DONOR PERSPECTIVES ON ACCOUNTANBILITY AND TRANSPARANCY OF NONPROFIL FINANCIAL REPORTING

SKRIPSI

Untuk Memenuhi Persyaratan Memperoleh Gelar Sarjana

PANDU AMARTHA

B103421022

PROGRAM STUDI AKUNTANSI

FAKULTAS EKONOMI DAN BISNIS

UNIVERSITAS TANJUNGPURA

PONTIANAK

2024

PERNYATAAN BEBAS DARI PLAGIAT

Yang bertanda tangan di bawah ini;

Nama	: Pandu Amartha
Nim	: B103411022
Jurusan	: Akuntansi
Program Studi	: S – 1 Akuntansi
Konsentrasi	: Akuntansi Sektor Publik
Judul Artikel	: Donor Perspectives on Accountability and Transparency of Nonprofit Financial Reporting

Menyatakan dengan sesungguhnya bahwa Artikel dengan judul tersebut di atas, secara keseluruhan adalah murni karya penulisan sendiri dan bukan plagiat dari karya orang lain, kecuali bagian yang dirujuk sebagai sumber pustaka sesuai dengan panduan penulisan yang berlaku (lembar hasil pemeriksaan plagiat terlampir).

Apabila di dalamnya terdapat kesalahan dan kekeliruan maka sepenuhnya menjadi tanggung jawab penulis yang dapat berakibat pada pembatalan Artikel dengan judul tersebut di atas.

Demikian pernyataan ini penulis buat dengan sebenar-benarnya

Pontianak, 25 Desember 2024



Pandu Amarha

NIM, B1034211022

PENANGGUNG JAWAB SKRIPSI

Saya yang bertanda tangan dibawah ini

Nama	: Pandu Amartha
Nim	: B1034211022
Jurusan	: Akuntansi
Program studi	: S1 Akuntansi
Konsentrasi	: Akuntansi Sektor publik
Tanggal Ujian	: 23 Desember 2024
Judul Skripsi	: Donor Perspectives on Accountability and Transparency of Nonprofit Financial Reporting

Dengan ini menyatakan bahwa skripsi ini adalah hasil karya saya sendiri, dan semua sumber dan semua sumber data dan informasi baik yang dikutip maupun dirujuk telah saya nyatakan dengan benar

Pontianak, 25 Desember 2024

Pandu Amartha
NIM. B1034211022

LEMBAR YURIDIS

DONOR PERSPECTIVES ON ACCOUNTANBILITY AND TRANSPARENCY OF NONPROFIT FINANCIAL REPORTING

Penanggung Jawab Yuridis

Pandu Amartha
B1034211022

Jurusan : Akuntansi
Program Studi : Akuntansi Internasional
Konsentrasi : Akuntansi Sektor Publik
Tgl Ujian Skripsi dan Komprehensif : 23 Desember 2024

Majelis Penguji

No.	Majelis Penguji	Nama/NIP	Tgl/Bln/ Thn	Tanda Tangan
1.	Ketua Penguji	Dr. Nella Yantiana, S.E., M.M., Ak, CA, CMA.	06/1-25	
		NIP. 197307311997022001		
2.	Sekretaris Penguji	Umiaty Hamzani, S.E., M.Com., Ph.D	06/1-25	
		NIP. 198012182200312200l		
3.	Penguji 1	Djunita Permata Indah, S.E., M.Acc.	06/1-25	
		NIP. 199106142019032019		
4.	Penguji 2	Sari Rusmita, S.E., M.M.	30/12/2024	
		NIP. 198109162006042001		

Dinyatakan Telah Memenuhi Syarat dan Lulus
Dalam Ujian Skripsi dan Komprehensif

Pontianak, 24 JAN 2025
Koordinator Program Studi Akuntansi

Dr. Khristina Yunita, S.E., M.Si., Ak., CA
NIP. 197906182002122003

ACKNOWLEDGMENTS

Praise to God Almighty, for his abundance of grace and blessing so that the preparation of a thesis entitled **'Donor Perspectives on Accountability and Transparency of Nonprofit Financial Reporting''** can be completed. This thesis can be completed thanks to acknowledgements of various parties who have contributed during the thesis preparation process. Therefore on this occasion with respect, the author would like to thanks to the following parties :

