
Application Of Accounting System on Account Payments (Study at One of The Hotels in Bandung)

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ABSTRACT

This study seeks to elucidate the process of executing debt payments at Dejava Hotel Bandung and to identify the obstacles impeding these payments. This research constitutes a form of qualitative descriptive investigation. To perform this study, the author seeks primary data through direct interviews with relevant parties and secondary data in financial reports and supplementary documents. The study's findings at De Java Hotel indicate that the execution of debt payments to suppliers occurs through two interconnected processes: the purchase report method and the debt payment procedure. The issues impeding the settlement of trade debts to suppliers include the late arrival of invoices and the untimely submission of warehouse reports, leading to delayed payments. To ensure timely debt payments, the organization frequently needs to request clear invoices from the supplier and enhance warehouse monitoring.

Keywords: Accounts Payable, Debt Payment, Procedure, Type of Payment, Qualitative Descriptive

INTRODUCTION

The debt payment accounting system is a crucial element of financial management inside a firm, particularly in the hotel sector. Efficient debt payment management may sustain the company's operations by fostering positive relationships with suppliers and preventing potential penalties from delayed payments. Consequently, organizations must implement a systematic accounting framework to manage debt repayments effectively.

This study intends to examine the debt payment implementation procedure at De Java Hotel Bandung and identify the variables that impede the process. De Java Hotel, a premier establishment in Bandung, has diverse operational requirements that rely on supplier provisions. Consequently, a robust debt repayment strategy is essential to ensure operational continuity and sustain commercial partnerships with external parties. (Leitner-Hanetseder, Lehner, Eisl & Forstenlechner, 2021; Tsujimura & Tsujimura, 2021)

This research employs a qualitative descriptive methodology utilizing both primary and secondary data. Primary data is acquired via direct interviews with stakeholders engaged in the debt payment process, including the finance department and hotel management. Concurrently, secondary data is acquired from financial reports and supplementary papers that offer an overview of the debt repayment procedure at De Java Hotel. This strategy enables research to comprehensively understand the debt payment processes implemented and the challenges encountered in practice. (Pascual Pedreño, Gelashvili & Pascual Nebreda, 2021; Cai, 2021; Sidharta & Affandi, 2016)

The research findings indicate that the debt payment process at De Java Hotel has two primary stages: the purchase report procedure and the debt payment procedure. The purchase report procedure establishes the quantity and category of products or services the hotel receives, whereas the debt payment procedure encompasses the documentation and execution of payments to suppliers. The correlation between these two systems ensures that payments are executed appropriately and punctually. Nonetheless, its adoption faces numerous hurdles that may impede the efficient execution of the debt payment procedure. (Yeni, Komara, Suzanto & Rusjiana, 2023; Ma, Fisher & Nesbit, 2021)

A primary issue identified is the delay in obtaining invoices from vendors. Late invoices impede the company's ability to record and verify payments accurately. Furthermore, delayed reports from the warehouse impede debt payments. Untimely warehouse reports hinder the reconciliation of received products with supplier-submitted bills. Consequently, debt

payments are postponed, which may engender distrust among suppliers. (Suzanto & Sidharta, 2015; Javaid, Haleem, Singh, Suman & Khan, 2022; Putrevu & Mertzanis, 2024)

To address this issue, the organization must execute multiple strategic measures. One objective is to enhance communication with suppliers to guarantee timely invoice submission. Furthermore, the corporation must enhance its oversight of the warehouse sector to ensure that inbound goods reports are generated more methodically and aligned with the requirements of the finance department. Consequently, the debt repayment procedure can operate more efficiently, and the likelihood of delays can be mitigated. (Alrabei, Al-Othman, Al-Dalabih, Taber, Ali & Amareen, 2022; Syafira, Komara, Djuhara & Rusjiana, (2023; Ahmad, 2024)

This study aims to elucidate the significance of the debt payment accounting system within the hotel sector. Understanding the implemented procedures and encountered challenges enables hotel management to undertake corrective measures to enhance debt repayment efficiency. Furthermore, the findings of this study may serve as a reference for other companies in enhancing their debt repayment systems.

