

# Analysis of Changes of Community Mind Patterns About Garbage Banks to Existence and Accounting Practices of Garbage Banks

(Study at Al-Hidayah Garbage Bank in East Jakarta)

Rimi Gusliana Mais\*, Erni Nuraini

Department of accounting  
Sekolah Tinggi Ilmu Ekonomi Indonesia  
Jakarta, Indonesia

\*rimi\_gusliana@stei.ac.id

**Abstract**—This study aims to analyze changes in the mindset of the public regarding the Waste Bank to the existence and practice of accounting in the Waste Bank. Viewing from the proof of transaction to the financial reporting. The object of this study was conducted at the Al-Hidayah Garbage Bank in East Jakarta. This type of research is qualitative with a phenomenological approach. Data collection techniques using interviews, observation, and documentation. The data sources used are primary data and secondary data. Based on the results of this study, it can be concluded that the existence of Al-Hidayah Garbage Bank can change people's mindset regarding waste. Garbage that used to be only disposed of without being treated, but now the community already understands how to manage waste properly, that is, the community can sort organic waste and non-organic waste. One of the impacts of good waste management is that it can add to people's income because waste has economic value and the AL-Hidayah Waste Bank applies an accounting system that is in accordance with general accounting standards. However, Al-Hidayah Garbage Bank still uses a simple accounting system.

**Keywords:** *changes in people's mindset, accounting practices, waste banks*

## I. BACKGROUND

In everyday life, humans will not be separated from the necessities of life which in the end the rest of these needs leave rubbish. Waste is a significant problem faced by the Indonesian people. The garbage problem is very difficult to solve. Even now, the Indonesian people have not been able to be disciplined to dispose of trash in its place. Not only that, sewers and streams which should function as water flow from one area to another, switch to garbage disposal. It's ironic to see scenes like this.

Lack of awareness from the community can cause negative impacts on health and the environment, the environment becomes polluted with the unpleasant smell of garbage due to the scattered garbage everywhere. Settlement of the garbage

problem at this time cannot be done by cleaning staff, all the community should be able to help to move together in dealing with the waste problem, one of them is by sorting organic and non-organic waste. Like a housewife who likes to protect the environment by storing garbage bags or large garbage bags that have been separated for non-organic waste. Once the sack of garbage is full, then the non-organic waste can be saved or weighed into a garbage bank to find out how much garbage income from customers becomes economic value.

The Government of Indonesia through Law Number 18 of 2008 has issued regulations on Waste Management as well as Government Regulation Number 81 of 2012 mandating the need for a fundamental paradigm shift in waste management, namely: Old paradigms such as, Gather - Transport - Dispose while New Paradigms such as, Deduction - Subscription - Utilization. So that the planning is as follows, 1. So as to make the area clean and healthy. 2. Utilization of waste management results in the form of fertilizer energy, or industrial raw materials is an additional value. Recycling and waste utilization of this activity applies the principle known as Reduce, Reuse, and Recycle (3R) with the establishment of a Waste Bank Regulation of the Minister of Environment of the Republic of Indonesia Number 13 of 2012.

This garbage bank should be a social engineering activity that teaches the community to sort waste and foster public awareness in managing waste wisely, this garbage bank activity can be the center of attention to build awareness together with the community to recycle and utilize waste, because this garbage has a good sale value so that environmental management of waste becomes a new culture in Indonesia [1].

There is also a verse that is very appropriate so that we do not consume excessively as in Surat Al-A'raf verse 31 which means: "Eat and Drink, but don't overdo it. Indeed, God does not like people who are overrated". From that verse we have been eliminated, if excessive consumption is prohibited, then moreover the destructive behavior of nature is only because of our desire to meet the needs of life.

Garbage bank is a place for saving which has been sorted by type, many people change their mindset after the existence of a garbage bank [2]. That waste can be reused and recycled so that it has economic value for the community. For accounting practices, garbage banks still do not have standard standards, so that waste banks will still coordinate with other waste banks regarding the standard standards for financial reporting later. In addition, many garbage banks involve the community which requires financial transparency and increases the trust of the community towards the garbage bank so that their professionalism needs to be improved.

