

Application of Sharia Accounting Principles in Sharia Financial Institutions

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Abstract: This study aims to explain the perceptions of accountants in two BMT institutions towards the principles of sharia accounting in Islamic financial institutions. This type of research that uses qualitative methods for survey respondents is two accountants who work at BMT As-Salam and BMT-Mojoagung in Jombang. The results showed that according to accountants in the two BMTs where they worked had applied the principles of sharia, humanist, emancipatory, transcendental, and theological accounting even though the application was not perfect. Balance and fairness for owners, managers, and users of funds may be a dilemma in operations.

Keywords: Sharia Accounting Principles, Islamic Financial Institution, Accountant's Perception.

I. Introduction

The development of Islamic Financial Institutions in Indonesia is experiencing improvement both in terms of quality or type. Sharia Banking began operated in Indonesia in 1992 with the founding of Bank Muamalat and followed by Takaful Sharia Insurance which was established in 1994. Both institutions can be said to be a pioneer in the growth of sharia business in Indonesia. Not only Islamic financial institutions that are commercial are developed, but a non-profit Sharia financial institution. Even financial institutions micro-sharia such as BMT (Baitul Maal Wa Tamwil) are also developing very rapidly in Indonesia (Muhammad, 2010).

In general, financial institutions play the role of financial intermediaries, namely the absorption of funds from individual economic surplus units, orders, and the business sector to provide funds for deficit economic units. The existence of financial institutions can minimize the costs of procuring or processing information about investments, therefore the investment is more efficient for both parties than surplus units and deficit units (Ghafar, Ismail & Ahmad, 2006).

The Indonesian Institute of Accountants (2010) states that the development of the Islamic economic system is developing rapidly in Indonesia. This development mainly occurred in the financial sector. The trend shows that the development of sharia-based real sector business is "the next big thing" that must be ready to be anticipated. Islamic banking and its products have been widely circulated in the community, besides that Islamic insurance and Islamic mutual funds have also begun to emerge. In the last three decades, financial institutions have increased the volume and value of sharia-based transactions which naturally increases the need for sharia accounting.

The Indonesian Institute of Accountants supports the development of the sharia economy by establishing the Sharia Bank Financial Statement and Sharia PSAK Compilation and Assessment Framework No. 59 concerning Sharia Banking Accounting in 2002. In its development, IAI continues to apply sharia accounting standards following the development of sharia transactions in sharia financial institutions namely the Basic Framework for Presentation and Reporting of Sharia Financial Statements (KDPPLKS) and PSAK 101 through PSAK 110.

Sharia Financial Institutions are institutions of every company whose activities his business is related to finance. Business activities of financial institutions can be in the form of raising funds and / or channeling of funds (Soemitra, 2010: 29). Islamic financial institutions are financial institutions that issue products Islamic finance that gets operational as Islamic financial institutions. (Ifham & Ismail, 2010).

II. Literature Review

Islamic accounting is important for all users of sharia-based financial institutions and those who have an interest in it. Sharia accounting is accounting by the rules set by Allah SWT. Accounting itself has the meaning of a process of identifying transactions, recording, classifying, summarizing so that financial information is generated in the form of financial statements that can be used for decision making (Nurhayati & Wasilah, 2013). Sharia is a rule set by Allah SWT to be obeyed by humans in undergoing all their activities in the world. In this context, Sharia Accounting that we are discussing is part of our efforts in developing prophetic social science in the field of accounting. Normative commands are already in the Al-Qur'an, the next is to translate the Al-Qur'an in the form of Sharia Accounting theory which in turn is used to provide direction (guidance) regarding accounting practices following sharia.

The discussion of sharia accounting principles here is inseparable from the context of faith, knowledge, and action so that Sharia Accounting theory is the knowledge that is used to assist accounting practices (action). Based on this connection, we can see that the theory of Islamic Accounting (knowledge) and Islamic Accounting practice (action) are two sides of the same coin. Both can not be separated and must not be separated from the frame of faith/monotheism (faith), in this case, can be described as a circle on a coin that limits the other two sides to not get out of faith. In the context of the circle of faith earlier, philosophically the Sharia Accounting theory (as one of the prophetic social sciences) has the following principles: Humanist, Emancipatory, Transcendental, and Teleological (Triyuwono, 2006).

