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Analysis of The Application of SAK EMKM In Improving The Quality of Financial Statements at UMKM Himalayan Coffee

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ABSTRACT: The food and drink company Himalayan Kopi makes a decent profit every year. However, the financial reporting of this firm does not yet meet accounting standards since manual recording is still being used. One of main issues with adopting the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) is the lack of awareness among MSME owners. This research will look at how MSMEs in the Himalayan coffee industry have adopted SAK EMKM to make their financial reports more credible. This study takes a qualitative approach by using a case study to investigate MSMEs in the Himalayan coffee industry. Notation, interviews, and careful observation were the tools used for data collection. According to the results of the research, Himalayan Kopi MSME's financial reports were less comprehensive and less methodical before SAK EMKM was implemented. This was because the reports just detailed cash inflows and outflows, rather than the overall financial health of the firm. With SAK EMKM in place, financial reports are more organized and accurate, allowing for a more precise assessment of business performance. Financial data that may support business choices is made more open via SAK EMKM, which is an additional perk. To better prepare for the difficulties of implementing this standard, businesses may consider taking accounting classes and seeking assistance with preparing financial reports in accordance with applicable standards.

KEYWORDS: Financial Statements, MSMEs, SAK EMKM.

INTRODUCTION

Usually conducted by individuals or small groups with a focus on generating profits, small and medium enterprises (SMEs) are defined as businesses with fewer than 100 employees (Luchindawati et al., 2021). Law No. 20 of 2008 defines micro, small, or medium-sized enterprises (MSMEs) as economically active organizations that are run independently, rather than independently. Micro, small, and medium-sized enterprises are subsidiaries large or small enterprises, and have separate management from large enterprises in some respects, either as direct or indirect associates of large or small enterprises. The micro, small and medium-sized enterprises of the food and beverage industry, which are growing rapidly along with the fourth industrial revolution, are the backbone of the local economy (Darwisha et al., 2023). The proliferation of cafés and coffee shops in recent years can be attributed, in part, to the increasing popularity of coffee as a cultural phenomenon. Business owners are responding to the demands of contemporary society by opening cafés and coffee shops with unique and original menu options, thanks to the rise of social media, the importance of on-site aesthetics, and shifting consumer lifestyle patterns. As most MSME owners do not know what they are doing in terms of finance, the quality of their financial statements is often low. The financial literacy score in Indonesia stands at 65.43 percent, according to OJK (OJK, 2024). However, many company owners don't seem to really understand the importance of financial reporting, as seen from this figure. According to Mortigeror Afrizal Purba (2019), accounting in practice mostly involves documenting money in and out of operational activities, small and medium enterprise (SME) owners have not implemented financial reporting in accordance with standards.

A total of more than 65 million business units are registered as small and medium enterprises (SMEs) in Indonesia by 2024, as detailed in a publication by the same ministry. Due to a lack of knowledge among business owners about financial principles, the majority of Indonesian SMEs choose not to apply the Financial Accounting Standard for Micro, Small, and Medium Entities (SAK EMKM) (Manehat et al., 2022). By lowering entry barriers and making low-cost loans more accessible, the Indonesian government is helping micro, small, and medium-sized enterprises to thrive (Luchindawati et al., 2021). , usually banks, require financial statements from MSMEs so that these companies can grow (Susanto et al., 2019). Apart from meeting the criteria for obtaining additional capital, financial reports are also often used by other parties. Financial reports serve as the basis for assessing company performance by management (Evi Puji Lestari, 2019).

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In 2022, Karawang is home to 190 restaurants and 265 food stalls. Per BPS (2022). This information shows that there is a lot of competition among establishments in Karawang Regency in the food sector. Therefore, cafes in Karawang Regency must always come up with new and improved goods and services. Unfortunately, many small and medium-sized enterprises (SMEs) in Karawang City still do not record their financial transactions in accordance with GAAP. By adopting standardized financial reporting practices, small and medium-sized enterprises (SMEs) will find it easier to assess business performance and secure funding. At the very least, they will know the net profit or loss figures. (Lestari, Evi Puji, 2019).

