
**Implementation Of Statement Of Financial Accounting Standards (SFAS) 112
Concerning Wakaf Accounting At The Ar-Rasyid Nabarang Baya Foundation****Gina Sakinah¹⁾, Fauziah Khoirunnisa²⁾, Ade Ponirah³⁾, Syahwa Natasya Sugari^{4*)}, Zahra Rafiatuddinna Namilah⁵⁾**¹⁾Islamic Economics and Business, UIN Sunan Gunung Djati Bandung²⁾Islamic Economics and Business, UIN Sunan Gunung Djati Bandung³⁾Akademi Sekretaris dan Manajemen Kencana Bandung^{4*)}Islamic Economics and Business, UIN Sunan Gunung Djati Bandung⁵⁾Islamic Economics and Business, UIN Sunan Gunung Djati Bandung¹⁾E-mail: ginasakinah1004@uinsgd.ac.id²⁾E-mail: fauziahkhoirunnisa27@gmail.com³⁾E-mail: adeponirah18@asmkencana.ac.id^{4*)}E-mail: syahwa.natasya@gmail.com⁵⁾E-mail : namilah.zahraf@gmail.com**Abstract**

This research aims to analyze the implementation of SFAS 112 concerning waqf accounting at the Ar-Rasyid Nabarang Baya Foundation. This research uses qualitative research methods with a descriptive approach. In this research, some information aims to describe systematically, factually, and accurately the application of SFAS 112 in the Financial Reports of the Ar-Rasyidi Nabarang Baya Foundation; the research only applies to the area studied. It uses primary data and secondary data. The data Analysis technique in this research is descriptive analysis with stages of data reduction analysis, data presentation, and conclusion. The results of the research show that the recognition aspect was found, namely that in the financial reports of the Ar-Rasyidi Nabarang Baya Foundation, it did not record waqf assets that were still in the form of we'd or promises in the financial reports; this was felt to be uncertain in the waqf. The Ar-Rasyidi Foundation's financial report does not admit any liabilities. In the measurement aspect, it was found that the measurement of waqf assets in the form of money and land in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation was by SFAS 112. In the disclosure aspect, the Ar-Rasyidi Nabarang Baya Foundation has disclosed its financial reports in the Notes to Financial Reports.

Keywords: Implementation of SFAS 112, Waqf Accounting, Foundations**1. INTRODUCTION**

In the Islamic economy, there is a solution economic concept, including making zakat and waqf part of the state's source of income. Islam has an idea of economic empowerment of the people by maximizing the role of economic empowerment institutions such as waqf and zakat (Gunawan & al, 2022). Apart from zakat, waqf is one of Islam's ways of alleviating poverty and improving community welfare (Yusra & al, 2022). In general, waqf is giving up land owned for public purposes, such as building mosques and schools (Santoso & al, 2019). Accordingly, that is one factor that makes people in general, especially those with average incomes, not yet interested in waqf because they think it requires very high costs compared to charity, infaq, sadaqah, and zakat.

In Islamic history, Waqf has been known since the time of the Prophet SAW because Waqf was prescribed after the Prophet SAW in Medina in the second year of the Hijriyah. Two opinions are developing among Islamic jurisprudence experts (fuqaha') regarding who was the first to implement the waqf law (Yaacob, 2013). According to some scholars, the first person to implement Waqf was Rasulullah SAW, waqf land belonging to the Prophet SAW, to build a

mosque (Nissa, 2017). The basic concept of Waqf is that it is managed productively under the auspices of an independent state institution called the Indonesian Waqf Board (BWI) (Marisa & al, 2022). The Indonesian Waqf Board (BWI) was formed based on Law Number 41 of 2004 concerning Waqf. This body was formed to develop and advance Waqf in Indonesia. The Indonesian Waqf Board (BWI) was not formed to take over waqf assets managed by the existing nazir (waqf asset manager). The Indonesian Waqf Board (BWI) is here to develop nazir so that waqf assets are managed better and more productively so that they can provide more significant benefits to the community, both in the form of social services, economic empowerment, and development of public infrastructure.

