

Analysis of Inventory Recording in Church-Owned Enterprises (BUMG BNKP) BNKP LPLG Unit

Adil Setia Gea¹, Sophia Molinda Kakisina², Idarni Harefa³, Dedi Irawan Zebua⁴

^{1,2,3,4}Faculty of Economics, Accounting, Nias University, Indonesia.

ARTICLE INFO

Article history:

Received Nov 20, 2025

Revised Nov 28, 2025

Accepted Des 06, 2025

Keywords:

Inventory recording,
FIFO,
PSAK No. 14,
Internal control,
LPLG BNKP

ABSTRACT

This study aims to analyze the inventory recording practices implemented by the Church-Owned Enterprise (BUMG BNKP) Unit LPLG BNKP, which operates as both a printing unit and a distributor of church service products. Using a descriptive qualitative approach, data were collected through observation, interviews, and documentation. Findings reveal that although the unit applies the FIFO method in managing inventory flow—where the first goods received are the first to be sold—the existing stock card format is not fully aligned with PSAK No. 14. Key gaps include the absence of recorded purchases, sales returns, and purchase returns, resulting in inconsistencies between administrative records and physical inventory. Several challenges were also identified, such as delayed data entry, discrepancies between warehouse stock and administrative reports, and non-integrated documentation formats. The study proposes improvements to the stock card format by integrating all types of inventory transactions into a single record-keeping system based on FIFO and PSAK No. 14. Implementing these improvements is expected to strengthen internal control, enhance accuracy in financial reporting, and reduce the risk of losses due to inventory errors.

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Corresponding Author:

Adil Setia Gea,
Faculty of Economics, Accounting,
Nias University, Indonesia.
Email: adilsetiagea0@gmail.com

1. INTRODUCTION

Inventory plays a central role in ensuring the operational continuity of organizations, particularly those engaged in the distribution and sale of goods. Accurate inventory management allows organizations to maintain the availability of goods, optimize financial resources, and support effective decision-making. In church-based enterprises such as BUMG BNKP Unit LPLG BNKP, inventory management is not only a financial necessity but also a support system for service activities that require timely and precise distribution of church materials (Marjudi et al., 2023).

The complexity of inventory management increases when organizations face high transaction frequencies, diverse product categories, and reliance on manual documentation. Inaccurate inventory records may lead to stock shortages, overstocking, financial misstatements, and operational inefficiencies. Therefore, adopting a structured and standardized inventory recording system becomes essential to ensure reliability and accountability (El Gohary, 2019).

BUMG BNKP Unit LPLG BNKP is responsible for producing and distributing liturgical materials such as hymn books, catechism books, altar candles, offering bags, and related church supplies. As a distributor, the unit handles various goods with differing turnover characteristics. This condition necessitates an inventory system that is not only accurate but also aligned with accounting standards (Alaassar et al., 2020).

In practice, the unit uses multiple formats for daily recording, including sales reports, detailed sales listings, and goods receipt invoices. However, these documents are not integrated into a unified inventory recording mechanism (Nguyen et al., 2020). Consequently, discrepancies often occur between administrative data and physical stock, especially during quarterly stock opname conducted by the supervisory body (BPP).

These discrepancies become problematic because the unit is required to compensate for shortages found during stock opname, leading to potential financial losses. Such conditions indicate weaknesses in internal control and the need for a more systematic inventory management approach. The challenge intensifies as the unit relies heavily on a single individual serving as both cashier and administrator. This role overlap increases the risk of human error, delayed data entry, or incomplete documentation (Hua & Huang, 2021). Furthermore, the absence of a standardized stock card format restricts the unit's ability to monitor inventory movements comprehensively.

In accounting, inventory recording is generally conducted using either the periodic or perpetual method. Both methods require consistent documentation of all inventory-related transactions, including purchases, sales, and returns. However, LPLG BNKP uses a simplified recording method created internally rather than following a recognized accounting structure. PSAK No. 14 emphasizes that inventory must be recorded and measured in a manner that reflects actual economic substance (Senyo & Osabutey, 2020). This includes documenting all transactions affecting inventory value and applying an appropriate valuation method. Among available methods, FIFO is widely used because it reflects the physical flow of goods and aligns with standard accounting practices.

