ARTIKEL

ANALYSIS OF ACCOUNTS RECEIVABLE TURNOVER AT PT. XXY, A MANUFACTURING COMPANY IN GRESIK

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Abstract

This research aims to analyze the accounts receivable turnover at PT. XXY, a manufacturing company in Gresik. The study focuses on the efficiency of the company's receivables management in measuring how quickly the company converts trade receivables into cash. The analytical method involves collecting historical data on receivables, financial statements, and the company's receivables management policies. The research results will provide in-depth insights into the effectiveness of the company's receivables policies and offer recommendations to enhance accounts receivable turnover. This study has strategic implications for improving the company's liquidity, optimizing financial resources, and supporting sustainable growth. Thus, the research makes a significant contribution to both practical and academic understanding of financial management in manufacturing companies.

Keywords: Accounts Receivable Turnover, Manufacturing Company, Receivables Management, Financial Efficiency.

A.   INTRODUCTION

Generally, the objective of a company is to achieve profitability (*profit-oriented*). The success of a company in business can be attained when its management system is effective, particularly in financial management, ensuring that the working capital functions as intended. In the realm of financial management, particularly concerning accounts receivable, thorough analysis is imperative. This ensures that financial management policies operate effectively.

Credit sales represent one method for a company to meet its needs in order to boost sales volume. In general, receivables arise due to credit transactions involving the sale of goods or services. Receivables occur in every company, whether in the form of credit purchases of goods or non-cash sales of goods. Therefore, receivables management requires meticulous planning, starting from credit sales that generate receivables to their conversion into cash. The higher the value of a company's receivables, the more indicative it is of a higher volume of credit sales.

The performance of a company encompasses a broad spectrum of dimensions, including investment, operational, and financing activities (Santoso & Handayani, 2018). Success in a company can be gauged by the level of profitability achieved through its sales activities. Profitability stems from the company's engagement with human resources, natural resources, and capital. However, the profitability attained by a company cannot solely serve as a benchmark for its operational efficiency.

According to Handayani (2020), the establishment of a company aims to develop, gain profits, ensure sustainability, and satisfy customers through the company's products and services. The success of a company can also be assessed through effective accounts receivable management by the responsible parties. Although credit sales may yield greater profits, this aspect is not exempt from the potential losses a company may incur if customers fail to settle outstanding receivables.

Accounts receivable refer to a sum of invoices that a company expects to receive (typically in cash) from various parties (Salek, 2005). This can result from the provision of

goods and services on credit (for customer receivables, including trade receivables and potentially promissory notes), extending loans (for employee receivables, debtor receivables, and interest receivables), or as a consequence of overpayment to other parties (for tax receivables).

According to Saputri et al. (2018), accounts receivable turnover is a ratio used to measure how long it takes to collect receivables during a specific period or how many times the funds invested in these receivables circulate within one period. Accounts receivable turnover is the comparison between sales and the average receivables. It indicates the effort to measure how often receivables convert into cash within a given period. As stated by Prihadi (2020:151), accounts receivable turnover represents a company's ability to handle credit sales and its policies.

The accounts receivable turnover ratio is a financial metric that reveals how quickly credit sales can be converted into cash . This ratio is used to measure a company's efficiency in managing and collecting credits extended to customers. The presence of accounts receivable turnover provides insights into both the marketing performance in attracting potential buying customers and their potential in timely payments (Ahmad, R., & Buttle, F., 2001).

Research on accounts receivable turnover has been conducted by Nginang (2019) in a study on PT Nippon Indosari Corpindo Tbk in Makassar. The findings of this research state that the company's accounts receivable turnover rate experienced inconsistency (fluctuations) from year to year.

Meanwhile, a study by Octaviany, Kustari, Anasari (2020) on the Accounts Receivable Turnover Rate at PT. Anugrah Textile in Jakarta examined the turnover rate of trade receivables at PT. Anugrah Textile Jakarta. The results of the research indicate a decline in the company's accounts receivable turnover rate from year to year. Slower payment terms are detrimental to the company because delayed working capital invested in receivables takes longer to return as capital or cash, meaning a lower accounts receivable turnover rate.

PT.XXY operates in the logistics service sector, covering forwarding, sea transportation, land transportation, warehouse leasing services, workshops, and heavy equipment services. The company provides services to industries in Indonesia (Hanifah, 2016). In 2020, PT.XXY had larger receivables compared to its sources of income. Data shows that throughout 2020, the company generated income from various business revenue sources.

