

MANAGEMENT OF RELATED DEBTS AND RECEIVABLES: A CASE STUDY AT PT. ABC

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ABSTRACT

This research aims to analyze the procedures, obstacles, and efforts in managing related debts and receivables at PT. ABC, thereby to improve understanding of the procedures and identifying obstacles and efforts in managing related accounts payable at PT. ABC. Using a qualitative descriptive approach, the author collected data through interviews and collection of agency documents. This research found that PT. ABC implements proper procedures and resolves obstacles regarding the related debts and receivables effectively. This research makes a significant contribution in understanding the management of related debts and receivables. Recommendations include maximizing the use of information technology such as SAP to manage debts and receivable, conducting comparative studies with similar companies, and integrating qualitative and quantitative methods to gain comprehensive insights.

Keywords: management, related debts and receivables, procedures

BACKGROUND

Debts and receivables are two main components in a company's financial cycle that affect liquidity and financial stability. In the book "Intermediate Accounting 18th edition" Kieso et al. (2022) explained that "Debts and receivables management is a practice that involves carefully managing a company's financial relationships with external parties, both lenders (creditors) and customers (debtors). Debt management focuses on the use of external financial resources in the form of loans to support the company's operations and investments, taking into account the cost of capital, financial risk and optimal capital structure. Meanwhile, receivables management includes credit management, collection and controlling the risk of default from parties who purchase the company's products or services." Good management of these two aspects requires a deep understanding of risk, credit policies and cash management. These two components are interrelated in the company's operating cycle. Receivables that are quickly collected can be used to pay debts that are due, thereby maintaining a liquidity balance. Therefore, balanced management of receivables and payables is the key to maintaining stable cash flow and avoiding liquidity problems. Thus, through proper management of debt and receivables, companies can increase liquidity and financial stability, which ultimately supports operational sustainability and long-term growth.

PT. ABC has structured and organized procedures for managing debts and receivables. This process includes steps starting from billing, payment, monitoring, to recording transactions accurately and punctually. The company uses the Systems, Applications, and Products (SAP) system to support the process, which helps ensure data integration and operational efficiency. The introduction of this procedure is important because it reflects operational efficiency and compliance with applicable accounting standards. At a deeper level, PT. ABC carries related debts and receivables to many companies, one of which is discussed in this report is its subsidiary, namely PT. DEF. Related debts and receivables occur when a company has business relationships with related parties, such as subsidiaries, affiliated entities, or owners, and this can create challenges in assessing, recognizing, and

managing risk.

Standard Operating Procedure (SOP) data owned by PT. ABC is the main basis for identifying processes related to debts and receivables. In this context, obstacles faced by the management of related debts and receivables, such as late payments, calculation discrepancies, and others, will be identified. Furthermore, the efforts made by the company to overcome these obstacles will be the focus of the analysis. By strengthening the understanding of the importance of managing debts and receivables, this research aims to analyze the procedures implemented at PT. ABC, as well as the challenges and efforts associated with managing related debts and receivables in the company.

RESEARCH METHOD

The research being carried out by the author follows a qualitative descriptive approach. According to Bougie & Sekaran (2020), the qualitative descriptive method is a type of qualitative research which aims to describe social phenomena as they really are, without intervening or manipulating the variables being studied. The main emphasis in this type of research is on the interpretation and understanding of the meaning contained in the findings. Through a qualitative descriptive approach, the author is able to present a comprehensive and in-depth picture of the social phenomena being studied. This method also allows the discovery of the meaning behind social phenomena that may not be revealed through quantitative measurements.

By adopting a qualitative descriptive approach in this research, the researcher chose to apply two methods in data mining, including:

1. Interview

An interview is a communication process between two parties, where one party (the interviewer) asks questions to another party (the resource person) and the resource person answers these questions. Interviews can be used for various purposes, such as to collect research data, to obtain news information, or to make assessments.