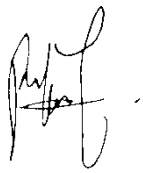
1. Dr. Barkah, S.E., M.Si., as Dekan of the Faculty of Economics and Business Universitas Tanjungpura.
2. Dr. Nella Yantiana S.E., M.M., Ak., CA, CMA, CPA as the Head of the Accounting Department, Faculty of Economics and Business Tanjungpura University and as my Academic Supervisor who has helped and supported in the process of preparing the Thesis.
3. Mr. Vitriyan Espa, S.E., M.S.A, Ak., C.Ht., CA, as Secretary of the Department of Accounting, Faculty of Economics and Business Tanjungpura University.
4. Dr. Khristina Yunita, S.E., M.Si., Ak., CA, as Head of the Accounting Department , Faculty of Economics and Business Tanjungpura University.
5. Umiaty Hamzani, S.E., M.Com., Ph. D as Research Supervisor who has helped and supported in the preparation of this thesis.
6. Dr. Sari Rusmita, S.E., M.M. as my first examiner thank you for all guidance and help.
7. Djunita Permata Indah, S.E., M.Acc. as my second examiner thank you for all guidance and help.
8. All the lecturer, and staff of the department of accounting, faculty of Economics and business, Tanjungpura University who have provided many useful knowledge during lectures and provide assisted in administrative matters.

9. My Self, special thanks to Pandu Amrtha as author who had finished this thesis and having gone through every challenge in the process of preparing this thesis. It's not easy to stay grounded and focused, especially in times of stress and confusion. I am proud of myself for being able to get through difficult times with determination and enthusiasm that never fades. Hopefully this achievement can be a motivation to continue to strive to be better in the future.
10. With all humility, I would like to express my deepest gratitude to the one and only my lovely parent, Yudianti , who have been a source of strength, support and love throughout my life's journey, especially in completing this thesis. You always provide motivation, You are my main encouragement who keeps me firm and confident in facing all challenges. I am very grateful to have a mother who always support and provide warmth every step of the way. This thesis is the result of your hard work and love, and I will always appreciate all the sacrifices you have made.
11. With love, to my strongest Grandmother, Nuraini, Thank you for your caring and understanding of all my activities while completing my thesis. You will always be an encouragement in every step I will choose. Always love you.
12. My beloved little sister, Prinssill Amartya, Thank you for replacing me while I was away from home in looking after and taking care of the house. never give up in facing all challenges, take time to rest but don't stop achieving your dream.
13. Thanks to my best friend who listened to my complaints and gave me calming advice and they are Juvita & Cecilia Chen. Hopefully our friendship last until old age.
14. Special thanks to my colleagues in college who strengthen and help each other and they are Warna, Wiranda Warda Soleha, Linyuk, Ines Hanida, Diva Atari Shaqillah, Vallencia. Hopefully our path will be made easier so we can achieve our dreams.

15. My hyung, Seventeen members thank you for your musical work. Your music gives invisible strength. Especially the leader of seventeen, S.Coups, who is a role model in leading every brave action in composing this work.
16. International class Accounting friends who helped a lot in providing information and encouragement at every meeting.

Author realize that this thesis still has shortcomings in terms of writing, grammar, and content. Hopefully this paper is useful and can provide additional insight to readers. the author hope for any criticism and suggestions for the improvement of this writing in the future.

Pontianak, 25 Desember 2024



Pandu Amartha

B1034211022

DONOR PERSPECTIVES ON ACCOUNTANBILITY AND TRANSPARANCY OF NONPROFIL FINANCIAL REPORTING

ABSTRACT

he number of cases involving the misappropriation of donation funds given by the public to nonprofit organizations has garnered significant attention. One common issue is the ethics surrounding donation solicitation. The methods often used by certain individuals include the inaccuracy of information provided by nonprofit organizations to donors, leading to subpar services and misallocation of funds that do not align with the donation values. This research aims to reveal donors' understanding of the transparency of funds managed by nonprofit organizations, as well as their trust in how donation funds are administered. Additionally, it seeks to uncover donors' perspectives on accounting practices and the transparency of financial reports within nonprofit organizations. This study is qualitative and employs a descriptive method. Data collection was conducted through interviews and open-ended questionnaires. The data obtained were subsequently analyzed. The results indicate that donors' views on the accountability of financial reporting by nonprofit organizations in Pontianak are quite positive, as evidenced by seven accountability indicators. However, the perception of donors regarding the transparency of financial reporting in these organizations is still lacking.

***Keywords**: Donor Perspectives, Accountability, Transparency, Nonprofit Organization*

SUMMARY

1. Background

Transparency and accountability are essential for maintaining the credibility of non-profit organizations, ensuring that donor funds are used responsibly. Financial reports are key tools for demonstrating this responsibility. However, incidents of fund misappropriation, such as the case of the Quick Response Action (ACT) foundation, have raised concerns and emphasized the need for clear, accountable financial practices to build and maintain donor trust. Challenges like inaccurate information, poor fund management, and internal errors further complicate the situation for many organizations.