Table 1. Trade Receivables and Sales for the Month January-December (2020)

Month	Trade Receivables (IDR)	Cash Sales (IDR)
January	70.963.827.615	41.792.066.383
February	56.962.753.329	30.766.606.518
March	54.311.926.740	38.491.169.601
April	51.524.236.085	36.310.435.009
May	54.050.595.055	38.643.670.287
June	57.553.408.006	36.831.073.788
July	56.790.597.678	35.370.545.122
August	58.579.597.678	35.629.478.561
September	54.159.630.739	30.310.369.366
October	59.907.193.312	33.217.864.243
November	55.115.378.292	33.184.696.031
December	47.812.107.533	34.350.111.904
Amount	667.731.172.409	424.898.086.823

Source: Financial Report of PT XXY (2020)

In Table 1, PT XXY exhibits receivables that are greater than its sources of income. Based on the data obtained, during the year 2020, the company generated income from cash sales amounting to Rp. 424,898,086,823,-, while it had accounts receivable totaling Rp. 677,731,172,409,-.

From the description above, it can be determined how the company's accounts receivable turnover rate stands, whether it is high, low, or unstable (fluctuating). Therefore, based on this exposition, the researcher is interested in conducting a study titled "**Analysis of the Accounts Receivable Turnover Rate at PT XXY, a Manufacturing Company in Gresik.**"

B. LITERATURE REVIEW
1. Previous Research

Indeed, numerous researchers have conducted studies related to accounts receivable turnover; however, in-depth analyses specifically addressing effective accounts receivable turnover to minimize the risk of uncollected receivables are still relatively scarce in the existing body of research.

Table 2. Research Gap

Research Title	Research Variables	Method Results	Discussions
Octaviany, Kustari, Anasari (2020) on the Turnover Rate of Receivables at PT. Anugrah Textile in Jakarta	Turnover rate of receivables	Qualitative Data Analysis	The company's turnover rate of receivables has experienced a decline from year to year. The slower the payment terms, the worse it is for the company because the slower the working capital invested in receivables returns to capital or cash, indicating a lower turnover rate of receivables.
Alfiah, Novialumi (2022) on the Analysis of Uncollected Receivables on the Turnover Rate of Receivables at PT. Fastrata Buana Bekasi.	Uncollected receivables management	Descriptive Qualitative Analysis	The management of uncollected receivables at PT. Fastrata Buana Bekasi has been carried out well. This can be seen from the calculations of ratios related to the turnover rate of receivables, namely Receivable Turn Over (RTO), Average Collection Period (ACP), arrears ratio, and collection ratio.
Tambunan (2016) on the Analysis of the Turnover Rate of Receivables at PT Perdana Gapuraprima for the Period 2012-2014.	Turnover Rate of Receivables	Descriptive Analysis	The turnover rate of receivables at PT Perdana Gapuraprima is very low from year to year, indicating that the management's collection efforts are considered unsuccessful. The collection period from year to year is significantly higher than the industry average of 60 days, indicating that the company is unable to collect receivables in a

			timely manner. The arrears ratio fluctuates, with 42.58% in 2013 and 34.91% in 2014. The collection ratio increases, indicating that the company is successful in collecting receivables.

2. Receivable Definition

The implementation of a credit sales system represents one of the company's endeavors to enhance sales volume. Credit sales do not immediately generate cash; rather, they result in the creation of accounts receivable. According to Reviandani (2021:16), accounts receivable entail obligations from other parties (*creditors or customers*) arising from the sale of goods on credit (*on-account*) or the provision of loans to employees, corporate officials, subsidiaries, and others.

As per Hery (2017:150), accounts receivable refer to a set of invoices that a company expects to receive (generally in cash) from other parties. These invoices may stem from the delivery of goods and services on credit (customer receivables, comprising trade receivables and possible promissory notes), extending loans (employee receivables, debtor receivables, and interest receivables), or due to overpayment to other parties (tax receivables).

In the study by Fijrin and Handayani (2022), accounts receivable constitute a specific type of accounting transaction that involves the collection of debts from consumers indebted to an individual, a company, or an organization for goods and services provided to them. In the pursuit of developing the activities of a company, the involvement in credit sales, or the provision of receivables with the intent of boosting sales volume, is integral. While an increase in the expected sales volume aims to enhance the residual business outcome, the impact of sales through a credit system is substantial.

