
Implementation Of Statement Of Financial Accounting Standards (PSAK) 112 In The Financial Statements Of The Assyifa Waqf Agency In Subang District

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Abstract

This study investigates the implementation of SFAS 112 in the financial statements of the Assyifa Waqf agency in Subang Regency. Using qualitative research methods, the study aims to accurately describe the agency's financial statements using primary and secondary data. The data collection techniques include literature study, documentation, interviews, and observation. The recognition of waqf assets based on nominal and fair values, and the presentation of financial statements, including statements of financial position, activities, cash flows, and changes in assets under management, are key areas of focus. It is noted that the full implementation of SFAS112 in the Assyifa Waqf Board, particularly in terms of recognition, measurement, presentation, and disclosure of financial statements, has not been achieved. The findings of this study could potentially have a significant impact on the field of Islamic economics and waqf practices, providing valuable insights for future research and practice.

Keywords: Implementation, SFAS 112, Financial Statements, Assyifa Waqf Board

1. INTRODUCTION

Islamic economic practices have made significant progress in various instruments, including waqf. Waqf is a spiritual aspect of Islamic teachings that emphasizes the importance of economic welfare. It is used as an instrument in Islam to achieve the objectives of Islamic economics and create a prosperous life. Indonesia has considerable potential in waqf, as it has the largest Muslim population in the world. Waqf is a trust given to the Nazir to be guarded and managed for the benefit of religion and to distribute the proceeds for the benefit of the people.

Indonesia ranks first with a score of 68% as the most generous country in the world, as evidenced by the amount of land donated and the vast potential of waqf in Indonesia. ([The Ministry of Religious Affairs' Waqf Information System SIWAK, 2023](#)) shows that the area of waqf land in Indonesia has reached 440,512 locations, with 57.42% of the waqf land being certified waqf land in Indonesia.

The professional management of waqf Nazhir requires managerial skills, human resources, and knowledge of the correct waqf according to Islamic law. Waqf management can be directed and fostered optimally if the nazir is trustworthy and professional. Accountability is necessary for waqf management, as it affects the legality of the waqf management institution and involves transparency and accountability of the Nazir.

Nazirs are responsible for providing regular reports on the management of waqf assets to the Indonesian Wakaf Board (BWI) and reports on the distribution of benefits from waqf. Proper

reporting will make waqf performance well documented and improve the waqf system. However, many waqf institutions still do not apply SFAS 112 as a standard in their financial reporting.

The quality of human resources in managing waqf assets such as nazir is crucial to improve the performance of waqf institutions. The Assyifa Waqf Board, established in 2019, is one of the institutions engaged in educating, collecting, optimizing, and developing waqf for the community. However, not all Nazirs can apply SFAS 112 as a standard in preparing financial reports on waqf management. Educational efforts and technical guidance are needed for nazirs, especially cash waqf nazirs (including stock waqf), whose potential is currently huge. Research conducted by (Gery Mulki, 2022) states that waqf institutions are still not fully compliant with implementing SFAS 112 in the financial statements regarding its presentation and disclosure.

The accounting treatment of waqf, which includes recognition, measurement, presentation, and disclosure in the financial statements prepared by the Assyifa Waqf Board, has not fully met the criteria listed in SFAS 112 concerning Waqf Accounting. There are discrepancies in the accounting treatment of waqf, such as the absence of detailed asset reports and notes on financial statements, which are still combined with the foundation's CALK report, a characteristic of waqf entity reports. This discrepancy is a problem for the Assyifa Waqf Board, considering that the Assyifa Waqf Board must collect, manage, and distribute waqf funds to the community. Thus, recording financial reports on waqf transactions by the standardization, SFAS 112, is necessary. Based on the above background, it is essential to know the suitability of SFAS 112 in the financial statements of the Assyifa Waqf Board, so the authors intend to research "Implementation of SFAS 112 in the Financial Statements of the Assyifa Waqf Board of Subang Regency".

2. RESEARCH METHOD

The object of research taken is the suitability of PSAK 112 regarding waqf accounting. The approach used in this research is qualitative with descriptive methods. Primary data was obtained from interviews, and secondary data was used in this study as sources related to the research object, such as reports or records of accounting information on the Assyifa Waqf Board. Data collection techniques include literature study, documentation, interviews, and observation stages in data analysis, data reduction, data presentation, and conclusion drawing.

