Analysis of Collection Micro, Small and Medium-Sized Enterprises (MSMEs) Receivable on Bank BJB KCP X Customers

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Abstract

Receivables are a crucial aspect in the financial industry. Effective handling is the key to the sustainability of bank operations. This research analyzes the procedures for collecting MSME receivables from Bank BJB KCP X customers. This research uses descriptive qualitative methods with data collection techniques through interviews, observation and literature study. The research results show that the receivables collection procedure at Bank BJB KCP collection. Based on the research results, several solutions are recommended to increase the effectiveness of receivables collection, including strengthening education for customers regarding receivables collection procedures, increasing coordination with related parties in the receivables collection process, utilizing digital technology to simplify the receivables collection process. It is hoped that this research will provide benefits for Bank BJB KCP.

Keywords: Receivables Collection Procedure, MSMEs, Bank BJB KCP X, Effectiveness

Introduction

In the context of the development of the financial industry, receivables management is a crucial aspect that influences the performance of financial institutions. Effective handling of receivables is very important in maintaining the sustainability and smooth operation of a bank. Collecting receivables from customers is a complex process, which is often faced with various obstacles and challenges. Payment of receivables that exceed the agreed time limit, incomplete billing documents, delays in sending documents, and other obstacles can be problems that are often faced by financial institutions. This can not only be financially detrimental, but can also disrupt the bank's overall financial and operational health. Receivables are bills owed to other parties as a result of selling goods/services on credit" (Faisal et al., 2017). Receivables provided

by the company are a working capital investment that carries quite a large risk. The risks arising from the existence of receivables are delays in repayment and the possibility of partial or complete uncollectibility. Effectiveness is a measurement of the level of achievement of a goal, while efficiency measures how resources are utilized. Efficient management of receivables by paying attention to risks that may arise as a result of credit policies so that in the end it can increase the efficiency of using existing working capital. Efficiently managed receivables by paying attention to receivables return time can increase the company's profitability. Effective handling of receivables is an important aspect in maintaining the financial health of a bank. Therefore, Bank BJB KCP However, the company's collection of receivables from customers does not always run smoothly. There are several problems that companies often face, including payments made by customers past the agreed time limit, incomplete billing documents, delays in sending billing documents, and other obstacles. These things will be detrimental and become a threat to the company, resulting in disrupted company performance. Therefore, the problem of collecting receivables from customers needs serious attention to avoid these obstacles. The following is data on MSME receivables at Bank BJB KCP

Table 1 MSME Receivables at Bank BJB KCP

Product Year	2021	2022	2023
NPL Credit	Rp1.325.460.000	Rp1.211.690.000	Rp1.543.654.000

Source: Primary Data, 2024

From the data provided, there is a trend of NPL (Non-Performing Loans) credit in MSME receivables at Bank BJB KCP In 2021, NPL credit amounting to IDR 1,325,460,000 shows a number of MSME receivables that have not been paid. Then, in 2022, the amount of NPL credit fell to IDR 1,211,690,000, indicating a decrease in the number of unpaid receivables, but still showing a significant level of non-payment. However, in 2023, the number of NPL loans will again increase to IDR 1,543,654,000, which shows a further increase in the number of unfulfilled MSME receivables. Data analysis shows that despite fluctuations, the overall trend shows persistent problems in credit payments by MSMEs to Bank BJB KCP and strengthening the receivables recovery process in order to reduce the NPL level and improve the bank's financial health and support sustainable growth of MSMEs (Yanti et al., 2023).

Literature Review

Analysis is the process of solving information or a situation to understand the elements or components in detail. In various contexts, analysis can refer to a systematic approach to understanding a problem, phenomenon, or data with the aim of gaining a deeper understanding or making informed decisions. According to the Big Indonesian Dictionary "Analysis is the decomposition of a subject into its various parts and the study of those parts itself and the relationships between parts to obtain a proper understanding and understanding of the meaning of the whole". (Andres Hendry, 2013) states "Analysis is an effort to sort an integrity into elements or parts so that its hierarchy and structure are clear."