Using an enhanced debt payment system, De Java Hotel may optimize financial management, sustain supplier trust, and enhance operational efficiency. Future studies may use a more expansive methodology, such as comparing debt payment systems across various hotels, to obtain a more comprehensive understanding of best practices within the hotel business.

This study elucidates the significance of accounting systems in managing debt repayment. By adopting a more systematic approach and appropriate strategy, organizations can mitigate the risk of delayed payments and enhance the efficacy of debt management. This study represents the initial phase in advancing an improved accounting system within the hotel sector.

METHOD

This study employs a qualitative descriptive methodology to examine and comprehend the execution of the accounting system for debt repayment at De Java Hotel Bandung. This methodology was selected as it enables researchers to comprehend the methods implemented and the challenges encountered in the debt repayment process. The data for this study were gathered from both primary and secondary sources to guarantee the accuracy and comprehensiveness of the information acquired.

Primary data sources were acquired via direct interviews with individuals engaged in the debt payment process at the hotel, encompassing accounting personnel, financial management, and the purchasing department. Interviews were carried out semi-structured to facilitate the exploration of particular information regarding debt payment practices. Alongside interviews, direct observation of the payment process was undertaken to acquire more objective data concerning the execution of the accounting system in debt repayment.

This study utilizes secondary data sources such as bank reports, purchase reports, and additional documents pertinent to debt repayment. This secondary data corroborates the findings from interviews and observations, offering a more comprehensive understanding of the accounting system employed at De Java Hotel Bandung. The analysis involved data reduction, presentation, and conclusion drawing to understand the deployed debt payment system thoroughly.

This study's examination centers on two primary aspects: the debt payment procedure and the challenges encountered. The analysis indicates that debt payments to suppliers occur through two primary procedures: the purchase report procedure and the debt payment procedure. Nonetheless, other impediments were identified in its execution, including delayed bills from suppliers and erroneous reports from the warehouse, which resulted in payment delays. This study also investigates measures that hotels might implement to address these challenges, including enhancing contact with suppliers and enforcing stricter oversight of warehouse data. This technique aims to elucidate the execution of the accounting system for debt payments at De Java Hotel Bandung and to offer ideas for enhancing system efficiency.

RESULTS AND DISCUSSION

Accounts payable payments must be executed in compliance with relevant rules or the established corporate SOP. At De Java Hotel Bandung, payments are executed per the temporal stipulations outlined in the Purchase Order, with a due date typically 30 days after receipt of the invoice. Payments nearing maturity are prioritized for disbursement. Supporting documents are necessary to verify the legitimacy and accuracy of payments in the debt payment procedure.

De Java Hotel Bandung's debt payment process commences with the invoice's documentation in the journal. The invoice processing procedure is bifurcated into two categories: goods invoices and service invoices. The processing of goods invoicing

commences with the Receiving department's receipt of products, which verifies their compliance with the Purchase Order. Upon receipt of the products, the invoice must be endorsed by the recipient, the purchaser, and the department head. The executed invoice is documented in the VHP system and printed as a Receiving Receipt. Cost Control subsequently verifies the Receiving Receipt before sending it to Accounts Payable for journal entry documentation.

The initial phase in the debt payment process involves Accounts Payable verifying documentation. The Cost Control department transmits the Receiving Receipt to Accounts Payable for reconciliation with the supplier's invoice. Documents, including the Receiving Receipt, Purchase Order, delivery note, and invoice, are verified for data accuracy. Upon verification, debt is documented according to the supplier's name and the due date.

Subsequent to documenting the debt, a counterbilling procedure is executed in anticipation of remittance to the supplier. The original invoice is replaced with a counterbill note specifying the payment and due date. The original invoice that has been counter-billed is also organized with accompanying papers, such as the Purchase Order, Receiving Report, and delivery note. Subsequently, Accounts Payable generates a voucher number according to the due date and total payment amount.

