

Comparison Corporate Social Responsibility (Csr) Budgeting and Csr Realization in Pt. Pln

Rima Rachmawati¹, Yuliawati²

¹Lecturer of Faculty Economy at Widyatama University .

E-mail : rachmawati.rima@yahoo.com, mobile phone number : +6281572997995

²Student of Faculty Economic at Widyatama University.

Abstract. Corporate Social Responsibility (CSR) is a concept that organizations, especially companies have a customers responsibility, employees responsibility, shareholders responsibility, communities and environment responsibility in all aspects of company operations.

CSR responsibility procedure at PT PLN through several stages of budget planning, budget preparation, budgeting and budget approval. Budgeting of corporate social responsibility at PT PLN is the source of his funds is determined based on the maximum amount of profit after tax of 2% in accordance to BUMN law (BUMN is abrigement Badan Usaha Milik Negara –in english State owned enterprises-).

PT. PLN have corporate social responsibility realization of his achievement in 2007, 2008 and 2009 reached 100%. The implementation of corporate social responsibility can be done in the form of setting aside some of its net profit guidance for small businesses or cooperatives and community development around the company. And so far the management of funding in PT. PLN (Persero) have to say very good because the purpose of allocating funding social responsibility itself has reached the target.

Keyword : corporate social responsibility, budgeting

I Introduction

The theory of stakeholders consider that the enterprise systems or subsystems together with all other groups in society affected by / or influencing the company. Shareholders' views are expressed only one component of several stakeholders, in addition to investors, suppliers, employees and customers, they also need to consider the person, society, government and all other stakeholders in making corporate decisions.

PT. PLN is one company that was owned by the State (SOEs). As stated in Law No. 40 of 2007 article 74, paragraph 2 that the social and environmental responsibility is an obligation the company is budgeted and accounted for as an expense, companies whose practices were carried out with due regard to propriety and fairness. So even with the Law No.20 of 2008 (July 4, 2008) on micro, small and medium enterprises (MSMEs), article 21 states that the state can provide financing from the provision of annual income that is allocated to SMEs in the form of loans, grants and other financing.

PT PLN as well as a Limited Liability Company State Owned affected by both the Act. This means that PT PLN obliged to fulfill its social responsibility and the provisions stipulated in the Act state that is by setting aside one to two percent of net income will be allocated to the cost of social responsibility.

Budget is a determination of the government strategy, corporate or business entity in the future. Budget is an active thought to determine which will be done in the future. With the company's budget system is expected to have good planning, as well as planning tools, budgeting can be used as work and as a means of coordinating work controlling.

Basic budgeting PT PLN is the realization of the previous year's budget. Likewise for the preparation of the budget for CSR PT PLN will determine based on the realization of the previous year. Later with the realization of the budget will be compared to see the level of achievement of targets that have been agreed between the legislative and executive branches.

Based on the above authors were interested in doing research on comparisons between the budget with the realization of CSR CSR.

In accordance with the title is taken, the authors identify several problems including the following:

1. What are the procedures for preparing and reporting the budget CSR (corporate social responsibility) in the PT. PLN (Persero) Bandung Indonesia?
2. How it compares to the budget with the realization of CSR (corporate social responsibility) in the PT. PLN (Persero) Bandung Indonesia?

II LITERATURE

Budget

Corporate budgeting or more often called this budget has varied definitions, but if observed carefully each of these definitions will have the same meaning or nearly the same, differences exist in general is the focus of the budget range, whether the procedure or on the contents of the budget to be prepared.

According to M. Nafarin (2004) understanding of the budget are as follows:

"The budget is a financial plan that is prepared periodically by the program that was approved. Budget (bugdet) is a written plan of activities of an organization that expressed quantitatively and are generally expressed in units of money for a certain period. "

Other terms used are significant the budget goals are as follows:

- ✓ *Bussines Budget*
- ✓ *Profit Planning and Control*
- ✓ *Comprehensif Budgeting*
- ✓ *Managerial Budgeting*
- ✓ *Bussines Budgeting and Control*

In compiling the budget should note the following requirements:

1. Realistic, meaning that it is possible to achieve

2. Flexible, that is, not too stiff, has a chance to be adjusted to the circumstances which may change
3. Continuous, meaning that the company's budget requires ongoing attention and is not an incidental business.