The provisions of the Waqf Law are still limited to regulating and strengthening cash waqf, while regulations regarding other movable objects besides money have yet to be fully accommodated. Apart from that, specifically regarding the management of cash waqf in the provisions of the Waqf Law, it is still limited to utilizing Sharia Financial Institutions. This provision will reduce the development of cash waqf itself, especially in PP No. 42 of 2006 concerning the Implementation of Law Number 41 of 2004 concerning Waqf limits that cash waqf is allocated to business activities in Sharia Financial Institutions. This reality needs to be studied further from the waqf jurisprudence and the practical aspect of waqf development.

As time goes by, the types of waqf are not only about land; there are many other developments. Based on the applicable law, there are two types of waqf: immovable and movable (Lamuri, 2014). With technological advances, waqf activities have become more accessible, for waqf money can be transferred and done via e-money. The Indonesian Waqf Board (BWI) noted that the potential for waqf assets per year reaches IDR 2000 trillion with a waqf land area of 420 thousand hectares (ha). Meanwhile, the potential for cash waqf could reach the range of IDR 1,888 trillion per year. Waqf is not only fixed assets, not only land, but now includes cash waqf. The concept of waqf is mainly interpreted as providing fixed or immovable assets for public purposes (Ahmad, 2010). With cash waqf, the practice of waqf becomes widespread because the funds will be managed by an investment manager within a certain period, so the benefits for the public interest will be more significant (Fanani, 2011).

Moreover, waqf land management still needs to manage assets (Rahmatillah, 2022). Thus, the waqf land given later will burden the manager because the manager needs to have asset management capabilities (Khalil & Shaiban, 2014). Changing the paradigm of inherited land into commercial requires change, courage, and access to change productive land. Apart from that, the waqf sector cannot be separated from the government's view. This Sharia financial sector will later be developed by the National Sharia Finance Committee (KNKS) (Urfiyah & S.Sulistianingsih, 2021). Then, regarding recording, Sharia finance requires creative people and reports. Reports cannot be random and must be verified and audited (Muchlis & al, 2019). Therefore, it is necessary to establish a standard that regulates the management of waqf, so a Statement of Financial Accounting Standards (SFAS-112) regarding waqf accounting was issued by the Indonesian Accountants Association (IAI). It has been approved by the Indonesian Board of Accountants (DSAS-IAI) on November 7, 2018. This SFAS is needed when recognizing, measuring, presenting, and disclosing transactions and waqf financial reports (Waqf Accounting, 2018).

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reports. Reports cannot be random and must be verified and audited (Muchlis & al, 2019). Therefore, it is necessary to establish a standard that regulates the management of waqf, so a Statement of Financial Accounting Standards (SFAS 112) regarding waqf accounting was issued by the Indonesian Accountants Association (IAI). Moreover, it was approved by the Indonesian Board of Accountants (DSAS-IAI) on November 7, 2018. This SFAS is needed when recognizing, measuring, presenting, and disclosing transactions and financial reports (Waqf Accounting, 2018).

Based on the research results of Aryana (2021), SFAS 112 is used as a basis for analysis of waqf transactions presented by nazir organizations/legal entities and wakif organizations/legal entities, as well as being an instrument that can assess the quality of accountable and transparent nazir reporting, so that waqf performance will be well documented and brings improvements to the waqf system. However, some waqf institutions still need to implement SFAS 112 to research conducted by Azmi and Suryadi (2022). Equilize waqf fund reporting requires to be carried out by nazir at any waqf institution to realize financial reports that are easy to understand, transparent, and accountable for both internal parties, waqifs, and users outside the scope of the waqf body/institution (Ikram & al, 2024); (Damayanti, 2023); (Khairani & Illahi, 2023).

From several previous studies, there are still differences in research results so the author is interested in conducting research related to the Implementation of Statement of Accounting Standards (SFAS) 112 Concerning Waqf. The difference between this research and previous research is that this research uses the Ar-Rasyidi Nabarang Baya Foundation, which is one of the waqf institutions in Cijaur, West Java. The aim of this research is to determine the suitability of the recognition, measurement, presentation and disclosure of waqf accounting at the Ar-Rasyidi Nabarang Baya Foundation and to determine the obstacles to implementing SFAS 112 regarding waqf accounting at this agency.