3. RESULTS AND DISCUSSION

3.1. Research Result

3.1.1. Assyifa Waqf Board Profile

The Assyifa Waqf Board is a philanthropic institution that collects, manages, educates, and optimizes waqf and social funds to empower the community. The board aims to be a professional waqf institution, prioritizing deliberation, transparency, and justice principles. The board collects funds from donors who care about social and humanitarian development, manages them responsibly, and focuses on using them for innovative programs. The board also educates the public about waqf and its social roles, providing clear information on how waqf funds will be used for broader social purposes.

The Assyifa Waqf Board is committed to a deliberative process involving stakeholders in making decisions regarding waqf funds that reflect justice and the aspirations of the people served. Transparency in reporting the management of waqf funds is prioritized, allowing donors and the public to see how waqf funds are used and the extent of the social impact generated.

The Assyifa Waqf Board was founded by Abdullah and chaired by (Encep Sugiana, 2020), the board aims to explore the potential of waqf in the community and optimize the waqf assets owned. The agency's establishment was witnessed before Notary Urip Suripah, SH. The Decree of the Minister of Law and Human Rights of the Republic of Indonesia decided it.

3.1.2. Mechanism for preparing Financial Statements at the Assyifa Waqf Board of Subang Regency

Financial statements are an overview of a recording process for financial transactions during a specific period. They are made to account for the duties assigned to them by the company owner. Company management is responsible for preparing and presenting the company's financial statements. Financial reports are information needed by interested parties (Bahri, n.d.) Financial statements are essential for companies to record transactions and account for their duties. In Indonesia, all for-profit and non-profit entities have accounting standards for recording their financial statements. Assyifa Waqf Board, a social organization involved in waqf management, has implemented SFAS 112 concerning Waqf Accounting to prepare its financial statements. SFAS 112 analyzes waqf transactions and assesses the quality of accountable and transparent reporting. It aims to regulate waqf transactions, including receipt, management, and development of assets. SFAS 112 aims to specifically regulate waqf transactions regarding the receipt, management, and development of waqf assets and contains provisions for recognition, measurement, presentation, and disclosure (Aryana, 2021).

Preparing financial statements involves collecting regular financial data, including receipts and disbursements of waqf funds, financial transactions, and other assets and liabilities. Bookkeeping related to the collected data is systematically recorded, with each transaction recorded in a journal and journalized into a ledger. After bookkeeping, adjustments and corrections are made to ensure the financial data accurately reflects the actual situation. The financial statements presented by the Assyifa Waqf Board include the Statement of Financial Position, Statement of Activities, Statement of Cash Flows, and Statement of Changes in Managed Assets.

3.1.3. Recognition, Measurement, Presentation, and Disclosure of Waqf in the Financial Statements of the Assyifa Waqf Board of Subang Regency

Waqf entities manage waqf funds mandated by the people, and standardizing accounting treatment is crucial for transparency, accuracy, and accountability. This ensures that waqf entities can prepare financial statements that can be accounted for by interested parties and maintains the integrity of the waqf principal. Accounting standardization helps manage waqf funds prudently and maintains sharia-compliant principles. Waqf financial statements serve as information for interested parties and a source of utilization and management of waqf for the welfare of the people. The Sharia Accounting Standards Board (DSAS) of the Indonesian Institute of Accountants has ratified SFAS 112 concerning waqf accounting, which regulates the accounting treatment of waqf transactions by both nazir and waqif entities.

a. Recognition

The Assyifa Waqf Board in Subang Regency recognizes waqf assets for cash and waqf through money when received from the waqf. The board records these waqf funds on a cash basis, recording their amount and type. The board recognizes fixed assets like land in its financial statements after the waqf pledge and transfer of land management to the Nazir. The waqf pledge process involves a waqf deed, proof of legality, and agreement between the waqif and the nazir. The waqf deed contains information about the waqif's identity, the nazir's identity, the identity of witnesses, the description of waqf assets, the allocation of waqf, and the transfer of management to the board. Waqf assets, such as land, oral promises, and wills, are not recorded in the financial statements before the waqf pledge. The waqf pledge process must be made officially by a Waqf Pledge Deed Official (PPAIW), and witnesses must be present to witness the waqf pledge.

