



ANALYSIS OF ACCOUNTING TREATMENT OF CAPITAL EXPENDITURE AND REVENUE EXPENDITURE

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Abstract

Management of PT. Pelindo I (Persero) Belawan Branch should use records in accordance with applicable accounting standards. An asset can be said to be revenue expenditure if it has a useful life of less than one accounting period and has a relatively small acquisition price. The accounting treatment of capital expenditure and revenue expenditure is in accordance with PSAK No. 16. except for the recording is not in accordance with the applicable accounting standards. Management of PT. Pelindo I (Persero) Belawan Branch should use records in accordance with applicable accounting standards. An asset can be said to be revenue expenditure if it has a useful life of less than one accounting period and has a relatively small acquisition price. The accounting treatment of capital expenditure and revenue expenditure is in accordance with PSAK No. 16. except for the recording is not in accordance with the applicable accounting standards. Management of PT. Pelindo I (Persero) Belawan Branch should use records in accordance with applicable accounting standards.

Keywords: *capital expenditure, revenue expenditure*

1. INTRODUCTION

Current assets are assets that can be consumed or easily liquidated, while fixed assets are supporting facilities owned by the company to facilitate the company's operational activities, are not for sale and are relatively large company expenses and have benefits for more than one year/one accounting period. Fixed assets are one of the components of the company's assets that have an important influence on the company's statement of financial position. From the point of view of value, fixed assets usually have a fairly material value from other assets, while from the point of view of their use, fixed assets are the type of assets that can be used the longest in the company. Fixed assets can be in the form of land, buildings, machinery, vehicles and other equipment. Fixed assets owned by a company can be obtained in various ways, including by buying in cash, buying on credit, building donations in advance or in other ways. According to PSAK No. 16 (2011), fixed assets are tangible assets that are held for use in the production or supply of goods or services for rental to other parties, or for administrative purposes and are expected to be used for more than one period. And the process of recording and presenting fixed assets must be in accordance with current financial accounting standards.

The process of accounting for fixed assets begins when the asset is acquired until the asset is written off. Fixed assets can be acquired in various ways such as purchases, exchanges, self-building, and grants. Depreciation is the allocation of the cost or most of the cost of a fixed asset over the useful life of the asset. The amount that can be depreciated is the difference between the acquisition price and the residual value, namely the value of the asset at the end of its useful life (Budi Frensidi, 2011:1760). There are various methods of depreciation. For example, depreciated over time, based on usage and other criteria. The usage fee can be treated in 2 (two) ways, namely by capitalization or charged to the current period.



Depreciation of fixed assets (depreciation) is a consequence of the use of fixed assets where fixed assets will experience a decline in function. Financial Accounting Standards (SAK) states that depreciation is the depreciable amount allocated to each accounting period over the useful life of property, plant and equipment using various systematic depreciation methods.

According to S. Munawir (2010:13), assets are economic facilities or resources owned by a business unit or company whose acquisition price or fair value must be measured objectively.

Capital expenditure (capital expenditures) are costs incurred in order to acquire fixed assets, improve operational efficiency and productive capacity of fixed assets, and extend the useful life of fixed assets. These costs are usually incurred in fairly large amounts (material), but do not happen often. Capital expenditures are expenditures that are not charged directly as an expense in the income statement, but are capitalized first as fixed assets on the balance sheet, because these expenditures will provide benefits to the company in the future (Hery, 2013: 207).

Revenue Expenditure (income expenses) are costs that will only provide benefits in the current period, so the costs incurred will not be capitalized as fixed assets in the balance sheet, but will be directly charged as an expense in the income statement for the current period where the costs are incurred (Hery, 2013:270).

PT. PELINDO I (PERSERO) Belawan Branch what is often called Pelindo I is one of the Indonesian State-Owned Enterprises (BUMN) which is engaged in port services. Perum Pelabuhan I is one of the four Perum Pelabuhan in Indonesia that manages the ports that are managed and established based on Government Regulation No. 14 of 1983. PT. PELINDO I (PERSERO) Belawan Branch a company engaged in port and water pools, services related to pilotage and towage of ships, docks, warehouses for stockpiling goods, health services, sea transportation services, and container depots.