Interviews with PT ABC's employees aim to obtain information related to company policies and practices in managing related debts and receivables. In this context, interviews can be used to find out the company's internal procedures in managing related debts and receivables, such as debts and receivables policies, obstacles related to related debts and receivables, and the efforts made to minimize these obstacles.

2. Collection of Agency Documents

Data collection is a crucial aspect to ensure the success of the research being carried out. The document study method can be used to extract information from various official documents held by government institutions. One method that can be applied is to obtain data directly from the research subject, PT. ABC. In this context, the research focus is on the financial controlling department as an integral part in managing related debts and receivables.

The data required for managing related debts and receivables includes information regarding procedures for debts and receivables, and concrete steps to be taken if related debts and receivables are of concern. In addition, financial data related to accounts payable, such as financial reports, can also be a significant source of information for further analysis.

RESULT AND DISCUSSION

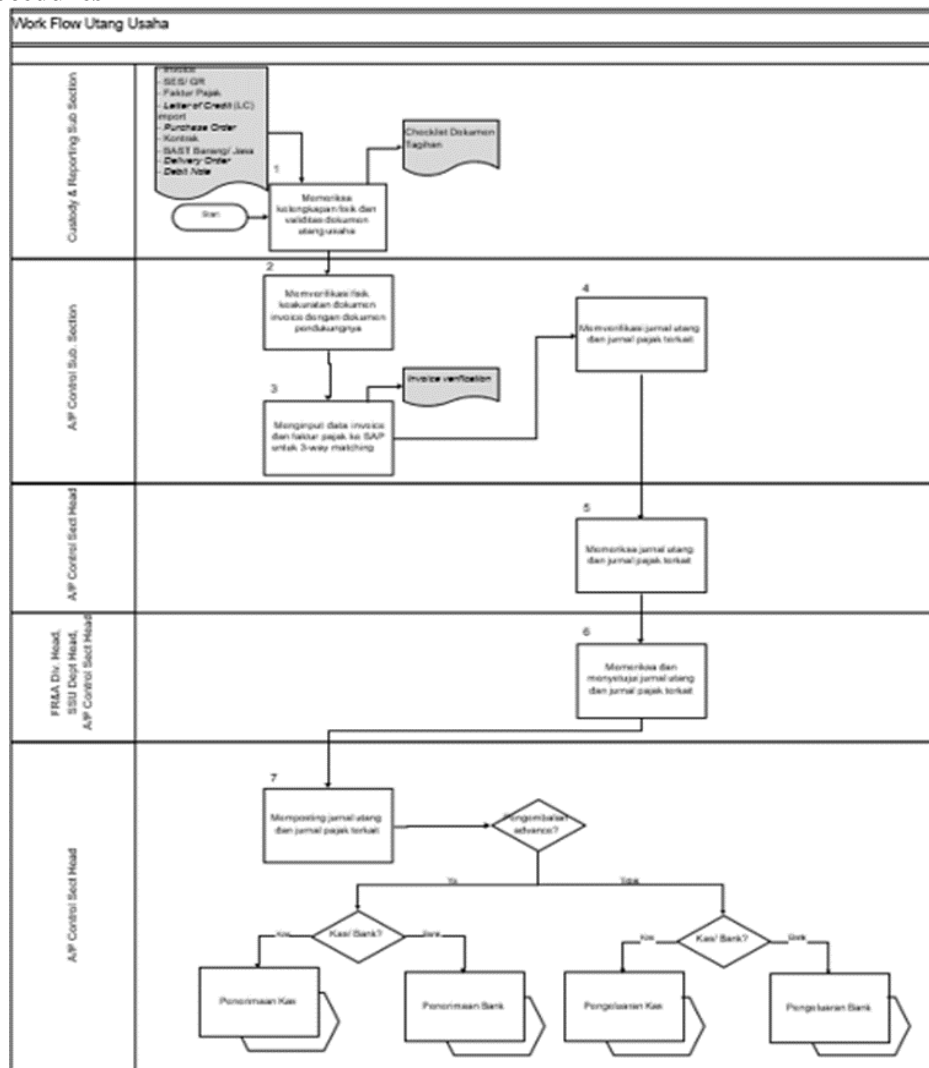
1. Procedures for Managing Accounts Receivable at PT. ABC

Debt and receivable management is an integral part of a company's financial activities which plays an important role in maintaining operational balance and continuity.