The Ar-Rasyidi Nabarang Baya Foundation is an educational institution based on an Islamic boarding school or boarding school with a waqf institution. The waqf institution was formed to accommodate waqifs in the Cianjur area and its surroundings. The Ar-Rasyidi Nabarang Baya Waqf was founded by KH Muharram Ar Robi in 2018 and is chaired by him. The Ar-Rasyidi Nabarang Baya Foundation Waqf manages the collected waqf funds focused on developing Islamic boarding schools. Intending to increase public confidence in giving waqf to the Foundation, The Ar-Rasyidi Nabarang Baya Foundation is an institution that carries out activities in the form of managing waqf funds which are very productive and also produce many benefits from the assets that have been donated by the wakif as the party who gives his property.

However, after surveying the field, the existing financial reports are still manual and do not use a system; sometimes, even if they are small amounts of goods, they are not recorded. So, a deeper analysis of the importance of waqf accounting as a foundation is needed.

Based on the survey results, it was found that the Ar-Rasyidi Nabarang Baya Waqf has implemented SFAS 112 concerning Waqf Accounting in presenting its financial reports. However, disclosure and measurement still need to be investigated further regarding whether the financial statements presented are by SFAS 112 or are still partially true. Then this condition aligns with research by Intan Wijaya (2015), which shows that implementing SFAS-112 in presenting financial reports only partially SFAS 112 requires everything in detail. However, this institution is still not by the applicable SFAS. Based on the background above, the author is interested in conducting research entitled "Implementation of SFAS-112 Concerning Waqf Accounting at the Ar-Rasyidi Nabarang Baya Foundation".

2. RESEARCH METHODS

This research uses qualitative research methods with a descriptive approach. This research aims to systematically, factually, and accurately describe the application of SFAS-112 in the 2018-2022 Financial Reports of the Ar-Rasyidi Nabarang Baya Foundation. They use

primary and secondary data. Primary data in this research was obtained directly from the treasurer of the Ar-Rasyidi Nabarang Baya Foundation in the form of structured interviews related to SFAS 112 in the form of recognition, measurement, presentation and disclosure of the obstacles faced by the Ar-Rasyidi Nabarang Baya Foundation. Meanwhile, secondary data in this research is information and documents related to Nazir's financial reports at the Ar-Rasyidi Nabarang Baya Foundation. Data collection techniques include literature study, documentation, interviews, and observation—stages in data analysis, data reduction, data presentation, and conclusion.

3. RESULTS AND DISCUSSION

3.1. Research Results

Profile of the Ar-Rasyidi Nabarang Baya Foundation

The Ar-Rasyidi Nabarang Baya Foundation is an Islamic boarding school-based educational institution that prioritizes religious aspects. The foundation hopes that students will get provisions to live their lives and develop according to their times. This foundation operates in the field of education, both formal and non-formal. Those that have been established and run include Paud, DTA, MTs, and SMK based on Islamic boarding schools. Apart from working in the education sector, this foundation also accommodates people who want to give waqf. The environment, which is far from urban areas, makes it difficult for people to find waqf institutions that can be trusted and have clear accountability. That condition makes the foundation move to accommodate the community's needs; apart from waqf, the foundation also accommodates the management of zakat, alms-infaq, and other social funds. This foundation is in Cibogo Village 1, Ciranjang Village, Ciranjang District, Cianjur Regency. They were founded in 2015 by KH. Asep Eman Sulaeman, S.Ag. However, the waqf institution itself was the idea of KH Muharram Ar Robi, so he was the one who managed and established it.