Preliminary findings show that the unit implicitly applies FIFO in its operational flow, where older goods are sold first. However, the stock card used does not reflect FIFO-based valuation nor does it record complete inventory transactions (Krah et al., 2024). This disconnect creates incomplete financial information and reduces the reliability of inventory-related decision-making. Moreover, the lack of routine purchase documentation in the stock card limits the unit's ability to track supplier-related transactions, monitor purchase frequency, or evaluate reorder timing (Tan, 2022). Such weaknesses may lead to inconsistent pricing, unnecessary stock buildup, or procurement delays.

Discrepancies between physical stock and recorded stock further indicate that employees need more structured guidelines and possibly technological support to enhance inventory accuracy. Although the unit uses Excel for some tasks, the system remains partially manual and prone to disruption. Organizationally, LPLG BNKP operates under a hierarchical structure consisting of a coordinator, administrative staff, cashier, treasurer, and general members. Despite this structure, documented standard operating procedures (SOPs) for inventory management are still lacking, creating inconsistency across personnel (Krah et al., 2024).

Given these conditions, analyzing the current inventory recording system is crucial not only to identify existing weaknesses but also to propose improvements that comply with PSAK No. 14. Such improvements will support operational efficiency and financial integrity. This research is also motivated by the absence of prior studies focusing specifically on inventory recording within church-owned enterprises, especially within BUMG BNKP. Thus, the findings provide valuable insights for similar institutions seeking to adopt standardized accounting practices (Okoli & Tewari, 2020).

Ultimately, this study aims to present a comprehensive analysis of inventory recording at LPLG BNKP and offer practical recommendations that promote accuracy, transparency, and accountability in inventory management, contributing to smoother operational performance and better financial reporting.

2. RESEARCH METHOD

This study employs a descriptive qualitative research design to explore and analyze the inventory recording practices implemented at BUMG BNKP Unit LPLG BNKP. The descriptive qualitative approach allows the researcher to understand existing procedures, identify inconsistencies, and describe real conditions without manipulating the research environment (Najib et al., 2021). Through this method, the study captures a factual representation of inventory documentation and operational practices.

Data were collected from three primary sources: observation, interviews, and documentation (Festa et al., 2023). Observations were conducted to examine daily operational activities related to inventory management, such as sales transactions, goods receipt procedures, and stock monitoring. Interviews were carried out with the unit coordinator and the cashier-administrator to obtain in-depth insights into existing recording practices, challenges encountered, and perceptions regarding system effectiveness. Documentation analysis included reviewing sales reports, invoices, stock cards, and other inventory-related records (Widyastuti & Hermanto, 2022).

The collected data were analyzed through a multi-stage process, including data reduction, data display, and conclusion drawing. Data reduction involved selecting relevant information related to inventory practices and categorizing it into themes (Festa et al., 2023). Data display allowed the researcher to organize information systematically, while conclusion drawing was used to formulate interpretations regarding the accuracy, completeness, and compliance of inventory recording with PSAK No. 14.

3. RESULTS AND DISCUSSIONS

Results

The findings show that LPLG BNKP performs inventory recording using several separate documents, such as daily sales reports, detailed sales listings, and goods receipt invoices. However, these documents are not integrated, resulting in fragmented inventory information. Interviews revealed that although the unit applies FIFO operationally selling the earliest goods first this method is not reflected in written documentation. The stock card currently used records only sales, omitting purchase transactions and both types of returns (Neelam & Bhattacharya, 2022).

Observation indicated recurring inconsistencies between administrative records and physical stock. These discrepancies often emerge during quarterly stock opname conducted by BPP, where shortages lead to financial compensation obligations for the unit. The cashier, who also functions as the administrative staff, reported that manual input and high workload contribute to delayed recording, errors in entering quantities and prices, and difficulties updating stock levels in real-time (Hornuf & Haddad, 2019).

The unit uses Excel software to support sales recording, but due to the manual nature of data entry, the system remains vulnerable to input errors, missing entries, and mismatches between Excel records and physical stock. Documentation review confirmed that purchase invoices (faktur barang masuk) are kept separately and are not incorporated into the stock card. This separation weakens the ability to track procurement activities and to audit inventory movements comprehensively (Emara & Zhang, 2021).