PT. ABC, as a dynamic and rapidly growing business entity, considers that it is necessary to have effective and efficient debt and receivable management procedures to ensure stable cash flow, optimize liquidity, and minimize financial risk. These procedures are carefully designed, including structured steps to properly monitor and manage accounts payable, from customer credit assessment to efficient collection. By implementing this procedure, PT. ABC aims to increase transparency, accountability and trust of business partners and stakeholders regarding the management of company debts and receivables.

Apart from that, PT. ABC also recognizes the importance of maintaining good relationships with parties who are involved in the accounts payable and receivable process. With open and honest communication, the company is committed to providing accurate information regarding payment policies, credit terms and billing procedures to customers and other related parties. This effort aims to build a sustainable partnership, where clarity and mutual understanding are the foundation for harmonious business relationships. PT. ABC believes that the implementation of planned and sustainability-oriented debt and receivable management procedures will support company growth, provide added value for stakeholders, and create a strong foundation for achieving long-term business goals.

Debt Procedures



No.	Activity Descriptions
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1.	<p>Check the physical completeness and validity of business debt documents.</p> <p>Custody & Reporting Sub. The section ensures the completeness of billing/invoice documents and supporting documents, including:</p> <ol style="list-style-type: none"> 1. Invoice/receipt with stamp (according to Minister of Finance Regulation) 2. Tax Invoice (If any) 3. SES/ GR (status Approved) 4. BAST Goods/Services 5. Delivery Order (Original) 6. Contract (If any) 7. Purchase Order (PO) 8. Debit Note from A/R Control Dept. (If there are) 9. Letter of Credit (L/C) Import 10. Import documents such as: Goods Import Notification (PIB), Bill of Lading (B/L), Certificate of Origin, Certificate of Analysis, Packing List, etc. 11. Tax Exemption Certificate (SKB), Form DGT 1/COD (if any) 12. Confirm the complete payment Account Number 13. Account Book (copy) <p>Verify Invoice document details to ensure:</p> <ol style="list-style-type: none"> 1. The details (quantity, nominal, amount and description) on the Invoice match the details on the Delivery Order / BAST / PO / Contract document. 2. Details (quantity, nominal, amount and description) on the Tax Invoice are in accordance with the details on the Invoice document <p>If the billing document/Invoice cannot be processed further, Custody & Reporting Sub. Section provides notes and returns billing/invoice documents along with supporting documents to the Vendor</p> <p>If the billing document/Invoice can be processed further, Custody & Reporting Sub. Section submits billing documents/Invoices along with supporting documents to A/P Control Sub. Related sections are in accordance with policy.</p> <p>Continue to activity 2. <i>Physically verify the accuracy of the invoice document with supporting documents</i></p>
2.	<p>Physically verify the accuracy of Invoice documents with supporting documents</p> <p>A/P Control Sub. The related section accepts <i>Invoice</i> and supporting documents and verifies their accuracy and suitability <i>Invoice</i> with supporting documents.</p> <p>When <i>Invoice</i> is inaccurate and is not in accordance with supporting documents, A/P Control Sub. The relevant section will return supporting documents to Custody & Reporting Sub. Sections.</p> <p>Custody & Reporting Sub. Section contacts Vendor to confirm inaccuracies and nonconformities <i>Invoice</i> with supporting documents and informing the condition via email to the relevant department.</p>