The objective of SAK EMKM, as stated by Widyawati (2020), is to make it an accounting standard that is easily accessible to SMEs. The purpose of SAK EMKM is to advise company owners on how to use standardized financial reporting to make it easier for them to borrow money from any bank (Istinasari et al., 2021). The implementation of SAK EMKM also affects the quality of the final financial statements as they are more accurate, transparent and standardized.

Dharma et al. (2023) believe that financial statements should be used to track company development, operational efficiency, and goal achievement. Non-compliant financial statements, especially those that do not comply with SAK EMKM, will have a negative impact on SMEs. Challenges in decision-making and availability of funds are two examples. Financial statements of one accounting period prepared using SAK EMKM can assist in the assessment, valuation, and development of the company (Hamongsina et al., 2022). Himalaya Kopi is a cafe that first opened in Karawang Regency, a small business that caters to families and young people looking for a place to hang out by providing a variety of food and drinks in a comfortable atmosphere. Reports that are unorganized and difficult to understand and do not accurately describe the company's financial condition are evidence that Himalaya Kopi is still using a simple system in recording its financial transactions, The challenges faced by owners of small and medium-sized companies when trying to understand and apply the rules of the financial system.

Financial accounting has an impact on the quality of financial statements, even when they differ from the Small Entity Financial Accounting rules. Improving the accuracy of financial reporting may be possible with the use of SAK EMKM. According to Susanto et al. (2019), SAK EMKM offers a simpler accounting system for companies that are not required to make public disclosures. As of this writing, Himalaya Kopi has not revised its financial statements to make them easier to understand, conform to market norms, and aid decision-making for company executives. This is the rationale for using SAK EMKM. Transparency and accountability to stakeholders will be enhanced by SAK EMKM by making the financial statements easier to understand and representing the actual financial condition.

According to Suwondo's research (2021) on the financial statements of CV Nella Persada Mandiri in preparing financial statements related to SAK EMKM, the company's financial statements do not follow all the requirements set by SAK EMKM. This is because, at this time, SMEs do not have a thorough understanding of these demands. Hasanah (2021) examined SAK EMKM-based financial reports on SMEs in Cikeusal District and found that spinach rempeyek business owners only report income without making more comprehensive financial reports. Noviva found that due to a lack of knowledge and manpower, recording procedures were still very simple in her research entitled "Preparation of Financial Statements in SMEs Based on SAK EMKM" (2021). "Application of Financial Statements Based on SAK EMKM as a Financial Performance Development System" by Istinasari (2021) found that the SMEs analyzed have a rather simple way of recording their financial activities, which is understandable given their young age.

None of the small and medium enterprises (SMEs) in Lestari's (2019) study on the readiness of Catak Gayam Village furniture craftsmen to implement SAK EMKM cited lack of knowledge or experience as reasons for not doing so. Fresh fish SMEs in Bantul researched by Susanto (2019) have documented their financial statements in accordance with SAK EMKM, but they neglect to make certain elements of the report, namely Notes to Financial Statements (CALK). Due to the lack of literature regarding the implementation of SAK EMKM, further research is needed. Researchers added one new variable to increase understanding and gain further insight.

The financial statements produced by Himalaya Kopi SMEs using GAAP will take center stage in this analysis. Himalaya Kopi SMEs should find SAK EMKM a useful tool to improve the quality and usefulness of their financial statements, which will help them make better choices in the allocation of their resources, thanks to its simple design.

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LITERATURE REVIEW

Positive Accounting Theory

This theory was developed by Watts and Zimmerman in 1960. This theory focuses on economic and behavioral perspectives, including agency theory and the effective market hypothesis. The history of the emergence of positive accounting theory is due to changes in business patterns and flows in the United States in the 1950 to 1960 era. The three main causes of the change from the normative approach to the positive approach are as follows: first, the normative approach does not encourage or enable the optimal allocation of economic resources in the capital market; second, this approach is more concerned with the wealth of individual investors than the wealth of society as a whole; and third, normative methods cannot test theories empirically (Yusri, 2020).