In the subsequent phase, age verification is conducted to ascertain the supplier's payment priority. Suppliers with the oldest debts will be given precedence. Upon compiling the Payment List, the accounting department seeks authorization from the accounting manager and director prior to executing the payment. The General Cashier will execute the payment via Mandiri Cash Management upon approval. The approved check or giro is presented to the cashier for payment to the supplier, and payment confirmation is returned to the accounting department for documentation.

The final step in the debt repayment process is documenting the A/P Payment List and archiving records. Payments executed are documented in the journal and printed as a backup file. Documents required for filing include journals, transfer proofs, and receiving receipts. Through this approach, De Java Hotel Bandung guarantees that debt payments are executed consistently and in compliance with relevant regulations.

The debt payment accounting system of De Java Hotel Bandung comprises distinct sections: warehouse, purchasing, finance, and accounting, each with defined tasks. The warehouse division receives commodities from vendors, inspects incoming and existing merchandise, stores received items and manages inventory levels. The procurement

department is tasked with negotiating supplier prices, establishing payment conditions, deciding delivery schedules, receiving and duplicating accepted price proposals, and generating purchase orders. The finance department oversees and processes payments for the company's acquired items. The accounting department is tasked with receiving documents or bills from suppliers and entering and preserving these documents.

The procurement process commences with submitting a buy request letter from the warehouse department to the purchasing department to mitigate wasteful acquisitions and prevent the overstocking of goods in the warehouse. The warehouse division manages inventory levels to ensure the seamless running of the company's procedures. Simultaneously, the accounting department is responsible for documenting debts and maintaining records, and the finance department oversees payments and oversight. This delineation of tasks is implemented to prevent inaccuracies in the documentation of debts and payments and mitigate the danger of errors in the receipt and storage of documents.

Documents pertinent to the debt payment procedure at De Java Hotel encompass Purchase Order (PO), Delivery Order (DO), Invoice, Receiving, and Proof of Cash Out. A Purchase Order is a formal document issued to a supplier detailing the type and quantity of items requested, together with their price, generated by the purchasing department and sanctioned by the head of the purchasing division. The Delivery Order is evidence of the goods' delivery by the expedition service to the warehouse department. An invoice is a billing document sent by the supplier requesting payment from the enterprise to acquire products. The receiving process entails the acquisition of materials, both domestic and foreign, encompassing unloading, quantifying, and verifying items by shipping documentation. The accounting department prepares the Proof of Cash Out to document purchase transactions and cash disbursement orders for supplier debt payments. The debt payment accounting system at De Java Hotel has been functioning well and complies with established protocols.

The supplier is late exchanging receipts with the accounts payable staff, so the process of creating Payable Vouchers will be hampered; if this supplier delay occurs, the debt settlement cannot be paid according to the due date because the accounts payable staff does not receive data from the supplier. Several things can cause supplier delays in the receipt exchange process: the first is that the supplier arrives at a time that does not comply with the provisions in effect at the Accounting Department of De Java Hotel Bandung, at the Accounting Department of DeJava Hotel Bandung the receipt exchange process is carried out every

Thursday starting at 10:00 am to 12:00 noon, if a supplier arrives later than the specified time, the supplier must wait one week later to exchange the Receipt.

Inconsistency of the number of invoices on the Purchase Order and Receiving Report

Inconsistency of the number of invoices on the Purchase Order and Receiving Report: The inconsistency is caused by errors in the data that the receiving staff has submitted to the Account payable section; the data submitted by the receiving staff does not match the purchase order (PO) in terms of document code, date and number of notes, at Account Payable DeJava Hotel to compile and adjust the receipt data after everything has been checked starting from:

(1) tax invoice (if any), (2) Purchase Order (PO), (3) receiving report (RR), (4) Original delivery note and copy (if any), and (5) Original Receipt and copy. If the purchase order (PO) and Receiving Report (RR) document codes do not match; the data cannot be processed to the next stage of data checking, resulting in debt settlement not being able to be paid according to the due date.