	<p>When <i>Invoice</i> is accurate and is in accordance with supporting documents, the author could continue to activity <i>3. Input Invoice and Tax Invoice data into SAP for 3-way matching</i></p>
3.	<p>Input Invoice and Tax Invoice data into SAP for 3-way matching. A/P Control Sub. The related section ensures that in the SAP system, there are Debit Notes that are still outstanding and calculates the Debit Notes with the Vendor's bill.</p> <p>The SAP system is automatically based on invoice information and supporting documents registered in the SAP system, ensuring that there is no duplication of invoices.</p> <p>Automatically, the SAP system processes 3-way matching for details Invoice that has been registered by comparing:</p> <ol style="list-style-type: none"> 1. Details (quantity, nominal, and description of goods/services) of Invoice with PO 2. Details (quantity and description of goods/services) Invoice with acceptance documents (SES / GR) <p>If the Invoice cannot be processed further, because:</p> <ol style="list-style-type: none"> 1. The quantity does not match the tolerance value, or, 2. Duplication of Invoice numbers, or, 3. Inconsistency in details between Invoice, PO and proof of receipt of goods/services. <p>So the SAP system automatically rejects and provides a warning for the invoice transaction.</p> <p>If the invoice can be processed further, then proceed to the activity <i>4. Verify related debt and tax journals</i></p>
4.	<p>Verify related debt and tax journals A/P Control Sub. The relevant section verifies the related debt and tax journals in the SAP system to ensure:</p> <ol style="list-style-type: none"> 1. Accuracy of debt and tax related journals. 2. Accuracy of nominal debt and tax journals related to supporting documents. <p>If the related debt and tax journals are incomplete and inaccurate, A/P Control Sub. The relevant section rejects the journal in the SAP system and provides a note to the Custody & Reporting Sub. Section for requesting a revision from the User/Vendor.</p> <p>If the related debt and tax journals are complete and accurate, A/P Control Sub. The relevant section approves the journal in the SAP system. Continue to activity <i>5. Check related debt and tax journals</i></p>
5.	<p>Check related debt and tax journals A/P Control Sect. Head checks related debt and tax journals in the SAP system</p>

No.	Activity Descriptions
1.	<p>Download the Aging Accounts Receivables-Trade Report and identify overdue accounts receivables</p> <p>If there are trade receivables overdue, then proceed to activity 2. <i>Inform trade receivables-trade overdue to the Marketing Division for follow-up</i></p>
2.	<p>Inform trade receivables-trade overdue to the Marketing Division for follow-up</p> <p>SSU A/R Trade Control Services Sub Section informs the Marketing Division via email to follow up with customers regarding trade receivables-trade overdue.</p> <p>Continue to activity 3. <i>Make a Notification Letter</i></p>
3.	<p>Create a Notification Letter</p> <p>SSU A/R Control Section Head makes a Notification Letter for overdue trade receivables based on the Aging Report Trade Receivables-Trade then signs the Notification Letter as "Made by" and submits it to the A/R Control Department Head. Notification letters will be made and sent periodically every 30 days if the bill has not been paid.</p> <p>Continue to activity 4. <i>Checking the Notification Letter</i></p>
4.	<p>Checking the Notification Letter</p> <p>SSU A/R Control Department Head checks the accuracy and completeness of the Notification Letter based on the Trade Receivables Aging Report and previous Notification Letters (if any).</p> <p>If there is a need for revision, the SSU A/R Control Department Head returns the Notification Letter to the SSU A/R Control Section Head for revision.</p> <p>If there is no revision, the SSU A/R Control Department Head signs the Notification Letter as "Checked By", and then submits it to the Shared Service Unit Division Head.</p> <p>Carry on to activity 5. <i>Check and approve the Notification Letter</i></p>
5.	<p>Check and approve the Notification Letter</p> <p>Shared Service Unit Division Head checks the accuracy and completeness of the Notification Letter based on the Trade Receivables Aging Report and previous Notification Letters (if any).</p>