Perception in the general sense is one's view of something that will make a response to how and with what someone will act. Perception is a process of receiving stimuli through sensing. Next, a person selects, arranges, and interprets information inputs and experiences and then interprets them to create an overall meaningful picture. The accountant profession is all occupations that use expertise in accounting, including the fields of a public accountant, internal accountant, educator accountant, government accountant.

The process in this study is interpreted as the acceptance or view of a person through a process gained from experience and learning in the BMT where the accountant works. An accountant can describe things such as Islamic accounting principles in BMT. Baitul Maal tamwil (BMT) is a non-governmental organization founded and developed by the community. The initial establishment of BMTs usually used sources of funds or capital collected from the community. BMT is a people's economic institution which in real terms and concepts is more focused on the lower classes of society. BMT seeks to help the development of micro and small businesses, mainly through the capital. BMT in principle seeks to organize mutual assistance efforts between the citizens of a region (community) in an economic society.

BMT establishment is expected to help the weak economic community in improving their lives through halal business, BMT needs to develop community trust, one of which is by presenting, measuring, disclosing, and recognizing their income in financial statements in a transparent manner, and can present information that can be understood, relevant, relevant, reliable, and can be trusted the truth. BMT is now not a strange thing in the ears of the people, they know and trust these financial institutions such as trusting conventional and large Islamic financial institutions. But there are still many cases of financial institutions in the surrounding environment, one of which is the Office of BMT Collapsed or closed, namely BMT PSU (Perdana Surya Utama) Malang. BMT Chairman Anharil Huda as general manager disappeared by bringing billions of rupiah in customer money. Besides, the BMT building has now changed hands to become an apartment building of PT. Sinwa Barokah Abadi Surabaya under construction. On July 15, 2015, Anharil Huda the general manager had promised to return the deposits of customers, but in reality when that time arrived Anharil Huda had disappeared.

The results of the study (Firman & Dervish, 2010) showed that respondents witnessed Islamic accounting can sort out between halal and haram activities. Each transaction will be identified as halal and forbidden, both from the substance being translated and the transaction process. Islamic accounting regulates the presentation of financial statement information that is true (right) and far from lies (inward). All information presented in the financial statements is based on Islamic practices that are guaranteed to be accurate, honest, and free from fraud.

III. Methodology

This research uses the descriptive qualitative method. This research was carried out in Mojoagung, Jombang Regency, with the object of research being BMT As-Salam, the hamlet of Date Rejoin the village of Kalibening, District of Mojoagung, and BMT - Masalah in the village of Mancilan, District of Mojoagung. The informants of this research are accountants who work at BMT As-Salam and BMT Masalah. The data obtained in the form of accountants' perceptions of the application of Islamic accounting principles in the Mojoagung District through interviews.

The data analysis technique in this study uses an interactive model based on the opinions of Miles and Hubberman (1984), which states that the activities in qualitative data analysis are carried out interactively and continue continuously until completion so that the data is already saturated. Activities in data analysis are data reduction, data display, and conclusion drawing/verification. (Sugiyono, 2015: 333).

Table 1. Model About the Operational Definitions of Sharia Accounting Principles

Element	Basic Concepts	Explanation
Humanist	<ul style="list-style-type: none"> a. Instrumental b. Socio- economic 	<ul style="list-style-type: none"> a. Instrumental is Application Islamic accounting in practice, not only as a theory. b. Socio-economic is Application Islamic accounting principles holistic, both in transactions economic and transactions involving aspects social.
Emancipatory	<ul style="list-style-type: none"> a. Critical b. Justice 	<ul style="list-style-type: none"> a. Critical is this Islamic accounting not dogmatic and exclusive with this critical nature Islamic accounting can be improved if there is less appropriate. b. Justice is a continuation of nature critical, then if there is a lack the suit can be fixed fairly.
Transcendental	<ul style="list-style-type: none"> a. All-Inclusive b. Rational-Intuitive 	<ul style="list-style-type: none"> a. All-inclusive is accounting this sharia is open, no close to the possibility of adopting modern accounting, as long as the concept is in harmony with Islamic values. b. Rational-intuitive intuition for sharia accounting is a very important instrument that is then synergized with human rational instruments.
Teleological	<ul style="list-style-type: none"> a. Ethical b. Holistic welfare 	<ul style="list-style-type: none"> a. Ethical is the suitability of accounting sharia with ethical values Islam or according to shariah. b. Holistic Welfare is accounting sharia provides welfare which includes the material and non Theory.