There is a data error by the supplier when exchanging receipts; a problem that often occurs at DeJava Hotel Bandung is that the data on the invoice does not match the total billed. Incorrect invoice data errors are usually in terms of the nominal amount of the product price on the invoice and the total amount on the Receipt not being the same amount, resulting in data confusion, which results in the Account payable staff delaying the data checking process and debt payment for the problematic supplier.

At the beginning of the month, the supplier will exchange receipts with the Accounts Payable (AP) department. The Account payable department will check the completeness of the invoice or receipt data, including the original invoice, tax invoice (if any), delivery note (if any), Receipt, and original purchase order (PO). After all the data above is complete, the supplier deposits it to the Account payable staff, who serves the exchange of receipts. The Account payable staff checks and calculates whether the number of POs and the total price match the original note and Receipt. If it is by this, the Account payable staff will provide a receipt to the supplier. The flow of the receipt process can be seen in the chart. Account Payable Staff requires data from suppliers, which will then be given to the general cashier. After that, the general cashier will check the data; the data checked by the general cashier includes receipts, invoices, and purchase orders (PO); after all data is by applicable provisions, then the data from the supplier is exchanged with proof of Receipt.

Efforts that can be made by Account payable staff in this obstacle are reminding suppliers to exchange receipts on time by contacting them via telephone. The second cause is the advancement of the receipt exchange time; the advancement of time is caused if Wednesday is right on the red date, then the receipt exchange process is carried out on Tuesday; before carrying out the receipt exchange process, suppliers usually take the purchase order (PO) first to the purchasing department, then they can carry out the receipt process, the problem in this section occurs because the supplier requests some purchase orders (PO) according to the note that has not been completed on the day of the receipt exchange due to the advancement of time so that only a part can be processed in the receipt exchange, Efforts to deal with this are usually the purchasing section will notify the supplier if some of the purchase orders can be taken this week before making the exchange receipt the following week, so the supplier must wait for the purchase order to be by the note and can carry out the receipt exchange process. If this supplier delay occurs, the debt settlement cannot be paid according to the due date because the Account payable staff does not receive data from the supplier.

In this instance, the accounts payable personnel must reconfirm with the receiving and purchasing teams to promptly rectify discrepancies between the Purchase Order (PO) and Receiving Report (RR) data. Data corrections are typically finalized within approximately one week of identifying invalid information. Once the PO and RR data have been amended, the accounts payable staff will proceed with the verification process and facilitate supplier payments. To resolve this issue, the accounts payable personnel at DeJava Hotel Bandung liaise with the supplier through the purchasing department by telephonically inquiring about the discrepancies in the data and requesting the supplier's confirmation of the errors for rectification by the accounts payable team. Upon the supplier's agreement to the purchasing confirmation, the accounts payable staff will promptly amend the inaccuracies in the invoice and receipt, enabling them to proceed with data verification and submit the supplier's payment to the finance controller and general manager.

CONCLUSION AND RECOMMENDATION

The research and debate on the debt payment accounting system utilized at DeJava Hotel Bandung reveal that this system encompasses three primary functions: the store/receiving function, the purchasing function, and the accounts payable function. The documents utilized in this system comprise purchase requisition (PR), purchase order (PO), purchase note, and receiving report. The debt payment accounting process commences with a product requisition

by the store/receiving function, followed by a request for a price quotation and supplier selection by the purchasing function. Ordering items is executed by the purchasing function, followed by the receipt and storage of products by the store/receiving function, culminating in the debt payment method conducted by the accounts payable function.

All components of the company's debt payment system have collaborated effectively and are accountable for their assigned responsibilities. To enhance the efficacy of this system, the accounting and finance department must implement stringent internal controls in the administration of debt payment documentation. This result can be achieved by establishing a distinct identity for the document storage location and differentiating between cash and non-monetary payments. Furthermore, collaboration with the document control department is essential to manage infrequently used papers, ensuring they can be readily located when required.

Furthermore, the tasks associated with the debt payment process to suppliers must enhance coordination and precision to ensure timely and seamless payments. This result will assist the organization in preserving favorable ties with suppliers and ensuring seamless operations overall.

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