To find out the budget concept more clearly, the following described some characteristics of the budget.

According Mulyadi (2001) budget characteristics are:

1. Budget expressed in units of money.
2. Budget generally cover a period of one year.
3. Budget Management means the commitment or ability, which means that the management agrees to accept responsibility for achieving the target set in the budget.
4. Proposed budget reviewed and approved by authorities higher than the budget.
5. Once approved, the budget can only be modified under certain conditions.
6. Periodically, actual financial performance compared to the budget, the difference in the analysis and explained.

From these opinions can be stated that the budget is an estimate of the results to be achieved within a certain period of generally one year, expressed in monetary terms contained therein or quantitative commitment from management to achieve budget, always evaluated and authorized by management level higher which is the basis for the performance of the manager of budget execution

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a concept that organizations, especially (but not only) companies are having a responsibility towards customers, employees, shareholders, communities and environment in all aspects of company operations.

CSR related to "sustainable development", in which there is the argument that a firm in implementing its activities should base its decisions not solely based on financial factors, such as profits or dividends, but also must be based on social and environmental consequences for current and long term.

According to the Experts Committee of Indonesia (CSR Award: 2008) notion of corporate social responsibility or CSR is as follows: "Corpotare Social Responsibility is the commitment of companies that operate legally, ethically, and contribute to sustainable development in order to improve the quality of life for all stakeholders".

According to Darwin (2004) said that the Corporate Sustainability Reporting is divided into 3 categories: economic performance, environmental performance and social performance. Meanwhile, according to Ahmed & Zhegal (1990) identify issues relating to corporate social reporting are as follows:

- a. Environment, including pollution control, prevention or repair of damage to the environment, nature conservation, and other disclosures relating to the environment.
- b. Energy, including energy conservation, energy efficiency, etc..
- c. Fair business practices, including empowerment of minorities and women, support for minority businesses, social responsibility.
- d. Human resources, including activities within a community, in terms of health care, education and the arts.
- e. Products include safety, pollution reduction, etc..

The purpose of the disclosure of corporate social responsibility by Puspitaningrum (2004) put forward four goals of social disclosure, namely:

1. Identifying and measuring corporate social contribution of each period, which is not only a form of internalization of social cost and social benefit, but also the influence of these externalities on different social groups.
2. To help determine whether the company's strategy and practices directly affect the status of resources and strengths of individuals, communities, social groups and generations that are consistent with social priorities on the one hand with the aspirations of individuals on the other.
3. To provide optimal information relevant to the social elements in the objectives, policies,

programs, performance, and company contributions toward social goals.

4. To increase the company's competitive advantages in globalization and / or free trade.

Reporting Objectives Actual Budget

According Nafarin (2007: 19) the purpose of reporting on budget performance which is to provide information about actual and budget entities reporting period.

Benefits of budget information that is:

- Provide information on sources, allocation and use of economic resources company.
- Providing information on the overall budget that is useful in evaluating company performance in terms of efficient and effective use of budget.

Report on budget provides useful information in predicting the economic resources that would be acceptable to mark the company's activities in future periods by presenting a comparative report. Budget realization report provides information to users report about indications acquisition and use of economic resources company.

III RESULT AND DISCUSSION

The experiment was conducted at PT. PLN (Persero) UPJ North Bandung located at Jl. Ir. H. Djuanda No. 183 Bandung.

Vision of PT PLN (Perseo)

Recognized as World Class Company that it is flourishing, Superior and Reliable, with Insani potentials.

The mission of PT PLN (Persero)

1. Running a business electricity and other related fields, oriented to customer satisfaction, corporate members, and holders of separation.
2. Making electricity as a medium to improve the quality of community life.
3. Striving for power to drive economic activity.
4. Running a sound business environment

Budgeting Procedures Corporate Social Responsibility at PT. PLN (Persero) Bandung

Basis of preparation of the budget at PLN (Persero) Bandung Network North Service Unit is the realization of the budget in previous years based on analysis of past and present economic circumstances. Budget at PLN (Persero) have been prepared within one year, based on calendar year, and the type of budget that uses a system of regular budget. In practice, the annual budget of PT. PLN (Persero) is divided into quarterly budgets, it is intended to facilitate under its control.