In the management of the Al-Hidayah waste bank, there are still obstacles in the recording system between the collectors (buyers) and the garbage bank officials (sellers) where the price conditions are unstable (rising prices of waste, information on sudden decline in waste prices) occurs payments by collectors to the garbage bank are too late. Because of this, collectors are currently experiencing payment transactions, borrowing money from the garbage bank officials so that the customers who have deposited can be paid. the recording system for lending transactions when payments are made by the garbage bank clerk does not provide proof of transaction. So that collectors can directly borrow money from the treasurer and record it in the bookkeeping without proof of transaction. Meanwhile, according to Novianty, the function of financial recording is to carry out activities efficiently, make effective planning, as well as supervise and make appropriate decisions [3].

The level of Environmental Management accounting information in local government is used for waste management [4]. Most were investigated by the government to report that between 30 percent to 60 percent of environmental management accounting information items had been applied. The level of direct physical and monetary accounting for waste, in the case of the waste management case, is higher than indirect costs and if accounting for costs is clearly identified, companies will tend to take advantage of opportunities to reduce environmental impacts.

Looking at some previous studies such as those studied by the study shows that the garbage bank has had a positive impact on the socio-economic community [1]. Whereas Qian results of his research indicate that the garbage bank has not implemented an accounting system that is in accordance with generally accepted accounting standards [2]. A separate accounting practice design for the waste bank is needed. Another study conducted by Purwaningsih proves that exploring the situation across local governments in Australia has positive and significant waste operations at the level of environmental management accounting practices [4].

## II. LITERATURE REVIEW

### A. Review of Research Results

1) *People's mindset regarding waste*: Humans as creatures of thinking are equipped with a desire to know about objects and all the events that occur around them, and even want to know about themselves. Waste as something that is less useful

and valuable, or remnants that are not useful [5]. Waste is a product of human activity. Meanwhile, according McDougall waste is anything that is discarded, rejected, neglected, undesirable, or unused material, unused material is not for sale, recycle, reprocess, repair or purify the activities separately who produced the material [6]. So, someone has the confidence to manage waste to change the pattern of housewives' lives to be better and more beneficial for the environment.

The garbage bank is an advancement of time but unfortunately it is not balanced by the development of an increasingly advanced mindset. Yet what we think determines what we will do. Therefore, what we need to emphasize in discussing the problem of the progress of the garbage bank is not about the necessity or not, but how we can respond, anticipate and comfort all the environments in order to stay clean without being littered with garbage and avoiding excessive food and beverage buyers.

2) *Understanding of accounting practices*: Accounting practices are a set of ideas that underlie these practices in the form of basic assumptions, concepts, explanations, and reasoning that together form the field of accounting theory knowledge. Accounting practice is the process of working the accounting cycle. Meanwhile, the accounting cycle is an accounting cycle that is an overview or stage of accounting activities that include recording, classifying, summarizing and reporting that starts when a transaction occurs within a company [7].

So accounting theory is the basis for solving accounting problems that are reasoned or reasoned that ethically and scientifically can be justified by Basalamah [8]. Whereas according to Miles, the definition of accounting can be seen from 2 (two) points of view [9], namely: 1. Function and Use of Accounting is a service activity that serves to provide quantitative information about economic entities, especially those that are financially useful in decision making. 2. The Process of Accounting Activities is the art of recording, classifying, and summarizing event transactions that are at least partially financial in nature by interpreting the results.

3) *Financial accounting standards for entities without public accountability*: SAK ETAP (Entity Financial Accounting Standards without Public Accountability) is intended for use by entities without public accountability, but entities that have significant public accountability can use SAK ETAP if the authority is authorized to make regulations that allow the use of SAK ETAP [10].

Meanwhile according Ikatan Akuntan Indonesia, states that the application of SAK ETAP is free to be applied by entities without public accountability (ETAP), if ETAP does not have a future development plan, the business is run simply, not too requiring funding from its financial institutions, then this entity does not need applying general PSAK [11]. SAK ETAP was endorsed by 18 members of the Financial Accounting Standards Board on May 19, 2009 in Jakarta.

4) *Entities without public accountability are entities (ETAP) that:*

- Do not have significant public accountability.
- Publish financial statements for general purposes (general purpose financial statement) for external users. Examples of external use are owners who are not directly involved in business management, creditors and credit rating agencies.

5) *An entity has significant public accountability (ETAP): if:*

- An entity has submitted a registration statement, or in the process of filing a registration statement, with the capital market authority or other regulator for the purpose of issuing securities on the capital market; or
- Entities control assets in a fiduciary capacity for a large group of people, such as banks, insurance entities, brokers and or securities traders, pension funds, mutual funds and investment banks.