The reason why the author chose PT. PELINDO I (PERSERO) The Belawan branch as a place of research is PT. PELINDO I (PERSERO) Belawan Branch is one of the largest state-owned companies in Indonesia. PT. PELINDO I (PERSERO) Belawan Branch has an impact on the economy in Indonesia, especially in Medan because it is the entry and exit route for goods from within and outside the country. PT. PELINDO I (PERSERO) Belawan Branch is a container service company that regulates the distribution/distribution of goods from and throughout Medan. I got a recommendation for a research place from one of my friends, after seeing, observing and analyzing the report, I found something that was not in accordance with the theory I learned, so I researched at PT. PELINDO I (PERSERO) Belawan Branch.

According to Reza Pahlepi (2011), The suitability of accounting for fixed assets according to PSAK No. The implementation still needs to be adjusted, especially in determining the selection of the depreciation method, the depreciation method applied by the company has an influence on the gross profit earned by the company during the economic life of the fixed assets.

To be able to operate properly, fixed assets have a certain time limit. Because it causes fixed assets to require substantial repair and maintenance funds. So in this case management needs to determine the expenditures related to these assets, both capital expenditures and revenue expenditures, so that these fixed assets can improve performance and do not interfere with the smooth operation of the company. the occurrence of costs that are too large or too small in the financial statements during the current accounting period, the company requires consistent internal control.

Considering that the funds needed in the management of fixed assets are quite large, for this reason, consistent accounting treatment is needed which includes how PT. PELINDO I (PERSERO) Belawan Branch classifying existing fixed assets and policies governing the separation and accounting records in accordance with applicable accounting standards. Due to the consistent accounting treatment, it is expected that the accounting records of fixed assets can improve the smooth operation PT. PELINDO I (PERSERO) Belawan Branch.



Based on the initial research conducted by the author, the authors found several weaknesses related to fixed assets, including the recording of the number of fixed assets that is not the same in the fixed asset report and the balance sheet. After observing the application of fixed asset accounting according to PSAK No. 16 at PT. PELINDO I Belawan Branch in several elements of the existing application, among others, the recording of the acquisition of fixed assets, sometimes there are some assets that are not recorded in the detailed list of fixed assets which are included in the list of fixed assets. Capital Expenditure and Revenue Expenditure PT. PELINDO I (PERSERO) Belawan Branch and caused the fixed assets to not be depreciated. In this case, the vehicle (road sweeper),

2. RESEARCH METHODS

The research approach that the author uses in this study is a descriptive method, where this method looks at and describes the state of the company systematically, which then analyzes it so that it can provide suggestions for the future.

3. RESULTS AND DISCUSSION

Capital Expenditure Accounting Treatment PT. PELINDO I (PERSERO) Belawan Branch

Expenditures classified as revenue expenditure are as follows:

- a. Provide a useful life of more than one accounting period
- b. Can increase the capacity and quality of company operations
- c. The amount is relatively large or above capacity
- d. Not routine

In which there are details of fixed assets, recognition, measurement, recording, and accounting reporting of capital expenditure and revenue expenditure of PT. PELINDO I (PERSERO) Belawan Branch.