The goal of Positive Accounting Theory, a school of thought in accounting, is to explain and forecast the practical application of accounting by looking at the actions of economic actors such as those in charge, those with financial interests, and those with debt. The process of adapting accounting rules for future events requires insight, talent, and knowledge of accounting, as outlined by positive accounting theory (Wulandari, 2022). Using this theory, we can see how SAK EMKM affects the trustworthiness of MSME financial statements and how to measure its effectiveness.

The focus of this study is how the financial statements of MSMEs can be improved through the use of SAK EMKM. In terms of improving financial statements, SAK EMKM can be analyzed through the lens of positive accounting theory. This theory can explain how SAK EMKM can make financial information more transparent and accurate, which in turn can help better decisions in company operations.

Financial Accounting

The method for tracking and reporting the financial transactions of a business is known as financial accounting. Stakeholders, including creditors, investors, and company owners, will be able to access accurate, clear, and transparent financial information through this system (Harahap et al., 2022). Financial accounting practices include recording assets, liabilities, income, as well as spending money through the creation of accounting records and financial statements. A systematic approach is used to analyze and organize the data obtained to produce financial statements. The financial statements prepared using SAK EMKM include an income statement, a statement of financial condition, and comments on financial statements (Susanto et al., 2019).

Micro, Small and Medium Enterprises (MSMEs)

For an economy to develop and grow, micro, small, and medium enterprises (MSMEs) are essential. Micro, small, and medium enterprises (MSMEs) are very important for a country's economic growth. Muljanto (2020) argues that micro, small, and medium enterprises (MSMEs) are essential for economic growth and job creation. "Micro, small, and medium" enterprises are enterprises operated by one person or a small number of people that provide goods and services. Small and medium-sized enterprises (SMEs) are classified as businesses with fewer than 100 employees according to the Law of the Republic of Indonesia (No. 20 of 2008).

Financial Accounting Standards for Micro, Small and Medium Enterprises

The financial statements of an organization must follow SAK EMKM standards if the organization is micro, small, or medium-sized. The financial statements consist of three main parts: income statement, statement of financial position, and notes to the financial statements (CALK), as stated by Eva Puji Lestari (2019). To help micro, small, and medium enterprises (MSMEs) make consistent and standardized financial records, financial statements must be prepared based on SAK EMKM. One of the other benefits of this regulation is that it simplifies the process of preparing financial statements. loan applications for micro, small and medium enterprises (MSMEs) to financial institutions. This is because, in order to approve loan applications, banks request financial statements that are in accordance with standards (Manehat et al., 2022).

Financial Report

You can learn a lot about a company's performance during an accounting period from its financial statements, which are records of information about the company. The company's financial policies are also detailed in this report. As stated by Octaviani in 2019. To help stakeholders make educated economic choices, accounting produces financial statements that detail the entity's financial health. According to Raymond Budiman (2021), financial statements are documents that outline a company's assets, liabilities, income, and losses for a specific period of time.

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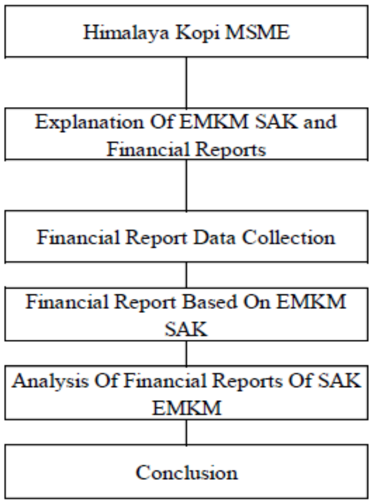
To assist interested parties in making decisions, the company prepares financial reports detailing the company's financial condition, operational performance, and cash flow. According to Ayudhi (2020). Everyone from owners and creditors to bankers and creditors can benefit from financial reports when trying to understand the company's financial situation and performance.