b. Measurement

Measurement of waqf assets in the financial statements of the Assyifa Waqf Board of Subang Regency based on the results of interviews conducted by researchers with Mr. Dedi (2023), namely: 1) Waqf assets in the form of money are measured at nominal value 2) Waqf

assets other than money are measured based on fair value or reliable estimated value. 3) Waqf assets in foreign currency and precious metals are measured at fair value. If the fair value cannot be measured reliably, then the waqf assets are not immediately recorded or recognized by the nazir of the Assyifa Waqf Board of Subang Regency. When the fair value of foreign currency or precious metals can be measured, the value will be recorded in the financial statements. However, suppose there is a change in fair value during the exchange of foreign currency or precious metals. In that case, the difference between the fair value at the initial recording and the fair value at the exchange will be recorded as a Remeasurement Impact (DPU).

c. Presentation

The Assyifa Waqf Board presents reports on its financial transactions as a form of institutional accountability in managing waqf assets. The Assyifa Waqf Board's financial statements are prepared for one year. The financial statements are prepared on a cash basis. The waqf financial statements are presented as follows:

- 1) Statement of financial position
- 2) Statement of activities
- 3) Cash flow statement
- 4) Statement of changes in assets under management

This financial report is made to determine the overall financial condition of the waqf. Waqf funds received by the Assyifa Waqf Board will be recorded and made a summary first; the summary is done by separating and / grouping waqf receipts according to the type of waqf received at that time; this serves to make it easier when journaling so that the accounts created are separated according to the class of receipt. After that, the financial staff journaling is done. Then, make a ledger, balance sheet, and financial statements. Usually, when the financial staff closes the book at the end of each year, the financial staff adjusts the financial statements.

d. Disclosure

The Assyifa Waqf Board has not disclosed the financial statements in the Notes to the Financial Statements (CALK).

3.2. Discussion

3.2.1. Analysis of Recognition, measurement, presentation, and disclosure in the Financial Statements of the Assyifa Waqf Board of Subang Regency

a. Recognition

The Assyifa Waqf Board recognizes waqf assets in various forms, including cash waqf assets, waqf through money, waqf of immovable objects like land, and waqf other than money, such as metals and foreign currencies. The board records these assets in its financial statements to determine when transactions are recorded and identified. Recognition is crucial for financial statements, as it affects the economic benefits of the item and its measured value or cost.

For cash waqf and waqf through money, the board records it directly on a cash basis when the waqf is received. For fixed assets or immovable objects, the board records it after the waqf pledge and the transfer of land management from the wakif to the Assyifa Waqf Board nazir. This process is essential to avoid misuse of waqf assets and potential disputes in the future.

The recognition of waqf assets by the Assyifa Waqf Board includes recognition of cash waqf assets, waqf through money, waqf of immovable objects, and waqf other than money. This ensures legal protection and certainty for the assets being endowed, maintaining integrity and transparency in waqf management. This also attracts public trust to endow their assets to the Assyifa Waqf Board of Subang Regency. Other recognition criteria include temporary waqf assets, management and development results, nazir fees, and waqf benefits carried out by the Assyifa Waqf Board.:

1) Temporary Waqf Assets

Temporary waqf assets are endowed for a specific purpose or period, with the Assyifa Waqf Board responsible for managing and utilizing them. These assets are recognized as liabilities, obligations that the entity or institution must pay back. They consist of money and fixed assets in the form of land, with the waqif endowing the land for a specific purpose. The Assyifa Waqf Board records the endowment of funds or waqf through money in the financial statements when the cash or money endowed has been received rather than when the transaction occurs.

The initial recognition of waqf property has strict rules, and the Assyifa Waqf Board Nazir cannot record waqf assets in the financial statements before the waqf makes a waqf pledge. This is due to the requirement that the wakid must make the waqf pledge to the nazir before the Waqf Pledge Deed Official (PPAIW), witnessed by witnesses. The waqif must also arrange for the Waqf Pledge Deed (AIW) at the Office of Religious Affairs (KUA), which serves as evidence confirming the property's waqf status. The process of waqf pledge and AIW management is essential to avoid misuse of waqf assets and potential disputes in the future, such as the demands of heirs who want the return of waqf assets.