The preparation of the budget for the next period begins when entering the third quarter of the current fiscal year (around September to December). Budgeting process should be made considering the limited time set by PLN center. Before becoming Persero, PT budget. PLN following the government budget is assumed to start from April 1 to March 31 next year. After becoming Persero, PT budget. PLN starting from 1 January to 31 December the same year.

In preparing the work plan and proposed budget PLN starts from the bottom the proposed organization to organization on it, so it will be arranged a joint proposal of the work plan and budget proposal entire company PLN. Proposed work plan and budget PLN, submitted to the Board of Commissioners, which was submitted by the General Meeting of Shareholders to obtain approval.

As described in the previous explanation, PT. PLN (Persero) has formed part of the Budget Distribution or Territory whose task, among others, prepare and monitor the company's revenue and expenditure budgets and funding needs of development and restoration of electric power provider facilities. Also part of this budget has a function to establish and control the electric power supply budgets, and controlling the development budget and the provider of electricity were the means of restoration. Before the budget plan budget, the budget committee was formed in advance in order to evaluate the budget plan.

Within the budgeting corporate social responsibility, PT. PLN (Persero) use a combination of top-up method of approach and bottom up approach, where lower level managers directly involved in the determination of the

budget planned by top level managers who will produce decisions based on mutual agreement. Thus, the preparation of the budget will be similar to the conditions, facilities, and the ability of each part in an integrated manner because of the participation and active communication between the managers with other parts contained in the company in preparing the budget.

At PT. PLN (Persero) the procedure for the preparation of corporate social responsibility budget plan prepared under the conditions set PLN center, with a view to achieving uniformity of four units of income, so that at the time of budget preparation will be easier. Here are some steps in preparing the budget, namely:

- At headquarters, corporate social responsibility budget plan is evaluated by the budget.
- Based on utilization targets established central PLN, the PLN units (branches) makes Spreadsheet Operations (LKO) as a discussion of the central budget and the budget PLN held a budget discussion with the condition of the centers of the budget of each directorate PLN and representatives from PLN units resulting in Operating Costs Worksheet (LKBO) as a result of the discussion.
- LKBO approved for directors, it will be a draft work plan budget of PLN. In preparing the draft Corporate Budget Work Plan (CBP), conducted with due regard to the distribution and condition of the company, which will generate sufficient CBP.
- CBP was filed in the Hearing Board of Commissioners (SDK) for further discussion by evaluating whether the proposed Budget for the coming year in line with the firm's short term plan, then submitted to the directors before the Annual General Meeting of Shareholders (GMS).
- PLN center and part of the budget to correct the draft CBP as a material for the AGM and as the final discussions to prepare the upcoming budget year, then see whether the draft CBP can be implemented in accordance with the data owned by shareholders. After the

approval of directors, the draft Budget will again be discussed in the SDK

- Draft Budget submitted to the AGM, the meeting CBP that has been received will be submitted and can be implemented as CBP for future periods
- PLN center and part of the budget make a determination of the budget for the administrative unit of PLN.
- Each unit of administration shall allocate the determination of the central office budget execution subordinates.
- Upon receipt of PT. PLN (Persero) and evaluated, there are two possibilities that is accepted and rejected the budget. If rejected, will be accepted and implemented immediately to the part contained in the company to be forwarded to the sub-unit that is below budget due to the use of too low value of the proposed, the committee will return to the main office to present a proposal. Once received at headquarters with all the approvals, then LKAO a discussion between the central office to office units.

Sources of Corporate Social Responsibility budget funds derived from the maximum allowance for profit after tax of 2%. This is consistent with Ministry Regulation BUMN No. PER-05/MBU/2007 April 27, 2007, regarding the funding sources of small business partnerships and community development program which is as follows:

1. Small Business Partnership Program (in Indonesia said Program Kemitraan Usaha Kecil) source of the money comes from allowance for profit after tax of a maximum of 2%, the result of administrative services and the bank reduced interest expense operasinonal.
2. Community Development Program (in Indonesia said Program Bina Lingkungan) sources of funds come from retained earnings and yield a maximum of 2% bank interest after deducting operating expenses.