According to (Asep Hidayat, 2022), analysis is an activity to look for a pattern. Apart from that, analysis is a way of thinking related to systematic testing of something to determine parts, relationships between parts and their relationship to the whole. Based on this opinion, analysis is an activity in which there is a process of sorting, breaking down and differentiating things to be classified according to certain criteria so that they can connect the parts into a unified whole. So from the explanation above it can be concluded that analysis is a process of elaborating, a process systematically search for and organize the data or information obtained by organizing the data into categories, breaking it down into units, arranging it into patterns, choosing what is needed, and making conclusions so that it is easy to understand.

The definition of billing according to the Big Indonesian Dictionary, billing is defined as the process, method, act of collecting; requests (warnings, etc.) to pay debts, etc. According to (Elfani et al., n.d.) Receivables are "Receivables arising from the sale of goods or services on credit. In general, receivables include all claims in the form of money against other entities for the amount at the time of the transaction." Based on the Statement of Financial Accounting Standards (PSAK) No. 43, the definition of receivables is as follows: "A type of financing in the form of purchasing and/or transferring receivables or short-term bills of a company originating from business transactions." receivables can be defined in a broad sense as rights or claims against other parties for money, goods and services. According to (Sholeha, n.d.) receivables are a company's claim for money, goods or services to other parties as a result of past transactions. Based on these opinions, it can be concluded that receivables are bills that must be paid by buyers (be they individuals, companies or other organizations) to sellers as a result of the delivery of goods or services on credit, all of which will have an impact on survival. company and direct relationships with customers (Adhimursandi et al., 2024).

A collection policy will be implemented if the credit or consignment sale has passed the due date agreed by both parties. The receivables collection procedure is a series of steps that must be followed by the company to obtain payment for receivables that have not been paid by customers. As for the first receivables collection procedure (Sholeha, n.d.), after receiving a list of receivables that are due to be collected, the collection department sends a collection notification to the debtor. Then, the collection department receives a check in the name that corresponds to the notification letter from the debtor. After that, the notification letter is submitted to the accounts receivable department to be posted on the accounts receivable card. Next, the cash department sends a receipt as proof of receipt of payment to the debtor. After the check is authorized by the authority, the cash department makes a deposit to the bank. Next, the company bank will carry out a clearing process for the check to the debtor's bank. Meanwhile, Bank Indonesia in (Aufar 2014) Small Business is a productive business owned by Indonesian citizens, in the form of an individual business entity, a business entity that is not a legal entity, or a business entity with a legal entity such as a cooperative; is not a subsidiary or branch owned, controlled or affiliated, either directly or indirectly, with a medium or large business (Fairuz Rifqi Abdurahman et al., 2023).

Analysis is a process carried out to solve certain information or situations by understanding its elements in detail. Receivables refer to claims arising from the sale of goods or services on credit, which must be paid by the buyer to the seller. Collection, on the other

hand, refers to the process or method of collecting debt payments, either through direct payment requests or warnings to debtors who are in arrears.(Sutarsa Monika, 2023).To maintain the company's liquidity and smooth operations, a receivables collection policy is important. The receivables collection process involves a series of steps that must be followed by a company to obtain payment for outstanding receivables from customers. These steps include sending collection notices to debtors, receiving checks from debtors, recording them in receivable cards, sending receipts as proof of payment, deposits to banks, and clearing processes by company banks. In addition, in the context of small businesses in Indonesia, Bank Indonesia defines small businesses as productive businesses owned by Indonesian citizens, either in the form of individual business entities or legal business entities such as cooperatives. Small businesses are not subsidiaries or branches affiliated with medium or large businesses. Thus, understanding analysis, receivables, billing and understanding small businesses is important in managing a company's finances and business sustainability.

Research Method

The research method used in this research is data analysis techniques, using descriptive analysis techniques. This technique aims to collect, present and analyze data descriptively regarding the independent variable, namely the receivables collection system carried out by BJB KCP X. The data is then compared with existing theory to assess its suitability. Apart from that, analysis was also carried out on the dependent variable, namely the effectiveness of internal control of receivables at BJB KCP X, by comparing it with relevant theory. The aim is to assess whether the internal control implemented is effective.

The research also analyzes the role of the receivables collection accounting system in increasing the effectiveness of internal control of receivables at BJB KCP From the results of this analysis, it can be concluded whether the receivables collection system has a positive contribution in increasing the effectiveness of internal control of receivables. Thus, through this descriptive approach, research can provide a clear picture of the relationship between the receivables collection system, internal control and accounting system in the context of Bank BJB KCP X.