2) Management and Development Results

The results of the management and development of waqf assets are recognized as asset proceeds or additional economic benefits and are considered as additional assets derived from existing waqf assets. Proceeds from the management and development of waqf assets include the difference in the disposal of assets sourced from the original waqf assets. For example, a nazir receives a waqf in 2,000 shares. Some of the dividends from the shares are then used to acquire 200 shares. When the 200 shares are disposed of, a profit of Rp500 is obtained, then the profit is part of the results of the management and development of waqf assets.

3) Nazir's reward

In the Assyifa Waqf Board, the determination of compensation for Nazir is based on the results of the management of waqf assets that have been realized in the form of cash and cash equivalents. The Nazir will be rewarded 10% of the proceeds from managing the waqf assets. It is important to note that the nazir's reward is not taken from the principal of the waqf but comes from the waqf proceeds that have been generated. For example, suppose the Assyifa Waqf Board earns 150 million dollars from the investment in productive waqf. In that case, 10% of the proceeds from managing the waqf assets, which is 15 million, will be the waqf nazir's reward. The rest will be returned first to maintain the integrity of the waqf principal used previously. After that, the remaining waqf proceeds will be distributed to mauqf alaih, the beneficiaries of the waqf.

b. Measurement

The measurement carried out by the Assyida Waqf Board is carried out to determine the amount of money to be recognized in the financial statements. According to (Latifah et al, 2022), measurement determines the amount of money to acknowledge and includes each element of the financial statements in the balance sheet and income statement; this process involves selecting a specific measurement basis. The basis of measurement is generally historical cost and fair value (U. N. Islamiyah, n.d.):

- 1) Historical cost is an asset recorded at the amount of cash expenditure or cash equivalent given to obtain the asset at the time of acquisition.
- 2) Fair value: The asset is recorded at the cash or cash equivalents issued to obtain it if it is obtained now.

Waqf assets in the form of money are measured based on the nominal value of the rupiah the waqif gives. Nominal value is the money stated on currency or other financial instruments. For waqf assets other than money, such as land, the measurement is based on the fair value of the investment. Fair value is the price that could result from a transaction between interested parties acting at arm's length, without coercion, and in an open market. Based on SFAS 68 or IFRS 13,

fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Wilestari & Afriani, 2019).

Waqf assets in foreign currency and precious metals will be measured based on their fair value. However, when the fair value cannot be measured reliably or reliably, the waqf asset is not recorded immediately, in the sense that the waqf asset will not be recognized in the financial statements by the Assyifa Waqf Board. When the fair value of foreign currency or precious metals is recorded without being exchanged first, it is measured at fair value. However, when the fair value of foreign currency or precious metals is traded later, and increases or reduces the asset's fair value, the addition or reduction will be recorded in the Remeasurement Impact.

c. Servicing

Presentation of the financial statements prepared by the Assyifa Waqf Board consists of a statement of financial position, a statement of activities, a statement of cash flows, and a statement of changes in assets under management. Presentation is a set of ways to report elements or items in financial statements (N. N. E. Putri & B, n.d.). Waqf funds received by the Assyifa Waqf Board will be recorded, and a summary will be made first. This summary will separate and categorize waqf receipts according to the type of waqf received at that time to facilitate journaling. Furthermore, financial staff will journal and continue preparing ledgers, balance sheets, and financial reports. At the end of the period, adjustments will be made to the financial statements. The following is the presentation of the financial statements of the Assyifa Waqf Board:

1) Statement of Financial Position

The waqf statement of financial position provides an overview of the amount and nature of the waqf funds held by the Assyifa Waqf Board of Subang Regency. It is essential to provide information to interested parties, such as waqifs, nazirs, and waqf beneficiaries, regarding the sustainability and proper use of waqf funds. This report can also assist in decision-making regarding managing and growing existing waqf assets. The statement of financial position presented by the Assyifa Waqf Board of Subang Regency in 2022 is organized based on the level of liquidity; the items are presented separately, including information on the amount of Assets, liabilities, and net assets. Assets have been classified into current assets containing cash, cash equivalents, and short-term investments, while non-current assets contain fixed and long-term investments. Liabilities are classified into short-term liabilities and long-term liabilities. Short-term liabilities include restricted fund deposits and short-term temporary waqf liabilities, while long-term liabilities consist of temporary and long-term ones.