If corporate profits will fund the budget deficit comes from the operating budget of PLN according to the provisions GMS. The fund delivered 45 days after the determination, and for

the bookkeeping entry on the consolidated operating expenses but separated from bookkeeping PLN. The report contains several

accounts of early cash, receipt of funds, and allocating funds.

**COMPARATIVE ANALYSIS OF BUDGET AND REALIZATION
CORPORATE SOCIAL RESPONSIBILITY
YEAR 2007-2008-2009**

Account Name	2007			2008			2009		
	Budget	Realization	%	Budget	Realization	%	Budget	Realization	%
Improving Education	74.000.000	20.000.000	27	70.000.000	17.049.000	24.4	35.000.000		
Protecting the Environmet					20.167.000	28.8		35.000.000	100
Improving health		26.243.500	35.5		5.817.000	8.3			
Public Facilities					11.562.500	16.5			
Religious Facilities		27.756.500	37.5		15.404.500	22			
Total	74.000.000	74.000.000	100	70.000.000	70.000.000	100	35.000.000	35.000.000	100

From the table above can be seen that the budget from 2007 to 2009 reached 100%. But from 2007 to 2009 experienced a considerable amount of reduction. From 2007 to 2008 decreased by Rp. 4,000,000. While from 2008 to year 2009 decreased by Rp. 35,000,000. In the year 2007 budget of Rp. 74 million. realized 100%.

The amount is divided to several facilities that is to increase education of Rp. 20,000,000 (27%), to improve the health of Rp. 26,243,500 (35.5%), and for the improvement of religious facilities amounting to Rp. 27,756,500 (37.5%). In the year 2008 budget of Rp. 70 million realized 100%. The amount is divided to several facilities that is to increase education of Rp. 17.49.000 (24.4%), for the preservation of the environment of Rp. 20.167 million (28.8%), to improve the health of Rp. 5.817 million (8.3%), to repair public facilities amounting to Rp. 11,562,500 (16.5%), and for the improvement of religious facilities amounting to Rp. 15,404,500 (22%). In the year 2009 budget of Rp. 35 million realized 100%, this fund is concentrated to one means the preservation of the environment of Rp. 35,000,000.

From the above table can be seen that the PT. PLN (Persero) have to say very good because each fund is

budgeted nearly every year realized as much as 100%. But when viewed from year to year decline. In 2007 the fund is budgeted at Rp. 74 million decrease in 2008 is Rp. 70,000,000. However, a very drastic reduction of almost 50% from previous year's budget of Rp. 70 million to Rp. Occurred 35 million in 2009 and this is because the proposal is entered on the PT. PLN (Persero) to request funding only one that meets the requirements for the manufacture of garden cherry only. Then in 2009 PT. PLN (Persero) funds focus only on the means of environmental preservation

IV CONCLUSION

Based on the results of research on the preparation and reporting of budget and realization of Corporate Social Responsibility at PT. PLN (Persero) Network Services Unit of North Bandung Indonesia authors to conclude that in. PLN (Persero) the procedure for the preparation of corporate social responsibility budget plan prepared under the conditions set by PLN in accordance with the circular center of directors of PT. PLN (Persero) No. : 21.E/021/DIR/2000, with a view to achieve uniformity in units of income, so that at the time of budget preparation will be easier.

Realization of corporate social responsibility can be viewed in the PT. PLN (Persero) and the results are both on the grounds nearly every funds are budgeted annually realized as much as 100%.

Reference

Ellen Christina. 2001. Anggaran Perusahaan, Jakarta, PT. Gramedia Pustaka

Gunawan Adisaputro dan Marwan Asri. 2003. Anggaran Perusahaan, Jilid 1, Yogyakarta, BPFE Universitas Gajah Mada

M. Munandar. 2001. Budgeting : Perencanaan Kerja, Pengkoordinasian kerja,

Pengawasan Kerja. Edisi Pertama. Yogyakarta, BPFE Universitas Gajah Mada

M. Nafarin. 2004. Penganggaran Perusahaan, Edisi Revisi, Jakarta, Salemba Empat

Mulyadi. 2001. Akuntansi Manajemen : Konsep, Manfaat, Rekayasa, Edisi

Ketiga, Jakarta, Salemba Empat

Tendi Haruman dan Sri Rahayu. 2005. Penyusunan Anggaran Perusahaan, Graha Ilmu

www.wikipedia.com

www.wordpress.com