
Project Budgeting at a Company

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Article Information

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ABSTRACT

The author made this study entitled Budgeting at CV Bima Cahaya Dotia. The purpose of this final assignment is to find out how to prepare the budget at CV Bima Cahaya Dotia, to find out how to prepare the sales budget at CV Bima Cahaya Dotia, to find out how to prepare the cash receipts budget at CV Bima Cahaya Dotia, to find out how to prepare the budget at CV Bima Cahaya Dotia, and to find out how to prepare profit and loss at CV Bima Cahaya Dotia. The research method used is a qualitative method by taking data directly from companies or institutions and the data taken is done by observation and interviews. So it can be concluded that the preparation of the budget at CV Bima Cahaya Dotia uses data from last year's period, and budget increases are decided by the director and approved by managers

Keywords: budget, project, company

1. INTRODUCTION

The course of accounting activities of a company is important to know. Advantages and disadvantages in carrying out its activities both in manufacturing companies and companies engaged in the service sector. In this increasingly advanced era, new companies began to grow. At the beginning of the emergence of these companies needed the services of contractors, equipment rental and suppliers. The construction of office buildings and buildings is not spared from careful planning and must be adjusted to the actual events that will occur in the field.

Development in a country today is closely related to the construction sector. The construction sector plays an important role in providing facilities and infrastructure for other sectors. The role of the construction sector includes the construction of roads, bridges, housing, buildings, factories and electricity networks. In a project or work there are several things that must be considered to achieve maximum profit. And among others, how much material, manpower, equipment, transportation are needed or spent in carrying out a project, how much labor must be required to complete the project and other costs that are not directly incurred in carrying out the project.

In managing a company, management has set goals (goals) and company goals or targets. The company's goal is to obtain optimal profit while the company's goal is to ensure the company's survival through growth and profit achievement (profit). To achieve this, it is necessary to take policy steps determined by the leadership in the form of a plan for the company's operational activities that should be carried out. In general, there are two things that are the goal of establishing a company, namely business development and profitability in order to maintain the viability of the company. Without profit, a company, be it a service, trading or manufacturing company, will find it difficult to develop and will eventually go bankrupt on its own.

This has resulted in increasingly fierce competition in the business world, especially for contracting companies seeking similar projects. With this competition, the company must regulate and manage its financial resources carefully so that the company can maintain the existence and continuity of its business. One form is planning and control. The planning process is carried out by evaluating past achievements and assessing future conditions. Effective control requires a device or information container to communicate planning results at all levels of management. The device or container is called a budget.

Budgets describe plans for the future that will be expressed in formal financial terms. One of the approaches taken as a tool to make it easier to control costs is to make a budget that can be used as a basis for achieving company goals. It is very important for every company to make a budget because with a budget, the efforts made by the company will be supported by careful planning so that it can provide maximum results for the company, but good planning without effective control is futile because planning and controls are related to

one another. With the existence of a budget that has been set by the company, it can help plan and control expenses as well as in planning business results and the company's financial condition in the future.

The budget also serves as a comparison tool to evaluate the realization of company activities. By comparing what is contained in the budget and its realization, it can be assessed the company's success in implementing the budget. Besides that, with this comparison, the causes of irregularities can be identified, so that the weaknesses and strengths that exist in the company can be identified.

In a project, the material is also the material that is most easily corrupted, both in terms of quantity and quality. Manpower or workforce must also be considered, the amount of manpower will not maximize profits if it is not accompanied by expertise or skills that support work. So before a contractor takes on a project, it is better to first analyze the costs to be incurred and estimate how much the costs will be used so as to increase efficiency and predict the profit to be achieved. This makes it easier to make comparisons between the budget made and the actual or actual costs, and it also makes it easier to calculate how much the difference (variance) arises from the budgeted and actual costs. And it can also be used as a guide for future projects. Systematic and comparative cost information is needed by the management in managing the company. This makes accounting increasingly plays an important role for management for planning and controlling costs as well as analysis of the variances that occur. In this case the variance arising from material and manpower costs in carrying out a project can affect the level of efficiency of project costs. And this variance can be in the form of a favorable variance or it can also be an unfavorable variance and this variance will affect the level of profit to be achieved.