3. Receivable Turnover

According to Pongoh, M. (2013), Accounts Receivable Turnover is a ratio used to measure how long receivables are collected during a specific period or how many times the funds invested in these receivables circulate within that period. Furthermore, with the presence of Accounts Receivable Turnover, it becomes possible to assess the performance of the marketing department in identifying potential customers who not only have the potential to make purchases but also the potential to settle their receivables.

As stated by Saputri et al. (2018), accounts receivable turnover is the comparison between sales and the average receivables. This metric indicates the effort to measure how frequently receivables convert into cash within a given period. Effective and efficient management of accounts receivable turnover is expected to result in increased profits or a higher level of company profitability.

According to Agustina & Nugraheni (2020), accounts receivable turnover within a company can be categorized as a crucial activity. The higher the accounts receivable turnover, the more receivables the company can collect. Consequently, this facilitates cash flow and reduces the likelihood of uncollected receivables for the company. Therefore, the presence of Accounts Receivable Turnover allows for an evaluation of the marketing department's performance in identifying customers who may not only purchase goods or services but also settle their receivables.

4. Receivable Management

According to Siekelova,et al. (2017), the management of trade receivables begins with the decision of whether to extend credit or not. In managing receivables, there are also various ways in which a company's receivables are formed and several alternative methods to monitor them. Monitoring systems are employed because, without them, receivables may accumulate excessively, cash flow may decline, and uncollected receivables may overshadow profits from sales.

According to Surono, Rahayu, Zahroh (2015), effective receivables management will influence the improvement of a company's profitability. This is because effective receivables management efforts in a company depict the level of profitability. The relationship between effective receivables management and profitability lies in the fact that effective receivables management reflects a higher turnover of receivables within a period. Consequently, the company has the opportunity to gain profits from a faster turnover of receivables, ultimately impacting the overall profitability of the company.

5. Credit Sales System

Purnomo (2020), states that credit sales are conducted by companies by dispatching goods in accordance with orders received from consumers. For a specified period, the company holds an account receivable from the consumer. To avoid uncollectible receivables, every initial credit sale to a buyer is preceded by an analysis of the creditworthiness of that buyer. Generally, manufacturing companies sell their products using a credit sales system.

Functions associated with the credit sales system, according to Mulyadi (2001), include:

a. Sales Function

This function is responsible for receiving purchase orders from buyers, editing customer orders to add information not present in the purchase order (such as product specifications and shipping routes), requesting credit authorization, determining the delivery date, determining from which warehouse the goods will be shipped, and completing the delivery order form.

b. Credit Function

This function falls under the financial function and, in credit sales transactions, is responsible for examining the credit status of customers and providing authorization for credit extension to customers.

c. Warehouse Function

This function is responsible for storing goods, preparing items ordered by customers, and handing over products to the shipping function.

d. Shipping Function

This function is responsible for delivering goods based on the shipping document received from the sales function. It ensures that no goods leave the company without proper authorization.

e. Billing Function

This function is responsible for creating and sending sales invoices to customers, as well as providing invoice copies for recording sales transactions by the accounting function.

f. Accounting Function

This function is responsible for recording receivables arising from credit sales transactions and creating and sending statements to debtors. Additionally, it generates sales reports. The accounting function is also responsible for recording the cost of goods sold in the inventory ledger.

6. Principles of Credit Granting

According to Reviandani (2021:176), credit analysis is provided to all potential customers by considering the 5C, 7P, The 5C analysis is as follows:

a. Character (Trustworthiness)

Instilling confidence in the character and nature of the individual seeking credit and emphasizing a commitment.

b. Capacity (Ability)

Evaluating the customer's ability to repay the credit, linked to their proficiency in managing business operations and generating profits.

c. Capital

Examining the debtor's ability to use capital effectively and efficiently by reviewing financial statements.

d. Collateral

Assessing the collateral or security provided by the potential customer, whether physical or non-physical, to secure the credit.

e. Condition

Assessing current economic, social, and political conditions and predicting future possibilities.

In addition to the 5C analysis, banks generally apply the 7P principle for credit disbursement. The 7P principle covers the following aspects:

a. Personality

Assessing the customer's personality or character, focusing on their life history.

b. Party (Group)

Grouping customers into specific categories based on their loyalty, and character.

c. Purpose (Final Goal)

Identifying the customer's goals and the type of credit they intend to take.

d. Prospect (Potential)

Evaluating the potential of the customer's business for future profitability.

e. Payment

Examining how the customer intends to make credit payments and the source of funds for repayment.

f. Profitability

Assessing the customer's ability to generate profits from their business.

g. Protection

Safeguarding or protecting how the business operates and obtaining security measures, such as insurance guarantees.