The aim of establishing this foundation was initially to accommodate children who are enthusiastic to seek knowledge but have limitations. Then, with the establishment of this foundation, it can become a place for preaching so that it can reach the world and gain the blessing of Allah SWT. The Ar-Rasyidi Nabarang Baya Foundation has been registered with the Directorate General of Administration & Law, where the existing foundation data refers to Law Number 16 of 2001 concerning foundations, which has been in effect since 6 October 2002. However, as time goes by, we see the surrounding community's needs encourage foundations to develop several aspects, including managing waqf, zakat, alms-infaq, cooperatives, and so on. The Ar-Rasyidi Nabarang Baya Foundation opens itself to things that can provide benefit & benefits in modern times. Focusing on waqf, the Ar-Rasyidi Foundation initially collected the type of waqf, which was money used for growth and development in the world of education. However, as time passes, many people donate waqf in the form of land, buildings, medical equipment, etc. As a waqf nazir, the Ar-Rasyidi Foundation collects, manages, develops, & distributes waqf to the community. Collection/receipts consist of principal waqf receipts, productive waqf proceeds, & others. Meanwhile, distribution results from the waqf obtained from the management and development of waqf assets. The number of waqf that has been collected & distributed by the Ar-Rasyidi Nabarang Baya Foundation in the last 5 years is as follows:

Table 4. 1 Financial Report Data

Year	Number of Waqf Collectors	Amount of Waqf Distribution
2018	Rp. 3,567,000	Rp. 2,820,000
2019	Rp. 6,112,000	Rp. 3,700,000
2020	Rp. 6,333,000	Rp. 5,000,000
2021	Rp. 2,723,000	Rp. 2,500,000
2022	Rp. 20,745,500	Rp. 22,400,000

The table above shows that the waqf at the Ar-Rasyidi Nabarang Baya Foundation has increased yearly, except in 2021, when it experienced a decrease. In 2021, there will be a significant decrease in both collections of IDR. 2,723,000 and distribution amounting to Rp. 2,500,000. However, in 2022, there will be a significant increase in funds in the form of cash amounting to Rp. 20,745,500, while the distribution was Rp. 22,400,000. This increase happened because in December 2022, an earthquake occurred in Cianjur, and so many waqifs donated their wealth to repair buildings such as mosques and schools.

Based on the results of an interview with the foundation's treasurer, Mrs. Neng Irma Rahmawati, she stated that the funds were allocated to the earthquake's epicenter, namely the Nagrak area because this area was most affected by the earthquake disaster. The table above only records cash waqf types because waqf types such as land, buildings, and other physical forms are written separately. From the data above, both collection and distribution have been done well in practice, but reporting must be looked at more deeply.

Based on the results of an interview with KH Muharam Ar Robi, the motivator of the waqf institution at the Ar-Rasyidi Nabarang Baya Foundation, he stated that the foundation is focused on the collection process because it already has several programs or plans for distribution, either carried out by the foundation itself or in collaboration with other institutions.

Some programs include the following:

1. Construction of the mosque
2. Education Endowments
3. Islamic Boarding School Waqf

Implementation of Recognition, Measurement, Presentation and Disclosure of Financial Reports Based on SFAS-112 concerning Waqf at the Ar-Rasyidi Nabarang Baya Foundation

1. Ar-rasyidi Nabarang Baya Foundation Waqf Financial Report Process

In preparing the financial reports of Waqf Institutions, it would be better if they comply with the guidelines issued by the Sharia Accounting Standards Board of the Indonesian Accountants Association (DSAS-IAI). Waqf accounting is generally regulated in SFAS-112, which governs the accounting treatment of waqf transactions carried out by nazir, waqf institutions, or wakifs in the form of individuals, organizations, or legal entities.

Standardization in accounting reporting is very important in the reporting process because the waqf financial report will later become information material or an accountability report to interested parties (Syaifullah & Idrus, 2019). In addition, accounting standardization in waqf aims for uniformity in financial reporting, making it easier to prepare financial reports and understand and compare financial reports from different entities (Muhammad & Fahmie, 2019). As for SFAS-112, there is recording, recognition, measurement, and presentation of financial reports. Likewise, the Ar-Rasyidi Foundation always follows the applicable accounting standards. The process of recognition, measurement, presentation, and disclosure of financial reports carried out by the Ar-Rasyidi Nabarang Baya Foundation in its financial reports is as follows:

a. Confession

Waqf assets given to the Ar-Rasyidi Nabarang Baya Foundation by the wakif (the person giving the endowment) can be recognized after a deed is made at the time of the Kabul consent. As long as the deed has not been issued, waqf assets cannot be identified and presented in the financial statements. From these provisions, it can be concluded that the foundation uses a cash basis, which is when money is received, the funds are received and recorded according to the amount of the waqf received. In implementing waqf, these provisions apply to fixed and non-fixed assets. That matter is done to avoid uncertainty when the wakif has vowed waqf, which means he could transfer the assets he wants to donate to the nazir. The vow proves a valid statement and is handed over to Nazir to manage it by allocating the waqf assets (Tahliani, 2021).