Studies highlight the importance of transparency and accountability in both the non-profit and public sectors, yet many organizations still face obstacles. These include a lack of public understanding about the importance of transparency and reliance on traditional reporting methods, which can hinder effective financial oversight. To enhance accountability, it is crucial for organizations, particularly religious and social ones like mosques and orphanages, to adopt more systematic and transparent financial practices that adhere to applicable accounting standards

2. Formulation of Problem

The problem in this study is the transparency and accountability of nonprofit organizations in financial reporting from donors' perspectives. Finding out to what extent the accuracy and completeness of information is provided by nonprofit organizations in achieving the goals of a program. And how do donors view the transparency of nonprofit organizations in preparing the budget for the program they want to run?

3. Research Purposes

This study aims to reveal a donor's understanding of the transparency of funds managed by a nonprofit organization. Reveal a donor's trust in the management of donation funds. And reveal the donor's views on accounting practices and the transparency of a nonprofit organization's financial reports.

4. Research Method

This study uses a qualitative approach with a descriptive method, focusing on presenting and analyzing field data to gain a deeper understanding of the phenomenon being studied. Researchers collect data through interviews and open-ended questionnaires, allowing for in-depth responses and a broader perspective. The data is then analyzed to identify patterns, relationships, and hidden meanings, offering not only a descriptive picture of the phenomenon but also new insights for a more comprehensive understanding. The descriptive method thus serves to both describe and explain the topic in detail.

5. Result

This study examines the implementation of accountability in non-profit organizations from the perspective of donors. It finds that most non-profits provide transparent financial reports and information about their programs. While donors generally trust the organizations and understand the activities being conducted, some are less confident about how funds are used. Transparency and donor involvement in decision-making are identified as key factors in building trust. Although many donors are informed via social media or direct communication, most are not actively involved in decision-making processes, and some feel uncertain about the details of fund allocation.

The study also highlights that non-profits use social media to share information, and some provide complaint services to enhance transparency. Despite this, most donors do not participate in organizational decisions, though many are involved in meetings with the management to address issues. The research underscores the importance of involving donors in decision-making and

maintaining clear communication about fund usage to strengthen relationships and trust between donors and non-profit organizations.

Regarding transparency, the study finds that while non-profit organizations provide donors with access to information, the level of donor engagement in requesting financial reports is low. Donors typically receive information through social media or bulletin boards but are not always proactive in seeking financial transparency. Although transparency in budgeting and fund management is recognized, challenges remain in effectively communicating this information. Furthermore, donor involvement in decision-making processes is limited, with many donors not participating in organizational decisions. The study concludes that improving transparency, enhancing communication, and involving donors more actively in decision-making are essential for fostering greater trust and support for non-profit organizations.

6. Conclution

Donors in Pontianak City generally have a positive view of the accountability of non-profit organizations' financial reporting, based on seven key accountability indicators. These include a written decision-making process, accurate and complete program information, clarity in conveying policy targets, and the use of social media for decision dissemination. Additionally, there is public access to information and a complaints mechanism, along with a management information system for monitoring. However, donors feel the transparency of financial reporting is still lacking, with only four out of six indicators showing positive results. Areas needing improvement include financial report openness and public participation in the budgeting process. Non-profits need to enhance transparency and ensure accurate, complete information to increase donor confidence and attract more support.

LIST OF CONTENT

PERNYATAAN BEBAS DARI PLAGIAT II
PENANGGUNG JAWAB SKRIPSI III
LEMBAR YURIDIS IV
ACKNOWLEDGMENTS V
ABSTRACT VIII
SUMMARY IX
LIST OF CONTENT XII
CHAPTER 1 INTRODUCTION 1
1.1 Background 1
1.2 Formulation of Problem 3
1.3 Research Purposes 4
CHAPTER II LITERATURE REVIEW 5
2.1 Theorical Basis 5
2.2 Empirical Study 6
CHAPTER III RESEARCH METHOD 13
3.1 Type of Research Method 13
3.2 Place And Time Of Research 13
3.3 Data 14
3.4 Analysis Method 14
CHAPTER IV RESULT 15
4.1 Result 15
CHAPTER V CLOSING 20
5.1 Conclusion 20
5.2 Recommendation 21
DAFTAR PUSTAKA 22