2) Activity Report

The waqf activity report is a report that records all activities related to waqf management by waqf institutions. This report provides detailed information about the activities carried out by the waqf institution to run the waqf programs and achieve the objectives set. The activity report presented by the Assyifa Waqf Board of Subang Regency includes waqf revenue, management and distribution expenses, increase/decrease in net assets, initial net assets, and final net assets. Revenue is obtained from waqf receipts, the impact of re-measurement of waqf assets, and the management and development of waqf assets. At the same time, the management and distribution expenses include the management and development of waqf assets and the distribution of marqah alaih.

3) Cash Flow Statement

The Assyifa Waqf Board's cash flow statement uses the cash basis method, which is prepared using the direct method, and its cash flows are grouped based on operating, investing, and financing activities. According to (Suhendar, 2020), the cash flow statement is a financial report that describes financial traffic in and cash out. The cash flow statement will provide an overview to users, such as stakeholders or investors, regarding an entity's cash inflows (receipts) and cash outflows (expenses). The cash flow statement can help identify when there is a cash

surplus (more cash receipts than expenditures) and a cash deficit (more cash expenditures than receipts). In the statement, three main components are usually reported.

First, cash flows from operating activities include cash flows related to the operational activities of the waqf. Second, investing activities are the acquisition and disposal of long-term assets and other investments that are not cash equivalents. Third, financing activities, namely activities that result in changes in the amount and composition of the institution's financing or borrowing. Assyifa Waqf Board presents a cash flow statement, including cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. The three cash flow statements have separated cash flow activities in detail, both from cash fund receipts and cash fund disbursements. The statement of operating flows includes cash flows from operating activities in the form of waqf fund receipts, asset management, development expenses, marque alaih distribution expenses, and an increase/decrease in liabilities. Cash flows from investment activities in the form of purchases of fixed assets and receipt of investment profit sharing. At the same time, cash flows from financing activities in the form of financing receipts and investment placements of funds.

4) Statement of Changes in Assets

The managed asset change report describes the changes in waqf assets managed by institutions. It provides information on the quantity and value of waqf assets, including current and non-current assets. It records changes in the amount of waqf assets, such as the addition of new assets, the sale of assets, changes in the value of assets, or changes in the composition of the asset portfolio. In addition, this report also records the ending balance of waqf assets at the end of the period. The report on asset changes under the management of the Assyifa Waqf Board of Subang Regency in 2022 is presented by placing the existing items. The report on changes in managed assets given by the Assyifa Waqf Board of Subang Regency includes land, buildings, vehicles, and equipment, which will be seen and calculated if there are additions, subtractions, accumulated depreciation, opening balance, and ending balance.

d. Disclosure

The disclosure relates to how to disclose or explain informative matters considered essential and valuable for users of financial statements (N. N. E. Putri & B, n.d.). The disclosures made by the Nazir of the Assyifa Waqf Board have not been fulfilled because there are no Notes to the Financial Statements. This is because the Assyifa Waqf Board has not conducted an internal or external audit of the financial statements, so the Assyifa Waqf Board does not yet have Notes on Financial Statements. However, the Assyifa Waqf Board is trying to immediately conduct a financial statement audit as a form of commitment to transparency, accountability, and integrity in waqf management.

3.2.2. Analysis of the conformity of the Financial Statements of the Assyifa Waqf Board of Subang Regency with SFAS 112 concerning Waqf Accounting

a. Recognition

The Assyifa Waqf Board recognizes waqf assets, including cash waqf, waqf through money, and waqf other than money, such as land, metals, and foreign currencies, after the waqf pledge has occurred. The land control must have changed hands to the Nazir, namely the Assyifa Waqf Board, as the recipient and manager of the waqf.

The provisions of SFAS 112 state the requirements for initial recognition of waqf assets in the financial statements. According to SFAS 112, a waqf entity recognizes the receipt of waqf assets when the waqf entity has legal and physical control over the assets, as well as the transfer of control over the economic benefits of the waqf assets. In the Assyifa Waqf Board, the initial recognition of waqf assets must meet both conditions: first, the transfer of control over waqf assets must occur legally, which can occur through a waqf pledge deed or other legal mechanism that

shows the transfer of asset ownership from the waqif to the waqf foundation; and second, the transfer of control over the economic benefits of the waqf assets must also occur, i.e., the Assyifa Waqf Board has the right to manage, utilize, and obtain the economic benefits of the waqf assets.