IV. Results

The principles of sharia accounting in this study refer to Triyuwono (2006), namely: Humanist, Emancipatory, Transcendental, Teleological, down to some basic concepts in each principle. As for the derivation of Humanist principles there are Instrumental and Socio economic, Emancipatory there are Critical and Justice, Transcendental there are All-Inclusive and Rational-intuitive, Teleological there is Ethical and Holistic welfare. Humanist principles, namely in practice sharia accounting is humane (humanizing humans), wherein the humanist principle can be reduced to a basic concept namely instrumental and socio-economic. Instrumental in sharia accounting is flexible (not rigid). The implication is that the people who practice it are not familiar with this instrument, they even enjoy it. For socio-economic itself means that Islamic accounting is not only limited to economic (material) transactions, but also social transactions. Because what is instilled must be humane, then this humanity is returned humanizing humans. So we, as social human beings, must help each other without prioritizing our interests. So between personal interests and other people must be balanced.

Islamic financial institutions are now starting to develop, for example in the Mojoagung area there are BMT-Maslahah and BMT-As Salam. When there is a phenomenon of customers who have receivables but cannot pay receivables according to the agreed date, they respond to the phenomenon. Where there is some treatment of customers who cannot pay depends on the policies of the institution. For BMT-Maslahah issued a family policy that no fines were given. The first step is just a warning with a warning to pay. If the warning addressed is that there is no response from the customer to pay the receivables, then the second step is settled amicably by holding an agreement between the BMT and

the customer until it is decided that the receivable can be paid. For example, by reducing the installment value by looking at the ability of customers to pay installments.

Different policies are taken by BMT As-Salam. In BMT As-Salam, the first policy for customers will be given the warning to repay the debt. If the customer does not respond to the warning, a fine of IDR 250 will be imposed on every 1 million loan times the customer does not pay for the amount of time. so that a deterrent will arise for Salam BMTAs customers not to repeat this.

Based on the above policy explanation, it can be concluded that the humanist principle in the instrumental concept, that the two BMTs have done what has been described in the humanist principle, but some things are not by the humanist principle. BMT maintains the mandate of funders through good and balanced management in the acquisition of profits. In sharia accounting practices, the balance of profits is the balance between the profit margins that occur in sharia accounting practices must be balanced, where the user of the funds benefit as well as the funders.

The concept of socio-economic in BMT Maslahah is carried out with social activities in the form of assisting Islamic boarding schools in Bangil Sidogiri Pasuruan, nature is not every month, but every year there must be. ZIS BMTMaslahah every year donates to poor people around Mancilan village in the form of zakat maal. While the social activities carried out by BMT As-salam are donations to the Babussalam Islamic Boarding School, but nature is not monthly but always there every year. They also contribute to Rp. 25,000 per month for widows in the area around BMT As-Salam. For ZIS, it has been distributed according to Islamic regulations, every year they have an agenda of zakat, infaq, sadaqah given or distributed to anyone who needs it.

Based on the humanist principle in the socio-economic concept conclusions can be drawn that refer to the theory. That both BMTs have followed the humanist principle in which they have carried out social activities even though they were not scheduled precisely. The allowance for ZIS has done according to sharia. The Emancipatory Principle is a sharia accounting principle that is capable of making significant changes to the theories and practices of modern accounting that have developed today. The intended changes are liberating changes (emancipation). modern accounting has a weakness in the aspect of economic emphasis (material) is very high. For this reason, the existence of emancipatory principles in sharia accounting teaches that accounting is not only material but emphasizes non-material aspects.

The emancipatory principle has two basic concepts: Critical and Justice. Critical and justice have interrelated meanings. The basic concept of critical reasoning provides that accounting is not dogmatic and exclusive. Critical assessment can be built with better accounting theory than before. In modern accounting the economic (material) emphasis is higher, giving rise to an effect on the removal of non-material aspects. The use of critical basic concepts and appointments in a position of justice (justice) between material and nonmaterial. The product sales of a financial institution that adheres to sharia accounting in an emancipatory principle having the basic concepts of critical and justice, must be positioned fairly between material and nonmaterial aspects.