1) Details of Fixed Assets Included in Capital Expenditure

Capital expenditure are costs incurred in obtaining fixed assets, increasing operational efficiency and productive capacity of fixed assets, and extending the useful lives of fixed assets. These costs are usually incurred in fairly large amounts (material), do not occur often, are not charged directly as an expense in the income statement, but are capitalized first as fixed assets in the balance sheet, because these expenses will provide benefits to the company in the future. , that is :

a) Land

Is an asset that is used for business purposes and is not subject to depreciation, the costs charged to land are costs that are directly related to the indefinite useful life.

b) Building

Founded to place the company's operations. Good for office buildings, shops, factories, and warehouses used in the company's main activities. However, buildings that are not used in the company's activities, namely unfinished buildings (under construction) cannot be classified as fixed assets.

c) Equipment

Is an asset used by the company in the production process or service provider. Such as: Printer, Computer, Handy Talky, Brandkas, AC room, TV and other procurement.

d) Vehicle



Is an asset that is used as a means of transportation or a service provider and others such as: Trucks, Cars, and Motorcycles.

e) Boat

It is an asset used by the company to carry out operating activities to earn operating income such as: Scout Ship, Tugboat, Kepil Ship, Passenger Ship, Motor Boat.

f) Emplacement

Is land provided by the company for employees and interested parties in the implementation of the company's operations. Including Riol and Sewer.

g) Roads and Other Buildings

These fixed assets include: official houses, harbor fences, workshops and garages, guard posts, meeting buildings and sports facilities, roads and bridges and so on.

h) Port Facility Installation

These fixed assets include: water pumps, electrical installations, water installations, and other faspel installations.

i) Port Facility Tools

These fixed assets include: Land faucets, towing tractors, forklifts, and other port facilities.

j) Support – Ground

These fixed assets include: land for official housing, land for drilled wells, land for Bekawing.

2) Recognition of capital expenditure at PT. PELINDO I (PERSERO) Belawan Branch
Recognition of capital expenditure at PT. PELINDO I (PERSERO) Belawan Branch is recognized when the following transactions occur:

a) Fixed Asset Purchase

Transactions that occur when PT. PELINDO I (PERSERO) Belawan Branch purchased new fixed assets. Such as: ships, vehicles, office equipment, port facility installations.

b) Self-built Fixed Assets

Transactions that occur in order to build a fixed asset PT. PELINDO I (PERSERO) Belawan Branch. Such as: Port Facility Buildings (Wharfs and Trestel, fenders, moorings/dolphins, dams/wave retainers, stockpiling warehouses, stacking yards, passenger terminals), Roads and Buildings (roads and bridges, office buildings, conference halls, workshops and garages, postal services). guard, official house, harbor fence, other buildings), emplacement (Riol and Sewer).

c) Fixed Asset Component Replacement

Transactions that occur in order to replace damaged components of fixed assets with new ones that have a value that can increase the economic life of fixed assets and non-routine replacements. Such as: Fender Replacement, Gear Box Pump Replacement, Pilot Vessel Oil Change, Spreader and Replating Replacement, Auxiliary Engine Replacement, Bow and Aft Fender Replacement, Turbo Charger-Compressor Replacement, New Main Engine Replacement, Cable Network Replacement, Power Station Panel Replacement and Relay, Replacement of water treatment dist filter media, Replacement of generator spare parts, etc.

d) Big Fix

Transactions that occur to improve the performance of fixed assets are called betterment, and increase the remaining usefulness of assets called overhauls. Such as: concrete repair, embankment and field repair, bow and stern fender repair, repair of open type substations and substation panels, repair of UBM LAN network (installation, AC, PC), repair of depo lighting lamps, repair of nigata generator engines, repairs, etc. .

3) Measurement of Capital Expenditure PT. PELINDO I (PERSERO) Belawan Branch



Fixed assets owned by PT. PELINDO I (PERSERO) Belawan Branch is stated at cost less accumulated depreciation.

The acquisition price is the purchase price plus the costs incurred in obtaining fixed assets that are ready for use. The costs that are capitalized into the cost of property, plant and equipment are sales tax, transportation costs, installation costs and other costs used to prepare property, plant and equipment until they are ready for use.

The depreciation method applied by the company to calculate its depreciation expense is also in accordance with Financial Accounting Standards where the method used is the straight line method and is applied consistently from year to year.