b. Measurement

After the certificate for waqf assets is issued, then the assets can be measured economically using the determined value of the waqf assets to be presented in the financial statements. Based on the results of interviews, the measurement of waqf assets in Ar-Rasyidi Nabarang Baya's financial statements is as follows:

- 1) Waqf in the form of money will be measured in nominal terms, while waqf in land is calculated based on the estimated sales value.

Transaction Illustration:

On March 2 2022, Ar-Rasyidi Nabarang Baya Foundation received a waqf transaction agreement with Mr. Halim in the form of cash amounting to IDR 10,000,000. This transaction is a transaction in the form of cash waqf receipts, so it will be recorded and measured at its nominal value because the amount is stated on each cash sheet.

Table 4.2 Journal of Cash Waqf Receipts

Tanggal	Keterangan	Debit	Kredit
2 Maret 2022	Cash	10.000.000	
	Waqf Receipts		10.000.000

- 2) If waqf assets are in foreign currency, they must be converted first; when they have been converted, they can be recorded in the financial statements. The foundation did this to make reporting easier.

Transaction Illustration:

In 2010 the Ar-Rasyidi Nabarang Baya Foundation received a waqf in the form of non-cash assets, namely a plot of land used to build an Islamic boarding school with a land area of 20,942 square meters from the wakif, namely the Cianjur government. After tracing, the fair value of the land is IDR 40,000,000 and becomes the initial acquisition value. So the recorded value is the known fair value.

Table 4.3 Journal of Non-Cash Waqf Receipts

Tanggal	Keterangan	Debit	Kredit
2 Maret 2022	Land	40.000.000	
	Waqf Receipts-Land		40.000.000

c. Presentation

Waqf assets, officially transferred to the Ar-Rasyidi Nabarang Baya Foundation, are presented as waqf assets, as evidenced by a predetermined waqf pledge. The Presenting financial reports carried out by the Ar-Rasyidi Nabarang Baya Foundation as nazir as a form of reporting and accountability in collecting and managing waqf assets. Based on the interview results, the Foundation itself does not have expert staff in the accounting field, so the report presentation is carried out simply. However, the Foundation realizes the importance of financial reports in waqf. The financial reports presented at the Ar-Rasyidi Nabarang Baya Foundation are made only for months and years following the needs and directions of the chairman of the Foundation.

Financial reports are prepared on a cash basis. The waqf financial reports currently presented by the Ar-Rasyidi Nabarang Baya Foundation consist of the following:

- 1) Financial position report
- 2) Activity report
- 3) Fund Change Report
- 4) Cash flow statement
- 5) Notes to financial reports

Notes to financial reports are a description or explanation of financial reports that contain non-financial information and details of financial reports (Diviana, 2020). The financial report

will later be reported and accounted for at the annual meeting, which will be attended by the leadership of the Ar-Rasyidi Nabarang Baya Foundation, the supervisory board, representatives of the local Indonesian Ulema Council (MUI), the Office of Religious Affairs (KUA) and other guests. Waqf funds received by the Ar-Rasyidi Nabarang Baya Foundation are recorded manually in a special waqf notebook. After it is recorded, it is then separated or grouped based on the type of waqf received, and its function is to make journaling easier. After journaling, the general ledger, trial balance, and financial reports are created. Usually, when the books are closed at the end of each month, the foundation treasurer will adjust the financial reports.

d. Disclosure

The waqf assets obtained must be disclosed, including the value collected and where the waqf assets were obtained, using the procedures applicable at the Ar-Rasyidi Nabarang Baya Foundation. Nazhir Ar-Rasyidi Nabarang Baya Foundation presents several accounts in the financial report in detail in the Notes to the Financial Report (CALK). Based on the interview results, Neng Irma Rahmawati explained that disclosures at the foundation can be seen in detail through the Notes to the Financial Report. The information contained in the notes to the Semai Sinergi Umat Foundation report includes:

- 1) Explanation of the Nazir of the Ar-Rasyidi Nabarang Baya Foundation
- 2) Accounting policies applied
- 3) Explanation of inventory, fixed assets, and depreciation
- 4) Explanation of the items in the statement of financial position and activity report, including cash and cash equivalents obtained from ample cash and petty cash.
- 5) Explanation of fixed assets consists of acquisition price, accumulated depreciation, and an explanation of investment.
- 6) Explanation about the receipt and distribution of waqf funds, receipt and distribution of waqf funds.
- 7) Explanation about the receipt and distribution of waqf funds, receipt and use of Nazhir funds, and completion of financial reports.

3.1 Discussion

Conformity Between the Financial Reports of the Ar-Rasyidi Nabarang Baya Foundation and SFAS-112 concerning Waqf Accounting

The conformity between the financial statements of the Ar-Rasyidi Nabarang Baya Foundation and SFAS-112 can be explained as follows:

a. Confession

The Ar-Rasyidi Nabarang Baya Foundation initially recognizes waqf assets, whether cash waqf or non-cash waqf, such as land. That is after the waqf pledge has been made and the management of the land has been transferred to nazhir, the waqf assets can be recognized in the report. This is in accordance with SFAS-112, where the initial recognition of waqf assets in the financial statements is when the nazir has legal and physical control over the waqf assets.

- 1) The financial report of the Ar-Rasyidi Nabarang Baya Foundation does not record waqf assets that are still in the form of wa'd or promises in the financial report. This action is felt to be a matter of uncertainty in the waqf. Based on SFAS-112, if the nazir receives a promise (wa'd) to give waqf, then the nazir does not recognize the assets to be donated in the future in the financial statements. Therefore, the initial recognition of waqf assets still in the form of promises (wa'd) is corresponding with SFAS-112.
- 2) If it is still a will, it will not be recorded in the financial reports of the Ar-Rasyidi Nabarang Baya Foundation. Based on SFAS-112, if the Nazir accepts the waqf will, then the Nazir does not recognize the assets that will be donated in the future in the financial statements. This

makes the initial recognition of waqf assets that are still in the form of a will in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation in accordance with SFAS-112.

- 3) The Ar-Rasyidi Nabarang Baya Foundation recognizes the management and development of waqf assets as the results of waqf. Based on SFAS-112, Nazir recognizes the results of management and development of waqf assets as additional waqf assets. Therefore, the initial recognition of the results of management and development of waqf assets in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation corresponds with SFAS-112.
- 4) Based on SFAS-112, Nazhir recognizes waqf assets for a certain period (temporary waqf assets) as liabilities. Meanwhile, the Ar-Rasyidi Foundation's financial statements do not admit any liabilities. Therefore, the initial recognition of temporary waqf assets in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation does not correspond with SFAS-112.
- 5) The Ar-Rasyidi Nabarang Baya Foundation recognizes the distribution of waqf benefits to mauquf alaih (people who receive waqf benefits) as an expense-reducing waqf asset in the LPD (Use of Funds Report). Based on SFAS-112, Nazhir recognizes the distribution of waqf benefits to mauquf alaih (people who receive waqf benefits) as an expense-reducing waqf asset. Therefore, the initial recognition of the benefits of waqf in the Ar-Rasyidi Nabarang Baya Foundation is that financial statements correspond to SFAS112.