C. METHODS

The research location is where the researcher obtains information about the required data and where the research will be conducted. The research location is at Jalan Raya Roomo Number 242, Maduran, Roomo, Burung Pintang District, Gresik Regency, East Java. The research method employed in this study is qualitative. Qualitative Research Method can be defined as a research method grounded in positivist philosophy, used to investigate naturalistic objects, where the researcher serves as the key instrument, data collection techniques are conducted through triangulation, data analysis is both inductive and deductive, and the results of qualitative research emphasize understanding meanings and constructing phenomena rather than generalizations (Sugiyono, 2019:26). It is termed qualitative because this research attempts to explain objects relevant to existing phenomena or problems.

The data sources used in this research are primary data and secondary data. According to Handayani et al. (2021:16), primary data sources are data collected, processed, and

presented by the researcher taken directly from the source. The primary data used in this research is in the form of interviews. Interviews are conducted to understand the procedures for granting receivables at PT XXY. Meanwhile, according to Sugiyono (2019:193), secondary data is a source that does not directly provide data to data collection. In this research, secondary data is obtained from sources in the form of the annual financial reports of PT XXY.

The researcher uses several methods in data collection as follows (Hardani et al., 2020:152):

1. Interviews: In this research, one of the data collection techniques is interviews. The researcher will engage in direct communication through question-and-answer sessions with specific company representatives to gather information about the receivables granting process and efforts to minimize uncollectible receivables at PT XXY.

2. Documentation: This research uses data collection techniques through documentation. Documentation involves the process of obtaining data by recording existing data. In this study, financial reports for the year 2020 from PT XXY are used.

In qualitative research, Informantts play a crucial role. To obtain Informantts, this research uses purposive sampling. According to Sugiyono (2020:96), purposive sampling is a technique of sampling data sources with specific considerations, such as selecting individuals who are considered to be the most knowledgeable about what is expected, or perhaps they are decision-makers, making it easier for researchers to explore the situation/social object under study. In this research, two Informantts will be selected, namely those involved in the debt collection and receivables handling activities, including the head of the collection department and the marketing manager at PT.XXY. There are several criteria for Informantts in this study, including:

1. Employees working at PT.XXY.
2. Employees directly involved in the receivables application process.
3. Employees directly involved in receivables decision-making (authorization).

The data analysis technique used in this research follows the model proposed by Miles and Huberman, including data reduction, data display, and conclusion drawing. Several data analyses are conducted, including:

1. Analyzing the receivables granting procedures at PT XXY.
2. Calculating the receivables turnover rate for the year 2020 based on the receivables data for the same year. The receivables turnover rate is a ratio used to measure how long the receivables are collected during a period or how many times the funds invested in receivables rotate within a period. Receivables turnover is also known as Receivable Turn Over (RTO). A higher ratio indicates that the working capital invested in receivables is lower, which is favorable for the company. Conversely, if the ratio is lower, it suggests overinvestment in receivables. The formula to calculate the Receivable Turn Over (RTO) is as follows:

$$Average\ Receivables = \frac{Beginning\ Receivables + Ending\ Receivables}{2}$$

$$Receivables\ Turnover\ Rate = \frac{Credit\ Sales}{Average\ Receivables}$$

Table 3. Assessment of Receivables Turnover Rate

Criteria	Receivables Turnover Rate (RTO)
High	≥ 70 times
Medium	≥ 40 times - 70 times
Low	≤ 40 times

Source: Financial Guidelines of PT XXY

3. Analyzing the handling of uncollectible receivables at PT XXY, a manufacturing company in Gresik.

D. RESULTS AND DISCUSSION

PT. XXY is a service-oriented company located in the city of Gresik. PT. XXY began its journey on April 18, 1990. The services provided by the company have gained recognition from other entities. Over time, PT.XXY has diligently worked, expanded its business, and has been entrusted to provide comprehensive logistics services to various industries. With the motto "Logistics Facility Solutions," PT.XXY consistently adapts to the changing times and strives to be the first choice as a business partner in maximizing industrial activities, driving economic wheels, and ensuring overall company growth from upstream to downstream. PT. XXY operates in the fields of workshops, transportation, general trade, and services.