FRAME OF MIND



RESEARCH METHODS

The purpose of this qualitative case study is to see how MSME Himalaya Kopi uses SAK EMKM as a guide in making financial statements. From November 2024 to February 2025, researchers from MSME Himalaya Kopi-a business located at Ruko City Walk Galuh Mas Blok B5. 15, Puseurjaya, Telukjambe Timur, Karawang-took part in this research. Interviews and direct observation were the data collection methods used in this study. Financial statement recording procedures were the subject of the interviews with cashiers and SME owners. After the implementation of SAK EMKM, changes in the process of recording daily transactions, the financial recording system used, and the preparation of financial statements were seen through direct observation.

Primary and secondary sources of information were analyzed in this study. Interviews and direct observation were the primary data sources. Information derived from secondary sources was obtained from the financial statements of SME Himalaya Kopi, internal documentation (such as manual or digital records), and a review of the literature that is support the findings. In an effort to dig deeper into the process of preparing the financial statements of Himalaya Kopi SMEs using SAK EMKM, this research uses an interactive data analysis approach which includes the stages of data reduction, data collection, data presentation, and conclusion drawing.

RESEARCH RESULTS AND DISCUSSION

Research Results

Himalayan Kopi is an MSME engaged in food and beverages. This cafe operates from Monday-Sunday at 07:00 - 23:00 WIB, and is located at Karawang Ruko City Walk Blok IX B2 No.18. This MSME was established in 2023 and has 1 worker who helps in the *cafe* business. This cafe offers a variety of food and drinks. In addition to coffee, there are also non-coffee drinks and snacks that are suitable to accompany relaxing moments. With a cozy and aesthetic atmosphere, Himalayan Kopi is an ideal place to work, meet friends, or simply enjoy leisure time. To reach more customers, Himalayan Kopi also provides *take-away* and online ordering services.

The researcher and the owner met on December 25, 2024, to discuss financial reporting, and the results showed that Himalaya Kopi MSMEs have recorded their financial transactions. Cash inflows and outflows are the only types of transactions recorded, so the recording is still very simple and does not follow applicable standards. The financial statements of Himalaya Kopi MSMEs still only detail cash received and paid. Incoming money comes from sales activities, while outgoing money is used to pay workers' salaries, purchase raw materials, and costs for other operational needs.

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Preparation of Financial Statements of MSMEs Himalayan Coffee Based on SAK EMKM

To help prepare financial statements, the author will discuss journaling transactions and filling in some key items. Here are the procedures to do when using Excel to implement the SAK EMKM accounting process:

1. Prepare the opening balance sheet as of December 31, 2023

The first step in preparing financial statements is to fill in the opening balance in the balance sheet column, according to the normal balance of each account.

Table 1.1 Beginning Balance Sheet

HIMALAYAN JAWA COFFE
NERACA SALDO
Periode 31 Desember 2023

Nama Akun	Debit	Kredit
Kas	12.260.000	
Sewa Gedung	30.000.000	
Mesin Kopi	7.000.000	
Furniture	15.000.000	
Tablet	850.000	
Printer Struk	345.000	
Peralatan	1.345.000	
Persediaan Bahan Baku	3.200.000	
Modal		70.000.000
Total	**70.000.000**	**70.000.000**

2. Compile a general journal based on transactions that occur

Attached are some routine transactions carried out by UMKM Himalayan Kopi. The author records the data in the date, account number, and description columns, then records the transaction value in the debit and credit columns in the journal.

Table 1.2 General Journal (Partial)