After these conditions are met, the Assyifa Waqf Board of Subang Regency can recognize waqf assets in its financial statements, providing relevant information about the value and composition of the assets owned by the organization. Proper recognition of waqf assets is essential in presenting accurate and transparent financial information to interested parties, including donors, users, and authorities. The Assyifa Waqf Board of Subang Regency has fulfilled both requirements, with the initial recognition of waqf assets received in its financial statements by SFAS 112. The board does not recognize waqf assets in the form of wills or promises (we'd) in its financial statements, as the promise has not been carried out.:

1) Temporary Waqf Assets

Assyifa Waqf Board has recognized temporary waqf assets as liabilities. Temporary Waqf Assets refer to waqf assets given in cash or assets by the waqif to the nazir to be managed and developed over a predetermined period. The purpose of managing and developing temporary waqf assets is to generate income or profit that will be used for the benefit of marqah alaih (beneficiaries of waqf). Assyifa Waqf Board receives temporary waqf assets as cash and land.

Temporary waqf assets in the form of land or land are usually managed and developed into rice fields or plantations where the resulting crops will be intended for marqah alaih. After the waqf period expires, the assets will be returned to the waqif. SFAS 112 explains that Nazir recognizes waqf assets within a certain period (temporary waqf assets) are recognized as liabilities (Assyifa et al, n.d.). This aligns with the recognition of temporary waqf assets carried out by the Assyifa Waqf Board. It can be concluded that Temporary Waqf Assets at the Assyifa Waqf Board are by the criteria in SFAS 112.

2) Management and Development Results

The results of the management and development of waqf assets in the Assyifa Waqf Board of Subang Regency are recognized as waqf proceeds. Waqf returns refer to the income or profit generated from the management and development of waqf assets to maintain the integrity of the waqf principal. Earning sufficient returns or profits from waqf assets can ensure the continued use of assets for social purposes. SFAS 112 states that the results of the management and development of waqf assets are additional economic benefits in the form of additional assets sourced from existing waqf assets. The results of management and development in the Assyifa Waqf Board are in the form of returns, dividends, temporary waqf assets, and other income. It can be concluded that the results of the management and development of waqf assets at the Assyifa Waqf Board are based on the criteria in SFAS 112.

3) Nazir's Remuneration

The Assyifa Waqf Board rewards the nazhir with 10% of the proceeds from managing waqf assets realized in cash and cash equivalents. The Nazir does not take the reward from the waqf principal but only from the proceeds of the waqf. This is done to maintain the integrity of the waqf principle so that it does not decrease. The reward given to the nazir is a tribute to the nazir for his duties and responsibilities in managing and overseeing the waqf assets. SFAS 112 states that the basis for determining the reward for Nazir is the net result of the management and development of waqf assets realized in cash and cash equivalents in the current period (dkk, n.d.). It can be concluded that the determination of nazir fees at the Assyifa Waqf Board is by the criteria in SFAS 112.

4) Benefits of Waqf

The distribution of waqf benefits to marqah alaih is recognized as an expense in the activity report by the Assyifa Waqf Board. SFAS 112 states that Nazir recognizes the distribution of benefits to marqah alaih as a deduction expense for waqf assets. It can be concluded that the

distribution of waqf benefits carried out by the Assyifa Waqf Board is by the criteria mentioned in SFAS 112.

b. Measurement

In the financial statements of the Assyifa Waqf Board, namely, waqf assets in the form of money are measured at nominal value, and waqf assets other than money, such as land, are measured at fair value. Waqf assets in foreign currency and precious metals are measured at fair value. However, when the fair value cannot be measured reliably, the waqf asset is not immediately recorded because the waqf asset is not recognized in the financial statements by the Nazir of the Assyifa Waqf Board. However, if the fair value of precious metals is recorded later without first being exchanged, it is measured at fair value at that time. Re-recording, when exchanged, is more or less than the fair value, which will be included in the impact of re-measurement as other income. SFAS 112 states that upon initial recognition, waqf assets are measured as follows.