6) *Benefits of SAK ETAP:* The benefits of SAK ETAP, namely [11]:

- It is expected that with SAK ETAP, small, medium-sized companies will be able to prepare their own financial statements, be auditable and obtain an audit opinion, so that they can use their financial statements to obtain funds (for example from banks) for business development.
- Simpler than PSAK - IFRS so that it is easier to implement.
- Keep providing reliable information in presenting financial statements.

7) *The purpose of SAK ETAP:* The Company can use SAK ETAP due to [11]:

- PSAK - IFRS based is difficult to apply for small and medium companies considering the determination of fair value requires a lot of costs.
- PSAK - IFRS is complicated in its implementation as in the case of PSAK 50 and PSAK 55 although it was ratified in 2006 but its implementation was delayed even in 2010 PSAK 50 (revised) was released.
- PSAK - IFRS uses principle based so it requires a lot of professional judgment.
- PSAK - IFRS needs strong documentation and IT. Therefore, SAK ETAP is used by small and medium companies as their company's financial accounting standards.

### III. RESEARCH METHODS

This type of research is qualitative with a phenomenological approach. Phenomenology is the study of phenomena, such as appearances, everything that appears in our experience, the way we experience things, and the meaning

we have in our experiences. The location of this research takes place at Al-Hidayah Garbage Bank, Pulogebang Sub-District, Kecung, East Jakarta. Data collection techniques used interviews with the chairman, treasurer, secretary (Management of Al-Hidayah Garbage Bank) and Al-Hidayah Garbage Bank customers, observation.

For example, researchers came to the location of the garbage bank and tried to observe the activity of the garbage collection. The researcher observes how the depositing, weighing, recording, and transportation processes are for collectors and documentation, for example records such as Management Organizational Structure, Records of the names of waste bank customers, Garbage Bank Savings Book and photos of the activities of the waste bank and waste bank implementing orders.

The data sources used are primary data, namely, officers from the East Jakarta Al-Hidayah Garbage Bank and East Jakarta Al-Hidayah Garbage Bank customers, and secondary data namely, data on the waste bank in the form of a 3R implementation book (Reduce, Reuse, and Recycle) through the 2014 Ministry of Environment waste bank. In addition, Minister Regulation No. 13 of 2012, SAK ETAP and Sharia PSAK. Data analysis in this study uses interactive model data methods.

## IV. RESULTS AND DISCUSSION

### A. History of Al-Hidayah Garbage Bank

Al-Hidayah Garbage Bank which was established in 2015 by Mrs. Fatonah or nickname is called Ema, the beginning of al-Hidayah garbage bank emerged from the gathering of the mothers (Family Empowerment), Ema thought that "How do recitation mom if they want to walk? walk, go on pilgrimage, and buy uniforms not to spend money from pockets or ask husbands so that mothers can be independent". That is where Ema who sparked or who had a brilliant idea by inviting all citizens to join saving inorganic rubbish which later money earned from collecting inorganic rubbish can be exchanged for holidays or exchanged for uniforms, and basic necessities by paying for rubbish. The Al-Hidayah waste bank movement that uses the current economic value approach has been able to change the mindset of the community about garbage that was once the source of the problem.

### B. Vision and Mission of Al-Hidayah Garbage Bank

#### 1) Vision

- Reducing environmental pollution due to garbage
- Benefits due to waste bank management

#### 2) Mission: Use of waste to:

- Increase income for the community
- Changing community behavior due to the benefits of waste

- Inviting the public to care about the environment by reducing plastic waste disposal AL-Hidayah Waste Bank Products

### C. AL-Hidayah Waste Bank Products

Most of the products used and processed by al-Hidayah Waste Bank mostly use basic materials from inorganic waste, these basic materials are obtained from packaging waste of household products that are commonly consumed. In this Al-Hidayah waste bank there are 6 types of basic materials that are utilized. The following is a description of the types of basic ingredients that can be utilized as well as the products produced, namely:

- Data condensation

### D. Analysis of Changes in Public Mindset for Existence Before the Existence of a Garbage Bank

Garbage is one of the problems that occur at this time, especially in Indonesia. Waste that is not managed properly will cause many problems, including disease. As one area Rawa Kuning RT 006/016 experienced garbage disposal around. The lack of available landfills makes residents especially RT 006 residents confused where they have to dispose of household waste [3].