Data Analysis
Data Reduction

Miles and Huberman, as cited in Sugiyono (2020:134), define data reduction as summarizing and selecting essential elements, focusing on important aspects, and identifying themes and patterns. In this research, data reduction involves summarizing and extracting the main information, which can be outlined as follows:

Table 4. Discussion Results of the Credit Provision Procedure at KSPPS BMT Mandiri Sejahtera East Java Branch in Balongpanggang

Informant	Key Phrases	Sub-Theme	Theme
Marketing Manager	During the credit purchase application process, credit will not be granted if the required documents are incomplete or do not meet the requirements.	Requirements for the applicant's receivables application documents	Receivables Granting Procedures
	The finance department will review the customer's payment history for previous receivables, including late or timely payments. Examining the industry or sector conditions of the customer is also crucial because industry conditions can impact the customer's ability to repay the provided credit. The marketing manager will make a decision on the feasibility of the receivables application. If feasible, the application will be processed, and the receivables will be granted.	Receivables Analysis	
Billing	During the receivables	Credit Policy	Receivables Granting

Department	application process, receivables will not be allowed if the documents are incomplete and do not meet the requirements. Productive business conditions are prioritized in receivables granting.		Procedures
	Personality (Character). Potential customers must have moral character and positive qualities and be responsible for their obligations. Capacity. The source of income and earnings of potential customers becomes a crucial point in assessing the feasibility of granting receivables because knowing the income and earnings of potential customers can determine their ability to repay the receivables. Capital. Potential customers with a steady income and multiple businesses cannot be a crucial point in approving credit applications because having a steady income and multiple businesses does not necessarily indicate good financial character. Collateral The appraised value of the collateral provided must be greater than the amount of receivables requested. Economic Conditions That will affect the customer's business development, which may affect the customer's ability to fulfill obligations.	Receivables Analysis	

	Receivables Analysis Receivables Granting Procedures		

Source: Research Process (2023)

The above research results indicate that various procedures are involved in the process of extending receivables to potential customers. The table above shows that within the theme of receivables, there are sub-themes such as the requirements for credit application documents, receivables policies, and receivables analysis. Meanwhile, in the disbursement of receivables, special attention should be given to uncollectible receivables as it can affect the company's financial health.

At PT XXY, there are several receivables that have matured and remain uncollected from various credit sales. Receivable turnover is a ratio used to measure how long the collection of receivables takes during a specific period. Receivable turnover is also known as Receivable Turnover (RTO). A higher ratio indicates that the working capital invested in receivables is lower, which is favorable for the company. Conversely, a lower ratio suggests overinvestment in receivables.

Table 5. Average and Receivable Turnover January-December (2020)

Month	Accounts Receivable Turnover (IDR)	Average Receivables (IDR)
January	63.963.290.472	0,65 times
February	55.637.340.035	0,55 times
March	52.918.081.413	0,72 times
April	52.787.415.570	0,68 times
May	55.802.001.531	0,69 times
June	57.171.963.016	0,64 times
July	57.685.057.852	0,61 times
August	56.369.614.209	0,63 times
September	57.033.412.026	0,53 times
October	57.511.285.802	0,57 times
November	51.463.742.913	0,64 times
December	23.906.053.767	1,43 times

Source: Financial Statements of PT XXY (2020)

From the calculation results of the accounts receivable turnover (RTO) of PT. XXY in 2020, in January it was 0.65 times, then in February it was 0.55 times, in March it was 0.72 times, in May it was 0.69 times, in June and November were the same, namely 0.64 times, continuing in July it was 0.61 times, then in August it was 0.63 times, in September it was 0.53 times, and in October and December sequentially were 0.57 times and 1.43 times. With the standard receivable turnover at PT.XXY ranging from 5 to 10 times per year, the company expects that all its receivables will be settled within 36 to 72 working days.

At the beginning of 2020 (January), the opening balance of PT.XXY was Rp. 70,963,827,615, while its RTO was 0.65 times, which means the receivable turnover rate is 0.65 times, less than 1 time in 1 month. Thus, in January, the receivable turnover rate is relatively small, indicating a prolonged payment term, which means a longer budget in receivables, resulting in a smaller receivable turnover rate. This continues from February to November, where the RTO is less than 1 time, indicating that the receivable turnover rate is relatively low during these months. Then, at the end of the year (December), the closing balance of PT.XXY was Rp. 47,812,107,533, while its RTO was 1.43 times, indicating a receivable turnover rate of 1.43 times, more than 1 time in 1 month. Therefore, it can be said that in December, the receivable turnover rate is relatively high, indicating a faster payment

term, meaning that the funds related to receivables are turning faster, resulting in a higher receivable turnover rate. At the end of 2020 (December), the closing balance of PT.XXY was Rp. 47,812,107,533.