The budget allows company management to reduce irregularities that will occur and coordinate implementation with targets set by the company. Efforts to obtain efficiency levels are carried out by the company through the effectiveness of the planning and control functions. Companies need a budget because the budget plays a role as a guideline, coordination and control of work. Control shows an evaluation of performance to determine the level of suitability of realization with a predetermined plan. Control is needed because the budget estimates the amount of costs that must be provided in carrying out a project. A project begins when management has agreed on general matters relating to what will be used in the project. Various factors that support the effectiveness of the implementation of a project include technical aspects, location, supply of work, support from the community around the project and others.

CV Bima Cahaya Dotia is a company engaged in contracting services. Where all projects carried out are obtained through tender auctions. As well as in a tender there is a budget or budgeting that has been determined or agreed upon by the company with contractor services which cannot be changed after the tender has been agreed. So this is where in contractor services you have to be smart to analyze the budget for a project such as materials, labor, transportation. Because the budget will affect the amount of profit, it could be that the service company is profitable or vice versa.

After the tender has been agreed, however, the problem that often occurs at CV Bima Cahaya Dotia is that there are errors during the preparation of the budget after the tender has been agreed, such as excessive material purchases which causes smaller profits, low labor wages and actual project workmanship wages be increased due to weather conditions or the health condition of the workers themselves. So that this affects the company's profit because there is a budgeting calculation error for the tender or project work resulting in less profit earned by CV Bima Cahaya Dotia from project or tender work. If this happens continuously it can disrupt the continuity of the company. From this description, considering the importance of the budget in a contractor service company to profit, the author is interested in writing a final assignment with the title "Project Budgeting at CV Bima Cahaya Dotia".

2. LITERATURE REVIEW

According to Bambang Hermanto (2012: 190) in his book entitled Analysis of Financial Statements explains that a budget is: "A work plan that is made systematically for all business activities, within a certain period of time and expressed in units of money. Also as a management effort to achieve a clear plan and can be understood by members. According to Lutfi Azis (2012: 126) in his book entitled Cost Accounting 2 explains that a budget is: "a detailed plan that is formally stated in quantitative terms, usually in units of money, to show the acquisition and use of an organization's resources within a certain period of time. certain period, usually one year.

According to V. Wiratna Sujarweni (2015: 120) in his book entitled Management Accounting explains that: "Budgeting is a company work plan consisting of income and expenses expressed quantitatively, measured in monetary units and can also use other units of measurement that covers a certain period of time, usually one year. According to Lutfi Aziz (2012: 140) in his book entitled Cost Accounting 2 explains that budgeting is "Budgeting in an organization is usually coordinated by the budget committee and budget department. The members of the budget committee consist of divisional managers and other managers who carry out the main functions of the activities of an organization or other organizational units, for example marketing department managers, production department managers and finance department managers.

According to V. Wiratna Sujarweni (2015: 123) in his book entitled Management Accounting explains that: "The Sales Budget contains sales plans during the budget period (usually 1 year), sales are expressed in monetary units and the amount of sales. The sales budget is prepared based on the sales projections made by the company. The sales budget is the basis for preparing other budgets, so the sales budget is called the key budget.

Sales forecasting can use Least Square, Semi Average and Trend Moment methods. Example of Preparing a Sales Budget:

Tabel 2 .1 Sales data in units for 2011

Tahun	Prodak A
2005	4.500
2006	6.000
2007	5.000
2008	4.500
2009	5.500
2010	6.000

(Source: Wiratna Sujarweni, 2015:124)

According to Dermawan (2012: 44) in his book entitled Management Accounting, it is revealed that a sales budget is a "projection approved by the budget committee that describes the expected sales in units and money. The sales budget is the basis for all operational members and part of the financial budget, so it is better if the sales budget is calculated and determined accurately. The function in charge of the sales budget is the marketing department. According to Lutfi Azis (2012: 148) in his book entitled Cost Accounting 2 explains that the sales budget is "One of the most important elements of the budget control system is realistic sales estimates based on past data and current market conditions. But the sales variable is often the most difficult component of the budget to predict precisely. The task of preparing a sales budget must pay attention to the influence of factors both external and internal to the company.