	<p>If there is a need for revision, the Shared Service Unit Division Head returns the Notification Letter to the SSU A/R Control Department Head for revision.</p> <p>If there is no revision, the Shared Service Unit Division Head signs the Notification Letter as "Approved By" and then sends it to the Marketing Division who will send it to the Customer.</p> <p>Continue to activity 6. <i>Checking the Follow-up Report on Accounts Receivable-Trade Overdue</i></p>
6.	<p>Examine the Follow-up Report on Accounts Receivable-Trade Overdue</p> <p>SSU A/R Control Section Head receives the Follow-up Report on Accounts Receivables-Trade Overdue which has been approved by the Relevant Director and a Statement of Inability to Pay (if any) from the Marketing Division.</p> <p>If there are no indications of doubtful receivables/writing off uncollectible trade receivables then the procedure is completed in this activity.</p> <p>If there are indications of doubtful receivables/uncollectible trade receivables written off, the SSU A/R Control Section Head submits a Follow-up Report on receivables overdue trade to the Financial Reporting Section Head (ABC).</p> <p>Continue to activity 7. <i>Create a Calculation Report on Allowance/Write-Off of Uncollectible Trade Receivables</i></p>
7.	<p>Make ReportCalculation Allowance/Write-Off of Uncollectible Trade Receivables</p> <p>Financial Reporting Section Head (ABC):</p> <ul style="list-style-type: none"> - Calculate the estimated value of doubtful receivables (receivables that may not be collectible) - Create a Calculation Report on Allowance/Write-Off of Uncollectible Trade Receivables - Sign the Allowance/Write-Off Calculation Report <p>Uncollectible Trade Receivables as "Created by" then submit it to the Financial Reporting Department Head</p> <p>Proceed to activity 8. <i>Check the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables</i></p>
8.	<p>Examine the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables</p> <p>Financial Reporting Department Head checks the accuracy and completeness of the Report on the Calculation of Allowance/Write-Off for Uncollectible Trade Receivables based on the Follow-up Report on Trade Receivables-</p>

	<p>Overdue Trade and supporting documents.</p> <p>If there is a need for revision, the Financial Reporting Department Head returns the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables to the Financial Reporting Section Head (ABC) for revision.</p> <p>If there is no revision, the Financial Reporting Department Head signs the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables as "Checked by" and then submits it to the Financial Reporting & Control Division Head.</p> <p>Continue to activity 9. <i>Check the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables</i></p>
9.	<p>Examine the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables</p> <p>Financial Reporting & Control Division Head checks the fairness of the Report on the Calculation of Allowance/Write-Off for Uncollectible Trade Receivables based on the Follow-up Report on Trade Receivables-Trade Overdue and supporting documents.</p> <p>If there is a need for revision, the Financial Reporting & Control Division Head returns the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables to the Financial Reporting Department Head for revision.</p> <p>If there is no revision, Financial Reporting & Control Division Head signs the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables as "Checked by" and then submits it to the Related Director and President Director.</p> <p>Continue to activity 10. <i>Check and approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables</i></p>
10.	<p>Check and approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables</p> <p>The President Director and Related Directors check the fairness of the Report on the Calculation of Allowance/Write-Off for Uncollectible Trade Receivables based on the Follow-up Report on Trade Receivables-Trade Overdue and supporting documents.</p> <p>If the President Director and Related Directors do not approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables then the procedure is completed in this activity.</p>