DONOR PERSPECTIVES ON ACCOUNTANBILITY AND TRANSPARANCY OF NONPROFIL FINANCIAL REPORTING

CHAPTER 1
INTRODUCTION

1.1 Background

Transparency and accountability play a very important role in maintaining the credibility of non-profit organizations, especially in maintaining donor support. These two aspects ensure that non-profit organizations are able to demonstrate their responsibility for managing funds received from the public. Financial reports are one of the main tools for displaying transparency and accountability, and non-profit organizations such as mosques, churches, foundations, and orphanages must show the use of donation funds clearly and responsibly. The high number of cases of misappropriation of donation funds that have occurred in several non-profit organizations has raised concerns among the public. The public is increasingly vigilant in distributing their donations because there is concern that the funds provided will not be used according to their intended use. Rosalina & Nurlaely (2023), found that one of the large foundations, Quick Response Action (Aksi Cepat Tanggap/ACT), was involved in collecting and distributing funds that did not correspond to the reality on the ground. Cases like this are a real example of why transparency and accountability are so important. With clear and accountable financial reports, non-profit organizations can build public trust and ensure that the funds they receive are actually used for the purposes promised. This not only helps maintain the reputation of the organization but also provides a sense of security to donors, ensuring that their donations are making a real and intended impact. As public awareness of misuse of funds increases, accountability and transparency are key to maintaining the sustainability of nonprofit organizations.

Mediana (2021), one of the main problems is the inaccuracy of information conveyed by the organization to donors. This can result in poor quality service and

distribution of funds that do not match the value of the donation given. Putri (2023); Tria (2023), added that the fundraising department sometimes faces difficulties, either due to donor errors when transferring funds or internal errors in determining the nominal for program distribution. This indicates problems in fund management in several organizations. Previous studies have focused heavily on transparency and accountability in the public sector, especially regarding village fund management. For example, research by Rahman (2020) examined the transparency of village management in Sigi Regency. The results of this study indicate that transparency in the village is quite good, but there are still obstacles, namely the lack of understanding of the general public about the importance of transparency in fund management. Transparency, accountability, and proper fund management are important issues in fund management, both in the non profit and public sectors (Mardiasmo, 2021; Kuntadi, 2023; Gurendrawati et al., 2024). Although some organizations demonstrate good levels of transparency, there are still many challenges to be faced to ensure ethical and targeted fund management, including increasing public understanding of the importance of such transparency..

Haryanti & Kaubab (2019) highlighted transparency and accountability in the financial reports of mosques in Wonosobo Regency. The study results found that most mosques still use traditional financial reporting methods, such as writing reports manually and posting them on bulletin boards. In the context of accountability, these mosques tend to rely on the values of trust and honesty that have been built among managers and congregations. Although this system is based on a relationship of mutual trust, more systematic and transparent reporting practices are needed to improve accountability. Furthermore, research by Pratiwi & Iliyin (2023) examined accountability and transparency at the At Tafakur Orphanage Foundation. Based on the results of their research, it was found that the orphanage did not yet have an adequate recording system regarding the receipt and expenditure of donations, both in the form of goods and food provided by donors. This lack of neat recording creates potential risks in terms of accountability due to the lack of clear documentation regarding the flow of goods and food received or distributed by the orphanage (Arwani & Priyadi, 2024). These two studies show the importance of implementing a more transparent and accountable system

in financial management, both in mosques and orphanages. Trust based reporting without clear documentation supports the risk of reducing the level of accountability. Therefore, reforms are needed in the financial management of religious and social organizations so that they can be more transparent and reliable, especially in terms of recording and reporting in accordance with applicable accounting standards (Radiansyah et al., 2023; Masfufaheta et al., 2023; Prasetio, 2024).

This study focuses on the importance of understanding donors' views on transparency and accountability in nonprofit organizations. The main reason why donors' views are the focus is the lack of research that explores this aspect. The researcher hopes that by revealing donors' views, nonprofit organizations can improve their transparency and accountability in managing funds. This aims to attract more donors and maintain their trust, so that donors feel safe and confident that their funds are being managed well. The formulation of the research problem is to determine the extent of transparency and accountability of nonprofit organizations in reporting their finances from the perspective of donors. This study also seeks to understand the accuracy and completeness of the information provided by nonprofit organizations in achieving their program goals. In addition, this study wants to find out how donors view the organization's openness in preparing the budget for the program to be implemented. The purpose of this study is to reveal donors' understanding of openness in managing funds by nonprofit organizations. This study also seeks to explore the level of donor trust in the management of donation funds and how donors view accounting practices and the transparency of financial reports prepared by the organization. Thus, this study is expected to provide deeper insight into the relationship between donors and nonprofit organizations regarding fund management and financial reporting.

1.2 Formulation of Problem

The problem in this study is the transparency and accountability of nonprofit organizations in financial reporting from donors' perspectives. Finding out to what extent

the accuracy and completeness of information is provided by nonprofit organizations in achieving the goals of a program. And how do donors view the transparency of nonprofit organizations in preparing the budget for the program they want to run?

1.3 Research Purposes

This study aims to reveal a donor's understanding of the transparency of funds managed by a nonprofit organization. Reveal a donor's trust in the management of donation funds. And reveal the donor's views on accounting practices and the transparency of a nonprofit organization's financial reports.