Both BMTs apply it with the main objective of selling products for the welfare of the community or customers, but in practice, they also have the main goal of making a profit. Based on this phenomenon, it can be concluded that the two BMTs have implemented the principle of emancipation by having the aim to improve the welfare of customers, but not only the welfare of customers, the welfare of BMTs must also be considered, by benefiting from the results of operational sales of products. For this reason, the concept of justice applies to both BMTs, where the prosperous customer with working capital provided by the BMT as well as the BMT obtains the agreed revenue-sharing at the time the financing agreement takes place.

This transcendental principle means that this principle is not limited to material objects but also non-material (mental and spiritual) so that in this way, sharia accounting theory will truly be emancipatory. The transcendental principle derives the concept of all-inclusive and rational intuitive. The basic concept of all-inclusive gives the understanding that the rules in BMT must be by sharia.

Sharia cooperatives in Indonesia do not yet have a legal umbrella that specifically regulates sharia cooperatives in the form of laws. Law number 25 of 1992 concerning cooperatives in no way touches the rules of sharia cooperatives, but in practice based on the regulations that emerge and their position is under the law. Decree of the Minister of Cooperatives and Small and Medium Enterprises Number 91 / Kep / M.KUKM / IX / 2004 concerning the guidelines for the

implementation of business activities of Islamic financial services cooperatives, many Islamic cooperatives are established and operate like cooperative institutions based on Islamic principles. This BMT does not yet have its legal auspices, this BMT is under the auspices of cooperatives, BMT gets a decision of the minister of cooperatives and small and medium-sized businesses regarding instructions on establishing and operating BMT. For example, the formation of sharia cooperatives is based on the agreement of the members along with the principal savings of the members who become the venture capital of the sharia cooperative to be formed. Therefore, as long as a member of the Islamic cooperative, the members' property rights to the venture capital of the Islamic cooperative will remain recognized. cooperative Syariah recommends its customers to pay zakat for their customers because this cooperative is also a Ziswaf institution. Islamic economics forbids interest (riba) so that every transaction that is based on sharia principles, including sharia cooperative transactions, will not be determined through the interest system (riba), but based on profit sharing principles as regulated and recognized in sharia economics.

Both BMTs implement this as the rules of Islamic cooperatives. Examples of the implementation of sharia principles are a fair profit-sharing system and the absence of administrative costs or discounts on savings products. Savings products are applied to profit sharing, there are no deductions for saving customers. For financing regarding the determination of the topics applied in monthly installments, in practice, they have entered into a contract between the BMT and the customer to agree on a discussion determined by the BMT. Sometimes some customers agree to discuss the specified but some customers object, but the BMT can not provide flexibility for their customers. The BMT still maintains the determination of the language that has been determined by the BMT.

Based on these conditions, it can be concluded that both BMTs have applied the transcendental principle in the all-inclusive concept. They implement profit sharing (discuss) in savings and no deductions are charged at all for customers who save. They also apply revenue sharing (discuss) in financing receivables with a value agreed upon by the BMT that will later be given to customers, although sometimes there are customers who object, all of that has become BMT's policy to determine the value of the consideration with full consideration because of the funds These receivable customers are received from people who have savings as well as community deposits. For that, they must also benefit from what has been given.

Rational-intuitive in practice does not only rely on rational thinking but also consider intuition or movement of the heart. In the analysis of sales of financing product responses from the BMT-Problem they see in terms of the value of the collateral, the size of the loan proposed the ability of a person to pay, and the characteristics of people. Likewise with the BMT As-Salam in analyzing for the provision of receivables in terms of the value of collateral, loans proposed, the ability to pay, and one's character. If there is a situation after analyzing the value of the collateral and the value of the loan that is not comparable, for example, the value of the loan from the value of collateral in the market, BMT-Maslahah and BMT As-Salam take action by lowering the value of the loan that is realized by the market value of the collateral. The reduction in the value of the loan is discussed first to get an agreement for approval of the realization. Based on this policy, it can be concluded that they have carried out the transcendental principle, but some things have not been by the principle of transcendental by not being able to provide the loan that the customer wants because of the small collateral value, because the agency avoids losses.

This teleological principle provides a rationale that accounting does not merely provide information for economic decision making, but also has a transcendental purpose as a form of accountability to his God, to his fellow humans and the universe. This principle leads people to the true purpose of life (victory). Falahdi can be interpreted as the success of humans returning to the Creator with a calm and holy soul. The teleological principle derives two basic concepts namely Etichal and Holistic Welfare. Ethical has any understanding done by humans that must be by Islamic values. For example, the sale of BMT products must be by Islamic sharia.