	<p>If the President Director and Related Director approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables, the President Director and Related Director will sign the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables as "Approved by".</p> <p>Continue to activity 11. <i>Make a journal for Allowance/Write-Off of Uncollectible Trade Receivables</i></p>
11.	<p>Make a journal for Allowance/Write-Off of Accounts Receivables-Uncollectible Trade</p> <p>Submit a Report on the Calculation of Allowances//Write-Offs for Uncollectible Trade Receivables that have been approved by the President Director and Related Directors to the Financial Reporting Department Head.</p> <p>Continue to activity 12. <i>Check the journal for Allowance/Write-Off of Uncollectible Trade Receivables</i></p>
12.	<p>Check the journal for Allowance/Write-Off of Accounts Receivables-Uncollectible Trade</p> <p>Financial Reporting Department Head checks the accuracy and completeness of the Allowance/Write-Off of Accounts Receivables-Uncollectible Trade journal in the SAP FI module system based on the Report Calculation of Allowance/Write-Off for Uncollectible Trade Receivables that has been approved by the President Director and Related Director.</p> <p>If the journal is incomplete and/or inaccurate, the Financial Reporting Department Head rejects the Allowance/Write-Off of Uncollectible Trade Receivables journal in the SAP FI module system and informs the Financial Reporting Section Head (ABC) to make a revision.</p> <p>If the journal is complete and accurate, the Financial Reporting Department Head approves the Allowance/Write-Off of Uncollectible Trade Receivables journal in the SAP FI module system as proof of verification.</p> <p>Continue to activity 13. <i>Check and approve the Allowance for Uncollectible Trade Receivables journal</i></p>
13.	<p>Check and approve the Allowance for Accounts Receivables-Uncollectible Trade journal</p> <p>The Financial Reporting & Control Division Head checks the completeness and accuracy of the Allowance/Write-Off of Uncollectible Trade Receivables journal that has been created by the Financial Reporting Section Head (ABC) in the SAP FI module system based on the already prepared Allowance/Write-Off of Accounts Receivables-Uncollectible Trade Calculation Report that has been approved by the President Director and Related Director.</p>

	<p>SSU A/R Non-Trade Control Services Sub. Section informs via e-mail to the relevant division to carry out follow-up actions with Vendors/Customers regarding non-trade overdue trade receivables.</p> <p>Continue to activity 3. <i>Make a Notification Letter</i></p>
3.	<p>Create a Notification Letter</p> <p>SSU A/R Non-Trade Control Services Sub Section makes a Notification Letter for non-trade overdue trade receivables based on the Aging Report on Trade Receivables-Non Trade then signs the Notification Letter as "Made by" and submits it to the SSU A/R Control Section Head. Notification letters will be made and sent periodically every 30 days if the bill has not been paid.</p> <p>Continue to activity 4. <i>Checking the Notification Letter</i></p>
4.	<p>Checking the Notification Letter</p> <p>SSU A/R Control Section Head checks the accuracy and completeness of the Notification Letter based on the Aging Report on Trade Receivables-Non Trade and previous Notification Letters (if any).</p> <p>If there is a need for revision, the SSU A/R Control Section Head returns the Notification Letter to the SSU A/R Non-Trade Control Services Sub Section for revision.</p> <p>If there is no revision, the SSU A/R Control Section Head signs the Notification Letter as "Checked By", and then submits it to the A/R Control Department Head.</p> <p>Continue to activity 5. <i>Check and approve the Notification Letter</i></p>
5.	<p>Check and approve the Notification Letter</p> <p>SSU A/R Control Department Head checks the accuracy and completeness of the Notification Letter based on the Aging Report on Trade Receivables-Non Trade and previous Notification Letters (if any).</p> <p>If there is a need for revision, the SSU A/R Control Department Head returns the Notification Letter to the SSU A/R Control Section Head for revision.</p> <p>If there is no revision, the SSU A/R Control Department Head signs the Notification Letter as "Approved By" and then sends it to the Related Dept. (with the knowledge of the Treasury Division) who will send it to the Vendor/Customer.</p> <p>Continue to activity 6. <i>Examining the Follow-up Report on Trade Receivables-Non Trade Overdue</i></p>