HIMALAYAN JAWA COFFEE
JURNAL UMUM

Tanggal	Nomor Akun	Keterangan	Debit	Kredit
17-Jan	504	Beban utilitas	Rp 420,000	
	501	Beban Internet/Wifi	Rp 200,000	
	503	Beban Operasional	Rp 200,000	
	101	Kas		Rp 820,000
	507	Beban sewa gedung	Rp 2,500,000	
	102	sewa dibayar dimuka		Rp 2,500,000
18-Jan	101	Kas	Rp 537,000	
	400	Penjualan		Rp 537,000
	500	Pembelian	Rp 286,000	
	101	kas		Rp 286,000
19-Jan	101	Kas	Rp 505,000	
	400	Penjualan		Rp 505,000
	500	Pembelian	Rp 215,000	
	101	kas		Rp 215,000
	506	Beban Gaji	Rp 220,000	
	101	kas		Rp 220,000
20-Jan	503	Beban Operasional	Rp 22,000	
	504	Beban utilitas	Rp 100,000	
	101	kas		Rp 122,000
	500	Pembelian	Rp 204,000	
	101	kas		Rp 204,000
	101	Kas	Rp 446,000	
	400	Penjualan		Rp 446,000
21-Jan	500	Pembelian	Rp 504,000	
	101	kas		Rp 504,000
	101	Kas	Rp 466,000	
	400	Penjualan		Rp 466,000
22-Jan	500	Pembelian	Rp 276,000	
	101	kas		Rp 276,000
	101	Kas	Rp 450,000	
	400	Penjualan		Rp 450,000
23-Jan	500	Pembelian	Rp 91,000	
	101	kas		Rp 91,000

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3. Compiling a Ledger

After the journaling process is carried out, the data from the general journal is then posted to the ledger. The ledger presented is only part of it.

Table 1.3 Salary Expense Ledger

506	Beban Gaji

Tanggal	Keterangan	Reff	Debit		Kredit	Balance	
19-Jan	Beban Gaji	JU	Rp	220.000	-	Rp	220.000
25-Jan	Beban Gaji	JU	Rp	1.500.000	-	Rp	1.720.000
25-Feb	Beban Gaji	JU	Rp	1.500.000	-	Rp	3.220.000
25-Mar	Beban Gaji	JU	Rp	1.500.000	-	Rp	4.720.000
25-Apr	Beban Gaji	JU	Rp	1.500.000	-	Rp	6.220.000
25-Mei	Beban Gaji	JU	Rp	1.500.000	-	Rp	7.720.000
25-Jun	Beban Gaji	JU	Rp	1.500.000	-	Rp	9.220.000
25-Jul	Beban Gaji	JU	Rp	1.500.000	-	Rp	10.720.000
26-Ags	Beban Gaji	JU	Rp	1.500.000	-	Rp	12.220.000
27-Sep	Beban Gaji	JU	Rp	1.500.000	-	Rp	13.720.000
28-Okt	Beban Gaji	JU	Rp	1.500.000		Rp	15.220.000
29-Nov	Beban Gaji	JU	Rp	1.500.000	-	Rp	16.720.000
30-Des	Beban Gaji	JU	Rp	1.500.000	-	**Rp**	**18.220.000**

4. Creating a Balance Sheet for the period of December 31, 2024

This trial balance is the same as the opening trial balance. The total amount on the debit and credit side must balance.

Table 1.4 Balance Sheet as of December 31, 2024

HIMALAYAN JAWA COFFE
NERACA SALDO
Periode 31 Desember 2024

Chart of Account		Debit		Kredit	
101	kas	Rp	127.940.500		
102	Sewa dibayar dimuka			-	
103	persediaan bahan baku	Rp	3.200.000	Rp	-
104	mesin kopi	Rp	7.000.000	Rp	-
105	furniture	Rp	15.000.000	Rp	-
106	tablet	Rp	2.715.000	Rp	-
107	printer struk	Rp	345.000	Rp	-
108	perlengkapan	Rp	492.000	Rp	-
109	peralatan	Rp	2.749.000	Rp	-
300	Modal			Rp	70.000.000
400	penjualan			Rp	243.705.000
500	Pembelian	Rp	92.948.500		
501	beban internet	Rp	2.400.000	Rp	-
502	beban perlengkapan	Rp	860.000	Rp	-
503	beban operasional	Rp	1.943.000	Rp	-
504	beban utilitas	Rp	5.917.000	Rp	-
505	beban perawatan & perbaikan	Rp	1.975.000	Rp	-
506	beban gaji	Rp	18.220.000	Rp	-
507	Beban sewa gedung	Rp	30.000.000	Rp	-
		Rp	**313.705.000**	**Rp**	**313.705.000**

5. Compiling Financial Statements

Chapter II discusses the components of the SAK EMKM-based financial statements. The components of the financial statements consist of an income statement, a statement of financial position at the end of the accounting period, and notes to the financial statements that discuss certain matters and provide further data. The author will present the income statement, statement of financial position, and notes to the financial statements (CALK) derived from the information that has been submitted.