The unit does not perform monthly restocking. Instead, restocking occurs when the administrator notices that certain goods are running low. This reactive approach increases the risk of stockouts, especially during peak demand periods. Several challenges are frequently encountered, including supplier delays, mismatched delivery quantities, and incomplete documentation. These issues hinder smooth operational flows and cause temporary disruptions in sales (Okoli, 2020).

Stock opname is conducted every three months as part of internal control. However, due to incomplete recording, stock opname often reveals discrepancies, requiring correction and financial settlement from the unit. Based on field findings, the researcher concluded that the current system is operationally functional but administratively weak (Imerman & Fabozzi, 2020). It needs structured improvements particularly the integration of all inventory transactions into a single stock card aligned with FIFO and PSAK No. 14.

Discussion

The findings indicate that although LPLG BNKP has established several forms of documentation, the system lacks a unified inventory recording mechanism. This fragmentation increases the likelihood of errors and leads to unreliable financial reporting. According to PSAK No. 14, inventory records must reflect all transactions influencing inventory value (Chinoda & Mashamba, 2021). The absence of purchase and return data in the current stock card demonstrates a significant deviation from these standards.

The FIFO method used operationally aligns with PSAK No. 14, which allows the use of FIFO as a method of inventory valuation. However, without proper documentation, the benefits of FIFO such as accurate cost tracking cannot be fully realized. When FIFO is not supported with integrated recording, the unit cannot track inventory layers properly, making it difficult to determine the actual cost of goods sold (COGS). This affects the accuracy of profit calculation in financial reports. The comparison between current practices and accounting theory highlights gaps in documentation completeness (Babaei et al., 2023). Where theory insists on structured records, the unit relies heavily on personal accuracy and manual entry.

Recording inconsistencies identified during stock opname reflect weaknesses in internal control. Effective internal control requires clear division of duties, standardized documentation, and cross-check mechanisms. Workload concentration on a single staff member handling both sales and administrative tasks violates the principle of segregation of duties. This increases vulnerability to accidental errors and potential misstatements (Rusliati et al., 2024).

In addition, purchase invoices stored separately from stock cards weaken audit trails. Without integrated purchase data, it becomes difficult to reconcile stock levels with procurement activities. Supplier delays and inaccurate deliveries further complicate recording processes, especially when real-time documentation is expected. These conditions require stronger monitoring and clearer documentation procedures (Muganyi et al., 2022).

The absence of return documentation in the stock card is problematic because returns directly affect inventory quantity and valuation. Failure to record returns leads to overstated or understated inventory. The recommended FIFO-based stock card addresses these issues by incorporating fields for purchases, sales, returns, and balances. This integrated structure reflects the full inventory cycle (Widyastuti & Hermanto, 2022).

Implementing the recommended stock card would also facilitate more accurate stock opname, reducing discrepancies and minimizing financial losses due to misreported stock. The findings support previous studies highlighting similar issues in manually managed inventory systems, indicating that without structured documentation, units face risks of data loss, errors, and inconsistent financial reporting (Stankevičienė & Kabulova, 2022).

Improving internal control, particularly through structured record-keeping and proper documentation flow, is crucial for enhancing organizational accountability and operational stability. Therefore, adopting an integrated inventory recording system consistent with PSAK No. 14 is not only beneficial but necessary to ensure accuracy, transparency, and financial reliability within LPLG BNKP (Festa et al., 2023).

4. CONCLUSION

The study concludes that although LPLG BNKP operationally applies the FIFO method in managing inventory flow, its inventory recording practices are incomplete and not fully aligned with PSAK No. 14, particularly due to its non-integrated stock card and inconsistent documentation. To improve accuracy and internal control, the unit should adopt a standardized FIFO-based stock card that records purchases, sales, and returns in an integrated format, while enhancing employee training, strengthening internal control systems, and ensuring timely documentation to minimize discrepancies and financial risks.

ACKNOWLEDGEMENTS

The author extends sincere gratitude to the leadership and staff of BUMG BNKP Unit LPLG BNKP for their cooperation, valuable insights, and support throughout the research process. Appreciation is also given to all individuals who contributed through interviews, documentation access, and constructive feedback, making this study possible and meaningful.

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