6.	<p>Examining the Follow-up Report on Trade Receivables-Non Trade Overdue</p> <p>SSU A/R Non-Trade Control Services Sub Section receives the Follow-up Report on Trade Receivables-Non Trade Overdue that has been approved by the Related Director and a Statement of Inability to Pay (if any) from the Related Division.</p> <p>If there are no indications of doubtful receivables/writing off uncollectible non-trade receivables then the procedure is completed in this activity.</p> <p>If there are indications of doubtful receivables/uncollectible write-off of non-trade receivables, the SSU A/R Non-Trade Control Services Sub Section submits a Follow-up Report on Accounts Receivables-Non Trade Overdue to the Financial Reporting Section Head (ABC).</p> <p>Continue to activity 7. <i>Create a Calculation Report on Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</i></p>
7.	<p>Create a Calculation Report on Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</p> <p>Financial Reporting Section Head (ABC):</p> <ul style="list-style-type: none"> - Calculate the estimated value of doubtful receivables (receivables that may not be collectible) - Create a Calculation Report on Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade - Sign the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade as "Made by" and then submit it to the Financial Reporting Department Head <p>Proceed to activity 8. <i>Examine the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</i></p>
8.	<p>Examine the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</p> <p>The Financial Reporting Department Head checks the accuracy and completeness of the Report on the Calculation of Allowance/Write-Off for Uncollectible Non-Trade Accounts Receivables based on the Follow-up Report on Non-Trade Overdue Accounts Receivables and supporting documents.</p> <p>If there is a need for revision, the Financial Reporting Department Head returns the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non-Trade to the Financial Reporting Section Head (ABC) for revision.</p>

	<p>If there is no revision, the Financial Reporting Department Head signs the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non-Trade as "Checked by", and then submits it to the Financial Reporting & Control Division Head.</p> <p>Continue to activity 9. <i>Check the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</i></p>
9.	<p>Check and approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</p> <p>Financial Reporting & Control Division Head checks the fairness of the Report on the Calculation of Allowance/Write-Off of Uncollectible Non-Trade Accounts Receivables based on the Follow-up Report on Accounts Receivables-Non-Trade Overdue and supporting documents.</p> <p>If there is a need for revision, the Financial Reporting & Control Division Head returns the Calculation Report for the Allowance/Write-Off of Uncollectible Trade Receivables to the Financial Reporting Department Head for revision.</p> <p>If there is no revision, Financial Reporting & Control Division Head signs the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade as "Checked by" and then submits it to the Related Director and President Director.</p> <p>Continue to activity 10. <i>Check and approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</i></p>
10.	<p>Approve the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</p> <p>The President Director and Related Directors check the fairness of the Report on the Calculation of Allowance/Write-Off for Uncollectible Non-Trade Accounts Receivables based on the Follow-up Report on Non-Trade Overdue Accounts Receivables and supporting documents.</p> <p>If the President Director and Related Directors do not approve the Calculation Report for the Allowance/Write-Off of Uncollectible Non-Trade Accounts Receivables then the procedure is completed in this activity.</p> <p>If the President Director and Related Directors approve the Calculation Report for Allowance/Write-Off of Uncollectible Non-Trade Receivables, the President Director and Related Director will sign the Calculation Report for Allowance/Write-Off of Uncollectible Non-Trade Receivables as "Approved by".</p> <p>Continue to activity 11. <i>Make a journal for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</i></p>