4) Recording of Capital Expenditure of PT. PELINDO I (PERSERO) Belawan Branch

Capital expenditures are expenditures issued in order to acquire fixed assets, improve operational efficiency and productive capacity of fixed assets, and extend the useful life of fixed assets. And recording is done after the transactions are recognized. The following are transactions that are recognized as capital expenditures, namely:

a) Fixed Asset Purchase

The following is the recording of the purchase of fixed assets for the part of fixed assets owned by PT. PELINDO I (PERSERO) Belawan Branch.

Vehicle group, PT. PELINDO I (PERSERO) Belawan Branch purchased 1 Hilux Pick Up vehicle. Then the recording of the purchase of the vehicle is as follows:

Fixed Assets (Pick Up Hilux)	xxx	
Cash/Payable		xxx

Computer equipment group, PT. PELINDO I (PERSERO) Belawan Branch purchased 1 unit of Mrk's computer. Tatung. So the records made in the purchase of the computer are as follows:

Fixed assets (1 unit of Mr. Tatung's computer)	xxx	
Cash/Payable		xxx

b) Self-built Fixed Assets

PT. Pelindo built a port facility building in Belawan which is in collaboration with contractors. So the records issued by the company are as follows:

Building in progress	xxx	
Current account contractor		xxx
VAT Payable	xxx	

c) Fixed Asset Replacement

PT. PELINDO I (PERSERO) Belawan Branch replaced the damaged fender. Then the recording of the replacement of the damaged fender is as follows:

Fixed Assets (fenders)	xxx	
Cash/Payable		xxx

d) Big Fix

PT. PELINDO I (PERSERO) Belawan Branch made major repairs in order to increase the cost and useful life, the company's recording is to record all costs incurred in the information column and record the nominal value in the cash out column. Meanwhile, the recording according to the accounting standards in force at the time of major repairs aimed at increasing the cost and increasing the useful life are as follows:

Fixed Assets (Ships)	xxx	
Cash		xxx
(Adds cost)		



Accumulated depreciation (Machine)	xxx	
Cash		xxx
(Increases useful life)		

5) Capital Expenditure Reporting PT. PELINDO I (PERSERO) Belawan Branch

Reports made on capital expenditure are reported in the balance sheet as fixed assets and the comparison is cash or debt in accordance with payments made by PT. PELINDO I (PERSERO) Belawan Branch.

Revenue Expenditure Accounting Treatment at PT. PELINDO I (PERSERO) Belawan Branch

Expenditures classified as revenue expenditure are as follows:

- a. Gives period only current period
- b. Does not increase the company's operating quality capacity
- c. The amount is relatively small or below capacity
- d. Routine

In which there are details of fixed assets, recognition, measurement, recording, and accounting reporting of capital expenditure and revenue expenditure of PT. PELINDO I (PERSERO) Belawan Branch.

1) Expenditure details included in Revenue Expenditure

Revenue Expenditure are costs that will only provide benefits in the current period, so these costs will not be capitalized as fixed assets on the balance sheet, but will be charged directly as an expense in the income statement for the current period where the costs are incurred. Examples of these expenses are:

a) Maintenance load

All activities in it are to keep the equipment system in good condition, PT. PELINDO I (PERSERO) Belawan Branch always carries out equipment maintenance activities so that operational activities continue to run well. The cost of maintenance carried out by PT. Pelindo, namely the maintenance burden on the faspel building of Rp. 5,763,728,921 then the journal for this transaction is:

Maintenance (faspel building)	xxx	
Cash		xxx

b) Office stationery

Supporting tools for carrying out activities in the office, for example, such as paper, pens, pencils, markers, highlighters, rulers, erasers, etc. So the journal entry for this transaction is:

Office stationery	xxx	
Cash		xxx

c) Prints and photocopies

Supporting tools for activities or activities in the office that facilitate the company's operational activities. Then the journal for this transaction is:

Print photocopy	xxx	
Cash		xxx

2) Recognition of Revenue Expenditure PT. PELINDO I (PERSERO) Belawan Branch

Recognition of Revenue Expenditure at PT. PELINDO I (PERSERO) Belawan Branch at the time of the transaction, namely:

a) Fixed Asset Purchase

Expenditures made by PT. PELINDO I (PERSERO) Belawan Branch to purchase fixed assets where the assets are only valid for one company accounting period such as office stationery.



b) Fixed Asset Repair

Expenditures made by PT. PELINDO I (PERSERO) Belawan Branch to repair damaged fixed assets such as damage to ships, repair of embankments and fields, repair of substations, repair of UBM LAN network (Installation, AC, PC)

c) Fixed Asset Maintenance

Expenditures made by PT. PELINDO I (PERSERO) Belawan Branch for the maintenance of fixed assets to keep them in good condition to facilitate the company's operational activities such as facility building maintenance, ship maintenance, facility equipment maintenance, facility installation maintenance, land maintenance, road and building maintenance, equipment maintenance, maintenance vehicles, emplacement maintenance and other maintenance.

3) Measurement of Revenue Expenditure PT. PELINDO I (PERSERO) Belawan Branch

Measurement of revenue expenditure at PT. PELINDO I (PERSERO) Belawan Branch is stated at cost. However, it is not necessary to measure revenue expenditure because the costs incurred are recorded in expense items.

4) Recording Revenue Expenditure at PT. PELINDO I (PERSERO) Belawan Branch

An activity carried out by PT. PELINDO I (PERSERO) Belawan Branch for the smooth operation of the company, the following is the recording of transactions recognized as *revenue expenditure* that is :

Purchases of fixed assets that are valid for only one accounting period. PT. PELINDO I (PERSERO) Belawan Branch purchased office stationery. Then the recording is done as follows:

Fixed assets	xxx	
Cash/Payable		xxx

Repairs and Maintenance of a fixed asset are recorded as an expense because repair and maintenance do not increase the useful life of a property, plant and equipment. So the records made for repairs and maintenance are as follows:

Repair/Maintenance Expense	xxx	
Cash/Payable		xxx

5) Revenue Expenditure Reporting at PT. PELINDO I (PERSERO) Belawan Branch

Reports made on revenue expenditure are reported in profit/loss items as expenses and the comparison is cash in accordance with expenses made by PT. PELINDO I (PERSERO) Belawan Branch.

4. CONCLUSION

Conclusion

Based on the analysis described in the previous discussion, the following conclusions can be drawn:

1. Accounting Treatment of PT. PELINDO I (PERSERO) Belawan Branch for Capital Expenditure and Revenue Expenditure is not in accordance with applicable accounting standards because there are fixed assets that are not included in the details of PT. PELINDO I (PERSERO) Belawan Branch.
2. In the presentation and disclosure of PT. PELINDO I (PERSERO) Belawan Branch groups capital expenditure and revenue expenditure according to policy, capital expenditure and revenue expenditure are separated based on the useful life of fixed assets. Where fixed assets with acquisition value adding to the useful life of more than the accounting period are grouped as capital expenditure, while fixed assets that do not increase the useful life of fixed assets more than the accounting period are grouped as revenue expenditure and categorized into consumables and listed goods.



Suggestion

Based on the conclusions above, the authors can provide suggestions that if it has benefits for the continuity and progress of PT. PELINDO I (PERSERO) Belawan Branch in order to avoid errors and record fixed assets, the authors put forward several suggestions, including:

1. The author suggests to PT. PELINDO I (PERSERO) Belawan Branch to conduct asset assessments and inspections on a regular basis, related to PSAK No. 16 (year 2011) to be more careful in the presentation of the statement of financial position should not be combined as a whole.
2. There needs to be good internal control for the treatment of fixed assets, namely the separation between capital expenditure and revenue expenditure, the separation is carried out so that it increases smooth operation PT. PELINDO I (PERSERO) Belawan Branch so that the company's operational activities run smoothly.

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