So the household waste management carried out by the community in the "Gathering-Transport-Dispose" that is from the garbage cans are taken by the garbage cart officers who are rubbish officers from each RT / RW then discarded to the TDS (Temporary Disposal Site), But there is a buildup of garbage in the TPS the garbage bank clerk cannot transport all the trash of RT 006 residents [4].

Finally, residents of RT006 took a shortcut to burn their trash to avoid rubbish buildup at home. However, this will only cause new problems, namely air pollution and environmental damage due to burning trash. This is unfortunate to happen. Besides that, many people do not understand and can distinguish between organic and inorganic waste. They also don't know how to manage waste properly.

### E. Analysis of Changes in Public Mindset for Existence After the Existence of a Garbage Bank

Therefore, the PKK mother and all RT members make plans to reduce waste in the surrounding environment by making the Garbage Bank activities for the local residents. With the existence of Al-Hidayah Waste Bank, it seems to be the solution to the current waste problem, especially in the RT006 / 016 environment. Slowly but surely the al-hidayah waste bank has had a positive impact on the local residents. One of them is changing the mindset of the people who previously seemed not to care about waste or the environment, but now people can care more about waste and environmental cleanliness.

Not only that, another impact that can be felt with the Al-Hidayah Garbage Bank is to increase the income of local residents who also participate in the activities of the Garbage

Bank, namely by sorting plastic waste that can be recycled for sale to Waste Bank officials, which later results from sales of garbage collected can be exchanged for the value of the rupiah. The money can be taken directly and can also be saved. Although the results received are not many, it has greatly helped the community, especially housewives who do not have fixed income. This research result similar with [3].

### F. Analysis of Accounting Practices at Al-Hidayah Garbage Bank

The workings of the al-hidayah waste bank are generally the same as other banks, there are customers, bookkeeping records, and management. The community deposits waste that has economic value. The target of community empowerment in waste management is RW 016 Rawakuning. However, recording of al-hidayah waste bank is still very simple and the reporting of the waste bank accounting is still given in the form of manuals not yet using computer technology so that it still relies on notebooks to record the receipt and sale of garbage banks to collectors and buyers. As an example besides recording in the Al-Hidayah Garbage Bank Ledger.

| Waste            | Amount | Nama Barang  | Harga / Kg. Rp | Total Harga | Total Hasil |
|------------------|--------|--------------|----------------|-------------|-------------|
| RT 1 ✓           | 2.5 Kg | Campuran btl | Rp 1.100       | Rp 2.750    | Rp 2.750    |
| DANANG ERF ✓     | 3.5 Kg | Campuran     | Rp 1.100       | Rp 3.850    |             |
|                  | 3.5 Kg | Duplex       | Rp 350         | Rp 1.225    | Rp 5.075    |
| DMH ✓            | 6 Kg   | Plastik      | Rp 1.000       | Rp 6.000    |             |
| RT 2 ✓           | 2 Kg   | Kardus       | Rp 1.200       | Rp 2.400    |             |
|                  | 3.5 Kg | Campuran     | Rp 1.100       | Rp 3.850    | Rp 12.250   |
| SURYANI (Batu) ✓ | 4 Kg   | Campuran btl | Rp 1.100       | Rp 4.400    |             |
| 108 ✓            | 2 Kg   | Plastik      | Rp 1.000       | Rp 2.000    | Rp 6.400    |
| TIKA ✓           | 4.5 Kg | Campuran btl | Rp 1.100       | Rp 4.950    |             |
|                  | 3 Kg   | Campuran btl | Rp 1.100       | Rp 3.300    | Rp 8.250    |

Source: Al-Hidayah garbage bank ledger.

Fig. 1. Al-Hidayah garbage bank ledger.

