry D. Warfield. 2008. *Akuntansi Intermediate Jilid 2, Edisi 12*. Alih bahasa : Emil Salim. Erlangga. Jakarta
- [9] Khrisna G. Palepu, Paul M. Healy dan Erik Peek. 2014. Analisis dan Evaluasi Bisnis berbasis IRFS. Alih Bahasa : Laeli Budiarti, Romi Bhakti Hartarto, Siti Magfiroh, Icku Ranga Bawono. Salemba Empat, Jakarta.
- [10] Michell Suharli. 2009. *Pelaporan Keuangan (sesuai dengan prinsip akuntansi)*, Grasindo.
- [11] Stice, James D, Stice, Earl K, and K. Fred. 2009. *Intermediate Accounting*. Alih Bahasa : Ali Akbar . Akuntansi Keuangan Jilid 1 Edisi 16. Salemba Empat, Jakarta.