Result/Findings

1. Bank BJB KCP X receivable collection documents.

   Receivables collection documents play a crucial role in banking operations, being a vital source of information for companies, especially Bank BJB KCP Therefore, Bank BJB KCP The Letter of Assignment is given to the PPK (Credit Rescue and Settlement) as a field assignment to carry out collections from customers, while the Notification Letter informs the purpose of payment. Receipts are used as proof of cash receipts from debtors, while Proof of Visit records the collection process by Collecting to be reported to the credit

admin. Thus, these documents become an important basis in ensuring the effectiveness of receivables collection and good financial management at Bank BJB KCP X.

2. Receivables Collection Procedure at Bank BJB KCP

Receivables collection procedures are important steps carried out by Bank BJB KCP X to ensure payment of receivables from customers. The first step in this process is to map the areas per sub-district, which aims to simplify and focus billing. Next, debtors are grouped to separate those who have paid and those who have not yet met their due date. The next process is to map the credit segment into micro, consumer and commercial credit. Finally, Bank BJB KCP Letter of assignment. Meanwhile, SP 3, which occurs after 90 days, allows banks to carry out an auction process if the collateral is bound by a mortgage certificate. With this procedure, Bank BJB KCP X strives to carry out receivables collection effectively and efficiently.

3. Obstacles in the process of collecting receivables at BJB KCP

Based on the results of interviews with credit collection staff at Bank BJB KCP First, the obstacle that arises is the diverse character of debtors, some of whom have no intention of paying bills even though they have the financial capacity. Apart from that, there are also debtors who are difficult to contact or even run away to avoid payment responsibilities. Second, there are problems with payment sources that no longer exist, such as businesses going bankrupt or experiencing problems in making payments. Third, the value of the collateral is often insufficient to cover the amount of debt that has been submitted, adding to the difficulty in recovering receivables. Finally, there is disproportionate distribution of credit, where the disbursement proceeds are not only for one debtor but are distributed among several debtors. This hampers the collection process because the available funds are not sufficient to cover all receivables. By understanding these obstacles, Bank BJB KCP X can design a more effective and efficient collection strategy to overcome these challenges.

Conclusion

The importance of receivables collection documents and receivables collection procedures in banking operations, especially at Bank BJB KCP In addition, receivables collection procedures, including area mapping, debtor grouping, segment mapping, and the use of Warning Letters, have proven to be strategic steps in ensuring payment of receivables from customers. The results of interviews with credit collection staff indicated that there were a number of obstacles faced in the receivables collection process. These obstacles include varying debtor characters, difficulties in contacting debtors, problems related to unavailable payment sources, a mismatch between the value of the collateral and the amount of debt, and unequal distribution of credit. With a deep understanding of these obstacles, Bank BJB KCP several recommendations that can be considered. First, a comparative study between receivables collection practices at Bank BJB KCP X and other banks can provide broader insight into the effectiveness of receivables collection documents and procedures. In-depth

analysis of factors that become obstacles in the collection process, such as the character of the debtor and problems with payment sources, is also important to identify the root of the problem and formulate appropriate strategies. Furthermore, research can focus on developing technology to increase the effectiveness of receivables collection, for example the use of systems information or mobile application for communication with debtors. The role of training and development of employees, especially credit collection staff, is also worth researching to assess the impact on their ability to handle the collection process well. Additionally, a study of customer satisfaction related to the receivables collection process can provide valuable input on areas where banks can improve services and billing processes to meet customer expectations. By conducting in-depth research in this area, it is hoped that we can make a significant contribution in increasing the effectiveness of receivables collection and financial management in the banking sector.

Declaration of conflicting interest

This research does not contain a Conflict of Interest Declaration. The author expressly states that there is no receipt of consulting fees or research funds from any party that could affect the objectivity or results of this research. The author also has no affiliation with any company related to the research subject or has any financial interest in the results of this research. Additionally, the author did not receive funding to attend symposiums or other related events that could have influenced the writing and publication of this paper. This research was conducted independently and based on the principles of honesty and scientific integrity.

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