### G. Stage of Al-Hidayah Garbage Bank Recording Manually

- Recording data into source documents or proof of transaction. As mentioned above, transactions that occur are usually proven by the existence of basic transaction documents, both those made by themselves and those from outside parties, which are used as sources of recording or preparation of financial statements by a business unit. we must request or make written evidence as valid proof. For example, when collectors issue money, we as managers of garbage banks or companies must ask receipts from collectors as proof that the money has actually been issued.
- Journalizing, i.e. analyzing and recording transactions in a journal (diary). A journal is a chronological record of transactions that occur in an accounting period. For example, like the al-hidayah waste bank, it uses the general journal system. Usually the transaction is entered into the customer's diary and then the transaction is added up according to the type of waste and entered into a debit and credit account. According

to SAK ETAP, accounting in financial accounting must have MSME financial reporting processes such as capital change reports, balance sheets and cash flow statements. However, the research tested by researchers at Al-Hidayah Garbage Bank is not in accordance with SAK ETAP because its journaling is still simple but only uses the ledger, even it is only debit and credit and still uses financial statements manually.

- Posting to ledgers, i.e. transferring debits and credits from journals to ledger accounts. The next step is to post transactions that have been recorded in a journal in the general ledger. Like the al-hidayah waste bank, all customer transactions that have been deposited and added according to the type of waste are then transferred to the ledger by giving the name of the customer and a list of non-organic waste titles.
- Preparation of Financial Statements, namely the income statement, statement of changes in capital and balance sheet. The final stage of applying the accounting cycle to Al-Hidayah Garbage Bank is to use an income statement. This financial report serves as a description of the overall financial condition of the business. And this financial statement can be used to apply for loans to collectors or customers seeking venture capital funds. This financial report is the financial statement for a certain period. For example, financial statements in one month or financial reports in three months. This report, will be useful to know the advantages and disadvantages of al-hidayah waste bank.

So that the Al-Hidayah waste bank makes a separate report without reporting making a trial balance, adjusting journal or work sheet first. This result same as result of [4].

## V. CONCLUSIONS AND SUGGESTIONS

Based on the results of research and discussion, the following conclusions are obtained:

With the Al-Hidayah Garbage bank, it can change the mindset of the community regarding waste. Garbage that used to be only disposed of without being treated, but now the community already understands how to manage waste properly, that is, the community has been able to sort organic waste or non-organic waste. One of the impacts of good waste

management is that it can add to people's income because waste has economic value. Al-Hidayah Garbage Bank implements an accounting system in accordance with generally accepted accounting standards. But still using a recording system that is still simple, such as the recording system of al-hidayah waste bank to enter all transactions into the general ledger, namely the recording of cash expenses, income, and sales. Each transaction is recorded separately based on the transaction categories available at the Trash Bank. It's just that in recording transactions does not arrive at recording a trial balance.

## REFERENCES

- [1] S. Bandyopadhyay, "Smart meters for accounting smart solid waste mangement for smart cities in India," In REAL CORP 2015. PLAN together—right now—overall. From Vision to Reality for Vibrant Cities and Regions. Proceedings of 20th International Conference on Urban Planning, Regional Development and Information Society, pp. 535-542, 2015.
- [2] W. Qian, R. Burritt, and G. Monroe, "Environmental Management Accounting In Local Government," *Accounting, Auditing and Accountability Journal*, vol., pp. 93-128, 2011.
- [3] M. Novianty, "The Impact of the Garbage Bank Program on the Socio-Economic Community in the Village of Binjai, Medan Denai District, Medan City". *Universitas Sumatera Utara*, vol 2, 2014.
- [4] A. Purwaningsih, "Analysis of Customer Mindset Change and Accounting Practice of Garbage Bank as Medium of Edupreneurship. International," *Journal of Monetary Economics and Finance*, vol. 8, pp. 332-344, 2015.
- [5] Republik Indonesia, Law No. 21 Tahun Islamic Banking, 2008.
- [6] F.R. McDougall, P.R. White, M. Franke, and P. Hindle, "Integrated Solid Waste Management: a life cycle inventory," John Wiley & Sons, 2008.
- [7] EPA, EPA Waste Guidelines, Waste Definition, 2009.
- [8] M.R. Basalamah, and M. Rizal.Perbankan Syariah. Malang : Empat dua Media. 2018.
- [9] M.B. Miles, and A.M. Huberman. *Qualitative Data Analysis: An Expanded Sourcebook*. USA: Sage Publications, 2014, 1994.
- [10] E. Kuswarno, "Fenomenologi: Metode Penelitian Komunikasi: Konsepsi, Pedoman, dan Contoh Penelitiannya. Bandung: Widya Padjadjaran, 2009.
- [11] Ikatan Akuntan Indonesia. *Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik (SAK ETAP)*. Jakarta: Ikatan Akuntan Indonesia, 2013.