Products sold at BMT-Maslahah are: (a) Sharia Savings that can be taken at any time with a wadiah yad addhamamah or mudharabah mutlaqoh agreement, (b) Sharia deposits in the mudharabah mutlaqoh principle are managing your funds as a futures investment, (c) Savings Education is the deposit of funds intended for educational institutions and others with the Wadiah yad Adhamamah agreement, (d) Murabahah Financing is a sale and purchase agreement for goods by stating the acquisition price and profit (margin) agreed by the seller (BMT) and the buyer (the Customer), (e) Mudharabah Qiradh financing is the transfer of assets and Shahib Al-maal (owner of capital/funds) to Mudharib (fund manager) as business capital, while the profits are divided according to the agreed ratio (profit and loss). If there is a loss, it is covered by the profit obtained. However, if there is a Mudharabah agreement that does not make any profit or

suffers losses, then Mudharib (fund manager) has no right to be paid for his business, and Shahib Al-maal (owner of the fund) has no right to claim damages to Mudharib. Thus if the loss is not caused by negligence from Mudharib, (f) Sharia Gold Pawn (Ar-Rahn) is an easy and practical loan scheme to meet the needs of public funds with a pawn system according to sharia with collateral in the form of gold. How to get a loan is enough to bring your collateral accompanied by a photocopy of your identity to the estimator counter and your collateral (Marhun) will be estimated by the appraiser, then you will get a loan (Marhun Bih) of 90% of the estimated value.

Loan repayment process - the repayment process can be done at any time before a maximum period of 120 days, both in one lump sum and in installments. If up to 120 days have not been able to pay off, the Customer can extend the loan period up to the next 120 days by paying ijarah and administrative fees according to the applicable tariff. Based on the explanation above, it can be concluded that the products sold by BMT-Maslahah and also BMT-As Salam are by the principles of transcendental in ethical concepts, can be seen from products that are by Islamic regulations. Furthermore, the teleological principle derived from the basic concept of holistic welfare in sharia accounting practices is applied not merely to seek profit (profit margins), but also non-material, namely intact welfare for customers, employees, and leaders.

Initially, many communities around BMT-Maslahah and BMT-As Salam were trapped in moneylenders with high-interest loans. In the end, the community objected and many also suffered losses as a result of the funding. The existence of the BMT-Maslahah and BMT-As Salam institutions based on sharia with a profit-sharing system was received by the public with open arms. The appearance of BMT and its Islamic employees can be used as more value for customers to become BMT members. The strategic location of BMT where BMTMasahah is close to Mojoagung and BMT-As Salam markets located in Islamic boarding schools and the midst of furniture and pentol entrepreneurs, the existence of this BMT is very helpful for customers who want to make loans and want to leave their assets, for that BMT solutions for clients who are tied to loans that are burdensome to them.

The purpose of the establishment of financial institutions (BMT) is for the welfare of the community both on the side of BMT customers, employees, and leaders. That goal has been created. Customers who become members of their BMT can develop their business through BMT capital loans. Customers also feel comfortable leaving their assets to BMT. If this BMT goes well and follows the sharia correctly then it will create prosperity for employees and customers for the survival of employees and leaders. The response from these two BMTs, they feel that they are sufficient for what is given to them, and they also feel comfortable working in sharia-based financial institutions. Based on the explanation, it can be concluded that the two BMTs have carried out the teleological principle in the concept of holistic welfare, they both get prosperity in the world and the hereafter because they carry out these activities based on sharia.

V. Conclusion

The results show that the application of sharia accounting principles has been applied in BMT-Maslahah and BMT-As Salam, although the implementation is not perfect. This is caused by the desire to obtain a profit margin that must be applied fairly or in a balanced manner (both benefited from both the donor and recipient of funds). This balance can encourage the implementation of sharia accounting concepts more broadly because both parties feel happy. The application of sharia accounting principles is advised to further increase obedience to Allah SWT to create the best solution for the recipient of funds and funders. This is intended to prevent the occurrence of sharia accounting practices that are not by religious values so that the Islamic life order in Indonesia will be realized. The government is expected to intervene in this small scope Islamic financial institution (BMT) so that operational activities can be carried out even better. Limitations in this study are the respondents taken only accountants in two institutions, namely Baitul Maal was Tamwil whose mastery of the concept of sharia accounting tends to be lower than accountants working in Islamic commercial banks or sharia institutions whose scope is greater.

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