11.	<p>Make a journal for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</p> <p>Submit the Calculation Report on the Allowance/Write-Off of Uncollectible Non-Trade Receivables which has been approved by the President Director and Related Director to the Financial Reporting Department Head.</p> <p><i>Continue to activity 12. Check the journal for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</i></p>
12.	<p>Check the journal for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade</p> <p>Financial Reporting Department Head checks the accuracy and completeness of the Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade journal that has been prepared by Financial Reporting Section Head (ABC) in the SAP FI module system. The journal will be based on the Calculation Report for Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade that has been approved by the President Director and the Related Director.</p> <p>If the journal is incomplete and/or inaccurate, the Financial Reporting Department Head rejects the Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade Receivables journal in the SAP FI module system and informs the Financial Reporting Section Head (ABC) to make a revision.</p> <p>If the journal is complete and accurate, the Financial Reporting Department Head approves the Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade Receivables journal in the SAP FI module system as proof of verification.</p> <p><i>Continue to activity 13. Check and approve the Allowance for Uncollectible Trade Receivables-Non Trade Receivables journal</i></p>
13.	<p>Check and approve the Allowance for Uncollectible Accounts Receivables- Non Trade Accounts journal</p> <p>The Financial Reporting & Control Division Head checks the suitability of the Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade Receivables journal which has been created by the Financial Reporting Section Head (ABC) in the SAP FI module system based on the Calculation Report of the Allowance/Write-Off of Uncollectible Trade Receivables-Non Trade which has been prepared and approved by the President Director and Related Director.</p> <p>If there is a need for revision, the Financial Reporting & Control Division Head will inform the Financial Reporting Department Head to make the revision.</p> <p>If there is no revision, the Financial Reporting & Control Division Head</p>

	instructs the Financial Reporting Section Head to post the Allowance/Write-Off of Uncollectible Accounts Receivables journal in the SAP FI module system.
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2. Obstacles Faced by PT. ABC in Managing Related Debts and Receivables

In managing related debts and receivables at PT. ABC, several problems were identified. The first problem was the delay in the reconciliation process between the PT. ABC team and PT. DEF team. This reconciliation process is important to ensure that the data recorded in both teams are the same. Delays in this process can cause errors in calculating related debts and receivables.

Then, there was a delay in the process of calculating the Hour Meter (HM) units for each heavy equipment operator. HM is one of the factors used to calculate related debts and receivables. Delays in calculations cause the calculation process to take longer, which will impact the due date for bill payments.

Apart from that, there was a delay in inputting data in the Production Report (BAP) by the PT. ABC and PT. DEF teams due to necessary numerical corrections. BAP is a document used to record the results of work that has been carried out. Delays in input cause the input process to take longer, which will impact the due date for bill payments.

And finally, there was a discrepancy between the calculations and the applicable contract. This calculation discrepancy can be caused by various factors, such as differences in data for each person in charge of PT. ABC and PT. DEF. With the emergence of these obstacles, there is a need for in-depth analysis and appropriate strategic steps to overcome each problem faced.

3. PT. ABC's Efforts in Overcoming Obstacles in Managing Related Debts and Receivables

In facing the obstacles faced in managing related debts and receivables, PT. ABC has implemented several strategic efforts. First, to overcome delays in inputting HM data, the production team can input HM in parallel, that is, once a week to input work that is already in progress. This will help ensure that HM data is always up-to-date and can be used to calculate related debts and receivables accurately.

Then, the SSU (Shared Service Unit) PT. ABC team also needs to reconcile with the PT. DEF team to ensure the completeness of payment administration. It is important to ensure that all documents required for payment are complete and in accordance with applicable procedures.

Apart from that, efforts to immediately agree on the BAP (Production Report) every month by both parties can ensure that the series of payment processes can be carried out on time and efficiently. This will support smooth operations and maintain order in project implementation.

CONCLUSION

Management of related debts and receivables at PT. ABC is an important process that involves structured steps starting from customer credit assessment to efficient billing. Obstacles faced include late payments from customers, difficulties in verifying data, and challenges in managing documents and information systems. Efforts to overcome these obstacles include improving information technology systems, such as using SAP for data input and verification, and implementing strict procedures for credit assessment and collection. Debts procedures include document inspection, data verification, data input into the SAP system, to journal verification, and tax payments. Meanwhile, for receivables, the

procedure starts from identifying overdue receivables, giving notification to the relevant division, preparing a report on the calculation of allowance/write-off of receivables, to obtaining approval from the board of directors. This effort ensures transparency and accountability in financial management, supports good relationships with business partners, and maintains liquidity and healthy cash flow for PT. ABC.

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