b. Measurement

- 1) Measure waqf assets in the form of money at nominal value and other than money, such as fixed waqf assets in the form of land, based on sales value. In SFAS-112, at initial recognition, waqf assets in the form of money are measured at nominal value, while waqf assets other than money are measured at fair value. Selling value and fair value have the same meaning, where both use market value as a measurement basis because the term fair value is seen as an exit price identical to market or selling value. Based on this, the measurement of waqf assets in the form of money and land in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation corresponds to SFAS-112.
- 2) When Waqf assets are in foreign currency, and their fair value cannot be measured reliably or have not been converted, the waqf assets are not recognized in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation. However, if it has been converted and exchanged first, it is measured at fair value. In SFAS-112, waqf assets in the form of precious metals or foreign currency are then measured at fair value, and changes are recognized as the impact of the re-measurement of waqf assets. Based on this comparison, the measurement of waqf assets in foreign currency in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation corresponds to SFAS-112. However, the Ar-Rasyidi Nabarang Baya Foundation has never received waqf assets in the form of precious metals.

c. Presentation

SFAS-112 states that Nazhir Waqf presents temporary assets received as liabilities in the financial statements. However, the AR-Rasyidi Nabarang Baya Foundation has no temporary waqf assets or liabilities and only has waqf assets handed over permanently to the Nazir. The financial reports presented by the Ar-Rasyidi Nabarang Baya Foundation consist of:

- 1) Financial position report
- 2) Activity Report
- 3) Fund change report
- 4) Cash flow statements, and
- 5) Notes to financial reports.

The activity report of the Ar-Rasyidi Nabarang Baya Foundation only presents a simple report containing activity reports, incoming funds, and outgoing funds reported based on their grouping. Several items from the activity report have been disclosed in the notes in the financial statements. Apart from that, the Ar-Rasyidi Nabarang Baya Foundation also does not present a detailed report on waqf assets and does not present a complete activity report. Meanwhile, in SFAS-112, the financial reports that the waqf nazir should make include:

- 1) Statement of financial position at the end of the period;
- 2) Waqf asset details report at the end of the period;
- 3) Activity report during the period;
- 4) Cash flow report for the period; And
- 5) Notes to financial reports.

d. Disclosure

The Ar-Rasyidi Nabarang Baya Foundation has disclosed its financial reports in the Notes to Financial Reports (CALK). However, due to limited knowledge, the disclosures made by the Ar-Rasyidi Nabarang Baya Foundation do not yet correspond to SFAS112. In the notes to the financial report, there is no explanation regarding the management strategy or the percentage of net results from the management and development of waqf assets. Based on SFAS-112 concerning Waqf Accounting, it is stated that Nazhir must disclose the following things related to waqf, but not limited to:

- 1) Accounting policies applied to the receipt, management, and distribution of waqf;
- 2) Explanation of individually significant wakif;
- 3) Explanation of waqf asset management and development strategies;
- 4) Explanation of the allocation of waqf assets;
- 5) The amount of the nazir's compensation and its percentage of the net proceeds from the management and development of waqf assets, and if there is a change in the current period, explain the reasons for the change;
- 6) Details of net assets include initial waqf assets, waqf assets sourced from the management and development of initial waqf assets, and net results from management and development of waqf assets;
- 7) Reconciliation to determine the basis for calculating Nazir rewards includes:
- 8) If there is a temporary waqf, explain the amount and the waqif.
- 9) If there is a waqf through money, an explanation of the waqf through money that has not been realized as the waqf asset in question;
- 10) If a waqf asset is exchanged for another waqf asset, an explanation of this includes the type of asset exchanged and the replacement asset, reasons, and legal basis;
- 11) Suppose there is a related party relationship between the wakif, nazir, or mauquf alaih, and then the nature of the relationship is revealed. In that case, the amount and type of permanent or temporary waqf assets, as well as the percentage of distribution of waqf benefits from the total distribution of waqf benefits during the current period, are disclosed.
- 12) the waqif;
- 13) If there is a waqf through money, an explanation of the waqf through money that has not been realized as the waqf asset in question;
- 14) If a waqf asset is exchanged for another waqf asset, an explanation of this includes the type of asset exchanged and the replacement asset, reasons, and legal basis;
- 15) Suppose there is a related party relationship between the wakif, nazir, and/or mauquf alaih, which is the nature of the relationship. In that case, the amount and type of permanent or temporary waqf assets are disclosed, such as the percentage of waqf benefits from the total distribution of waqf benefits during the current period.