- 1) Cash waqf assets are measured at nominal value.
- 2) Waqf assets other than money are measured at fair value.

Waqf assets in the form of precious metals based on SFAS 112 are measured at fair value, and changes are recognized as the impact of the re-measurement of waqf assets. The measurement of waqf assets in the Assyifa Waqf Board is by the arrangements in SFAS 112 that waqf assets in the form of money are measured at nominal value, and waqf assets other than money are measured at fair value.

c. Presentation

The Assyifa Waqf Board has received temporary waqf assets and recognized them as waqf liabilities or payables in the financial reporting of its waqf assets. The financial statements presented by the Assyifa Waqf Board are the statement of financial position, statement of activities, statement of cash flows, and statement of changes in assets under management. Based on SFAS 112, a complete Nazhir financial report includes:

- 1) Statement of Financial Position;
- 2) Detailed Report of Waqf Assets;
- 3) Activity Report;
- 4) Cash Flow Statement;
- 5) Notes to The Financial Statements.

The statement of financial position presented by the Assyifa Waqf Board is conceptually by SFAS 112. Assets are classified into current and non-current assets, and liabilities are classified into short-term and long-term liabilities. The Activity Report presented by the Assyifa Waqf Board is conceptually by SFAS 112. The Nazir of the Assyifa Waqf Board has presented an activity report which includes elements of waqf receipts, the impact of re-measurement of waqf assets, the results of waqf management and development, and the distribution of waqf.

However, the Assyifa Waqf Board has not included a separate temporary waqf account in its waqf receipts. Temporary waqf assets in the Assyifa Waqf Board are recorded in the management and development of waqf assets. SFAS 112 states that the waqf cash flow statement refers to SFAS 2 concerning Cash Flow Statements, other SFASs, and relevant ISAKs. The cash flow statement contains information on overall cash flows in operating, investing, and financing activities in a certain period. The Assyifa Waqf Board's cash flow statement includes information about cash inflows from operating, investing, and funding activities. This makes the cash flow statement on the Assyifa Waqf Board by SFAS 112.

d. Disclosure

Disclosures on the Assyifa Waqf Board have not been fulfilled because the Notes to the Financial Statements have not been formed. This means that the disclosures made by the Assyifa Waqf Board are not by SFAS 112 concerning Waqf Accounting. This study's results align with research conducted by (Mohamat Chazim Fikri, 2020). "Analysis of the application of waqf

accounting based on SFAS No.112 (Case study on the Malang City Sabilillah mosque cooperative)”. The results of this study indicate that the treatment of waqf accounting in the financial statements of the Sabilillah Mosque Cooperative is generally not in accordance with SFAS No.112, but it is good and transparent in submitting information on the receipt of waqf money. These findings are also in line with research conducted by (Nina Novitasari Eka Putri and Cahyo Budi Santoso, 2019). “Analysis of the Application of SFAS 112 Regarding Waqf Transactions to the Acceptance, Management, and Development of Waqf Assets Case Study on the Indonesian Waqf Board of Batam City”. The results of these findings indicate that the accounting treatment of waqf carried out has not fully complied with the Indonesian Waqf Board of Batam City in implementing SFAS 112.

4. CONCLUSIONS

Based on the results of the research, it can be concluded that the mechanism for preparing financial statements presented by the Assyifa Waqf Board includes collecting financial data, bookkeeping in the form of journals and ledgers, and then adjusting and correcting financial statements. After that, the Assyifa Waqf Board prepares financial statements based on SFAS 112. At the time of initial recognition, waqf assets are recognized in the financial statements if the waqif has made a waqf pledge and the nazir has full control over the assets endowed to the nazir. The measurement of waqf assets is based on nominal and fair values. The presentation carried out by the Assyifa Waqf Board includes a statement of financial position, a statement of activities, a statement of cash flows, and a statement of changes in assets under management. The conformity of SFAS 112 in the Assyifa Waqf Board has not been fully implemented in terms of recognition, measurement, presentation, and disclosure of financial statements. Some of the criteria in SFAS 112 that have not been applied optimally are in recognition; temporary waqf assets have not been separated into different accounts. In the presentation, there are components of financial statements that are not included in SFAS 112, namely the report on changes in assets under management. And there are no notes on the financial statements.

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