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Income Statement

1.5 Income Statement

HIMALAYAN JAWA COFFE Laporan Laba Rugi Periode 31 Desember 2024				
Penjualan				Rp243.705.000
Harga Pokok Penjualan				
Persediaan bahan baku awal	Rp	3.200.000		
Pembelian	Rp	92.948.500		
Persediaan bahan baku akhir	Rp	3.200.000		
Total HPP			Rp	92.948.500
Laba Kotor				Rp150.756.500
Biaya Operasional :				
beban internet	Rp	2.400.000		
beban perlengkapan	Rp	860.000		
beban operasional	Rp	1.943.000		
beban utilitas	Rp	5.917.000		
beban perawatan & perbaikan	Rp	1.975.000		
beban gaji	Rp	18.220.000		
Beban sewa gedung	Rp	30.000.000		
Total Biaya Operasional			Rp	61.315.000
Net Profit			Rp	89.441.500

The income statement presented has been prepared based on SAK EMKM and reflects that Himalayan Kopi's net income is Rp. 89,441,500.

Statement of Financial Position

1.6 Statement of Financial Position

HIMALAYAN JAWA COFFE Laporan Posisi Keuangan Periode 31 Desember 2024				
Aset Lancar				
Kas	Rp	127.940.500		
Persediaan Bahan Baku	Rp	3.200.000		
Total Aset Lancar			Rp	131.140.500
Aset Tetap				
mesin kopi	Rp	7.000.000		
furniture	Rp	15.000.000		
tablet	Rp	2.715.000		
printer struk	Rp	345.000		
perlengkapan	Rp	492.000		
peralatan	Rp	2.749.000		
Total Aset Tetap			Rp	28.301.000
Total Aset			Rp	159.441.500
Liabilitas				
Utang	-			
Ekuitas				
Modal Pemilik UMKM	Rp	70.000.000		
Laba Tahun Berajalan	Rp	89.441.500		
			Rp	159.441.500
Total Liabilitas dan Ekuitas			Rp	159.441.500

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Notes To The Financial Statements

1.6 Notes To The Financial Statements

HIMALAYAN JAWA COFFE
Catatan Atas Laporan Keuangan
Periode 31 Desember 2024

1. Umum
UMKM Himalayan Kopi berlokasi di Ruko City Walk Blok IX B2 No.18, Karawang. Usaha ini didirikan pada tahun 2023 berdasarkan surat keterangan izin usaha dan bergerak dibidang makanan dan minuman. Himalayan Kopi memenuhi kriteria sebagai usaha mikro kecil, dan menengah sesuai Undang-Undang Nomor 20 Tahun 2008.

2. Ikhtisar Kebijakan Akuntansi Penting

a. Pernyataan Kepatuhan
Laporan keuangan disusun berdasarkan Standar Akuntansi Keuangan Entitas Mikro, Kecil, dan menengah (SAK EMKM).

b. Dasar Penyusunan
Dasar penyusunan laporan keuangan adalah biaya historis dan menggunakan *cash basis*. Mata uang yang digunakan adalah rupiah.

c. Persediaan
UMKM menggunakan sistem periodik

d. Aset Tetap
Aset tetap dicatat sebesar biaya perolehannya, dan tidak dilakukan penyusutan dalam laporan keuangan ini.

e. Pengakuan Pendapatan dan Beban
Pendapatan penjualan diakui ketika kas sudah diterima baik melalui pembayaran secara tunai maupun non tunai. Sedangkan beban diakui ketika terjadi.