Obstacles Faced by the Ar-Rasyidi Nabarang Baya Foundation in Implementing SFAS-112 Concerning Waqf

When preparing financial reports, several obstacles or errors may cause the financial information submitted to be inappropriate. Several common errors can arise due to triggering factors, including:

a. **Human error**

An accountant who lacks sufficient basic accounting knowledge can cause human error, such as entering incorrect data or missing proof of transactions.

b. **Dishonesty**

There is an attempt to commit fraud from a particular party through the preparation of financial reports.

c. **Number interpretation error**

Stored data, primarily if manual accounting is still used, is often misinterpreted because it may not be accurate compared to actual data.

Mistakes or problems can occur at any time and to anyone, including the Ar-Rasyidi Nabarang Baya Foundation. The obstacles faced by the Ar-Rasyidi Nabarang Baya Foundation might occur to other nazhir. Some obstacles include the following:

- 1) Lack of human resources. The waqf administrators at the Ar-Rasyidi Nabarang Baya Foundation admitted that the financial reports presented were less than optimal due to a lack of human resources.
- 2) Recording is done manually. Computerization is only used to make reports; activity reports and recording of collection and management are done manually in notebooks. This can trigger transaction records to be lost or damaged.
- 3) Limited knowledge regarding SFAS-112. The Ar-Rasyidi Foundation is aware of the ratification of SFAS-112 regarding waqf accounting. However, because it feels it lacks understanding and is considered complicated, the financial reports are prepared based on the foundation's needs.
- 4) The Ar-Rasyidi Nabarang Baya Foundation, in its waqf financial statements, does not recognize the existence of a liability account because liabilities in waqf occur when there are temporary waqf, namely abandoned assets.

The obstacles above can be minimized with several things such as: Using accounting experts to prepare waqf financial reports or conducting training on SFAS-112 waqf accounting for staff or employees at the ArRasyidi Nabarang Baya Foundation. In this way, foundations can be helped in preparing waqf financial reports so that the reports presented are optimal. The Ar-Rasyidi Nabarang Baya Foundation can utilize existing computer facilities to record, journalize, prepare, and report waqf finances. You can also ask an expert accountant to help you create an Excel formula to make it easier for financial staff to implement. Attend training or seminars on SFAS-112 waqf accounting. Your skills will become more honed, and you will feel more confident.

4. CONCLUSION

In the recognition aspect, it was found that the financial reports of the Ar-Rasyidi Nabarang Baya Foundation did not record waqf assets that were still in the form of we'd or promises in the financial reports, which was felt to be uncertain in the waqf. Nazhir accepts the waqf will, so Nazhir does not recognize the assets that will be donated in the future in the financial statements. This means that the initial recognition of waqf assets, which are still in the form of a will in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation, corresponds to SFAS-112. The Ar-Rasyidi Nabarang Baya Foundation recognizes the management and development of waqf assets as the results of waqf. The Ar-Rasyidi Foundation's financial report

does not admit any liabilities. Therefore, the initial recognition of temporary waqf assets in the financial statements of the Ar-Rasyidi Nabarang Baya Foundation is not correlated to SFAS-112. The Ar-Rasyidi Nabarang Baya Foundation recognizes the distribution of waqf benefits to mauquf alaih (people who receive waqf benefits) as an expense-reducing waqf asset in the LPD (Use of Funds Report). In the measurement aspect, the measurement of waqf assets in the form of money and land in the Ar-Rasyidi Nabarang Baya Foundation is financial statements corresponding to SFAS-112. The measurement of waqf assets in foreign currency in the Ar-Rasyidi Nabarang Baya Foundation is financial statements that correspond to SFAS-112.

Based on the conclusions that have been explained, it would be best for the Ar-Rasyidi Nabarang Baya Foundation in the future to implement SFAS 112 regarding waqf accounting as a whole because this is important in the management and development of waqf funds. Financial reports must be prepared transparently so that people have more confidence in donating their assets for waqf, this is useful for the wakif and also for the nazir who manages and utilizes the waqf assets that have been given. In terms of implementing SFAS 112, The ArRasyidi Nabarang Baya Foundation should recruit competent workers, especially in sharia accounting and workers who can contribute over a long period of time so that there is no labor turnover that is too short.

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