According to Darsono (2010: 15) in his book entitled Corporate Budgeting defines that the sales budget is "The company's revenue plan within one year or more. The sales budget is the central point of all cost and investment budgeting. According to Catur Sasongko (2014: 110) in his book entitled Budget explains that "Cash budgets are prepared by the company so that management obtains information about the company's liquidity in future periods because the cash budget provides information about the estimated amount of cash receipts and disbursements in future periods." The cash budget also provides information to management about the possibility of cash shortages (cash outlays are greater than cash receipts) that the company will experience in the future. Thus management can plan possible actions to be taken to cover the cash shortfall.

3. RESEARCH METHOD

In this case the author uses a qualitative descriptive writing method. Descriptive is where the writer describes an object based on the facts of his research without changing or manipulating it. Qualitative is where writing is for understanding and developing a complex picture, analyzing words, and reporting views of information in detail.

Observation is a data collection technique, data in which the author makes direct observations of the research object to take a close look at the activities being carried out. In this case the author made direct observations on the part of budgeting budgeting. Interview is one method of collecting data for a study with a process of face-to-face conversations with parties related to the problem at hand.

4. RESULTS AND DISCUSSION

Sales budget calculations are calculations for sales made in the coming period. The calculation comes from sales data for the previous period which will be used as a reference in the calculation. The sales budget also serves as a reference or target for the company in running its business in the coming period. The calculation of the sales budget at CV Bima Cahaya Dotia is as follows:

a. Related Departments

1. Director

The director in calculating the sales budget plays an important role because all company policies or company rules are made by him. So to make a sales budget for the coming year, he must also approve it, and how much the increase will be, he will decide.

2. Manager

The manager acts as a person who knows the description of the workmanship of the service. Therefore he participates to find out what services are easy to do, and get good profits.

3. Marketing

Marketing, namely the department in charge of looking for tenders and marketing the services of CV Bima Cahaya Dotia to costumors or to madcon contractors. This department participates in calculating the sales budget because the sales budget is the target of this department in the next period.

4. Administration

This department functions to prepare data archives or documents regarding the sale of services in the past period to be used as a reference in calculating the sales budget in the coming period.

5. Finance

Finance functions in the calculation of the sales budget, namely to provide information on total sales in the past period. As well as providing information on how much profit was earned in the previous period. So that this information can be a reference for the increase desired by CV Bima Cahaya Dotia for the coming period.

b. Sales Budget Calculation Process

The calculation process at CV Bima Cahaya Dotia starts with calculating the number of sales in the previous period, the data received from the administration. After it is known that the total sales of services in 2016 amounted to Rp. 1,669,826,544. Then a meeting is held between the related departments above to determine how much the sales increase will be in the coming period. At the meeting, it was agreed that sales would increase by 20%. So the total sales budget in the coming period is 20%: So there is the following calculation:

$20\% \times \text{Rp. } 1,669,826,544 = \text{Rp. } 333,965,309$ / So that the seller's budget in the future period is known to be: $\text{Rp. } 1,669,826,544 \times \text{Rp. } 333,965,309 = \text{Rp. } 2,003,791,853$. So the sales budget for the next period is Rp. 2,003,791,853.

5. CONCLUSION

Based on the results of research and observations made by the author from January 2017 to May 2017 at CV Bima Cahaya Dotia, which the author described in the previous chapter regarding the budgeting information system at CV Bima Cahaya Dotia, the following conclusions can be obtained:

1. In calculating the sales budget, the data used is only data for 1 period last year. Calculation of the sales budget based on the decision of the management meeting.
2. There are two cash income budget calculations at CV Bima Cahaya Dotia, namely in cash or in terms of after the service is completed. The nominal percentage is the result of a decision on cash inflows in accordance with the terms.

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