3. Kas
Kas UMKM Himalayan Kopi Rp. 127.940.500

4. Aset Tetap
Aset tetap yang dimiliki UMKM Himalayan Kopi Rp 28.301.000

5. Modal
Modal yang dimiliki UMKM Himalayan Kopi per 31 Desember 2024 sebesar Rp. 70.000.000

6. Penjualan
Total penjualan pada UMKM Himalayan Kopi sebesar Rp.243.705.000

7. Beban Usaha
Beban yang dikeluarkan UMKM Himalayan Kopi sebesar Rp. 61.315.000

DISCUSSION

In the field of selling drinks and snacks. The business has a fairly good turnover, the current system of recording financial transactions is still basic, as the creation of SAK EMKM-based financial statements is not the main concern of this system, which is mainly concerned tracking cash inflows and outflows. Himalaya Kopi's financial statements were already incorrect before this regulation came into effect. Unfortunately, this MSME does not have financial statements, notes on financial statements, or a financial condition report. This standard is implemented with the aim of increasing the transparency of financial records and assisting business owners in evaluating their business performance more systematically. Based on the results of interviews and observations, significant differences were found before and after the implementation of SAK EMKM. Before the application of SAK EMKM, Himalayan Kopi MSMEs only wrote down cash in and out without recording financial statements, and the transaction system applied was difficult to understand and not helpful enough for business continuity. After implementing SAK EMKM, compliance with standards has been initiated by these MSMEs in the preparation of financial documents, including profit and loss statements, notes to financial statements (CALK), and financial situation reports. Transparency and adherence to relevant standards are improved in the financial reporting of MSMEs when SAK EMKM is implemented.

According to the research findings, the financial statements of Himalaya Kopi MSMEs have improved after using SAK EMKM. According to Positive Accounting Theory, the findings of this study emphasize the importance of accounting standards for improving the transparency and reliability of financial statements (Harahap *et al.*, 2022). This theory seeks to provide ideal guidelines in the preparation of financial statements, with the aim of achieving transparency, relevance and reliability of financial information. By providing explanations and rationale, Normative Accounting Theory helps establish accounting procedures that best suit the stated objectives. With this strategy, the focus is squarely on the best and most appropriate accounting practices. Miradji (2022).

Financial reports prepared by MSMEs using SAK EMKM are more organized, methodical, and accurate compared to financial reports prepared without this system. The lack of understanding of accounting is still an obstacle for Himalayan Kopi MSMEs in implementing it optimally. These findings are in line with Suwondo's study (2021), which argues that well- structured financial information can help MSME actors in evaluating their business. However, this study found that SAK EMKM has not been fully implemented due to the limited understanding of business actors. In contrast to Susanto's research (2019), where the MSMEs studied have shown an accounting cycle, although they still face challenges in preparing Notes to Financial Statements (CALK).

This comparison shows that although the implementation of SAK EMKM provides benefits for MSMEs, low understanding of accounting remains a major obstacle to the implementation of this standard.

The implementation of SAK EMKM has had a positive impact in improving the quality of financial reports of Himalayan Kopi MSMEs, but there are several obstacles found in this study. Namely, the lack of understanding of business owners who consider accounting standards too complicated and difficult to implement, so that financial records are still carried out manually. Then, Himalayan Kopi MSMEs do not have loans from banks or investors, business owners feel that simple financial reports are sufficient. To overcome these obstacles, MSME players are advised to take accounting training and get assistance from external parties when preparing reports according to standards.

CONCLUSION

This study shows that before the implementation of the EMKM standard, Himalayan Kopi only recorded cash receipts and disbursements without following accounting standards. This MSME does not implement SAK EMKM because there are several kinds of obstacles, especially in terms of preparing financial reports in accordance with regulations and lack of knowledge about accounting principles.

Better and more open financial statements are now available from Himalaya Kopi. and are compliant after the implementation of this standard. With more structured reports, MSMEs can evaluate performance and support business decision-making. To overcome barriers, business owners are advised to join accounting training and mentoring programs. The implementation of this standard not only ensures compliance, but also improves the quality of financial information that supports business development.

Suggestions that can be given for subsequent research are to develop a more effective mentoring model or approach in the implementation of this Financial Accounting Standard, because there are still MSMEs that experience difficulties in implementing it. Research can explore strategies that are more practical and in accordance with the characteristics of MSMEs, such as digital-based training, the use of simple accounting applications, or sustainable mentoring programs, so that the implementation of this standard becomes easier and more beneficial for businesses.

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