According to the Spenmo Team (2022), a company is considered to have a high Account Receivable Turnover Ratio when they are efficient in collecting overdue payments. Conversely, a low ratio indicates difficult-to-realize payments. It could also mean that the company is experiencing delayed or even defaulted credit.

Table 6. Discussion Results of Receivable Turnover at PT. XXY

Informant	Key Phrases	Sub-Theme	Theme
Marketing Manager	Accounts receivable supervision is conducted at the beginning of each month, where the financial team compiles and creates a list of customers with special attention to frequent late payments and overdue payments	Debt Monitoring	Accounts Receivable Turnover
	Seizure of collateral for debts	Receivables Control	
	Accounts receivable supervision is carried out by regularly communicating with customers who have outstanding debts before the payment deadline.	Debt Monitoring	
Collections Department	Sending invoice letters to customers for outstanding debts before the due date, collection through telephone calls, collection by sending warning letters, and making personal visits to the concerned consumers are carried out as they are considered more effective in the effort to collect debts from customers.	Debt Control	Accounts Receivable Turnover

Source: Research Process (2023)

Presentation Date

This indicates that to minimize trade receivables, special attention needs to be paid to the implemented credit granting procedures as follows:

Table 7. Display of Statements Regarding Receivable Granting Procedures

Informant Name	Sub-Theme	Theme
Marketing Manager	Documentation requirements for loan application	Receivables Granting Procedures
	Receivables Analysis	

Source: Research Process (2023)

Table 8. Display of Statements Regarding Receivable Granting Procedures

Informant Name	Sub-Theme	Theme
Collections Department	Documentation requirements for loan application	Receivables Granting Procedures
	Receivables Analysis	

Source: Research Process (2023)

Table 9. Display of Data Regarding Receivable Turnover

Month	Average Receivables (IDR)	Description
January	0,65 times	Low
February	0,55 times	Low
March	0,72 times	Low
April	0,68 times	Low
May	0,69 times	Low
June	0,64 times	Low
July	0,61 times	Low
August	0,63 times	Low
September	0,53 times	Low
October	0,57 times	Low
November	0,64 times	Low
December	1,43 times	High

Source: PT. XXY Data (2020)

Table 10. Data Statements Regarding Receivable Turnover

Informant Name	Sub-Theme	Theme
Manager Marketing	Debt Monitoring	Accounts Receivable Turnover
	Debt Control	

Table 11. Data Statements Regarding Receivable Turnover

Informant Name	Sub-Theme	Theme
Collections Department	Debt Monitoring	Accounts Receivable Turnover
	Debt Control	

Receivable turnover in an industry can be considered good if there are no issues of payment delays in its implementation. Based on the calculation of receivable turnover at PT. XXY throughout the year from January to November, there is inconsistency, in the form of escalation and decrease in receivable turnover, especially in trade receivables. Internal receivables management is needed to regulate the ability to minimize the value of uncollectible receivables.

From the calculation results, the excessive receivable turnover or Receivable Turn of PT. XXY from January to November is 0.69 times, meaning that from January to November, the receivable turnover is low, and in December, it is 1.43 times, indicating higher receivable turnover. In this case, PT.XXY provides a payment term of 30 days, meaning that the receivable turnover is 1 time in a month. Therefore, it is evident that the receivable turnover at PT.XXY is not good, indicating that the ability in the receivable collection department is lacking. With a low receivable turnover, it can certainly lower the industry's ability, so the profits obtained from the receivable turnover do not perform well.

E.   CONCLUSION

The receivable granting process at PT.XXY in implementing receivable granting procedures has been quite good and in accordance with the established standards. However, in its implementation, there are still shortcomings that need to be observed and improved to anticipate errors in the credit granting process that lead to the risk of uncollectible

receivables. The main cause of uncollectible receivables is due to errors on the part of the company that lacks caution and sharpness in analyzing the background of potential customers and their ability to pay receivables.

The receivable handling efforts carried out by PT.XXY, including receivable supervision and control, are not yet optimal. This results in a high value of receivable turnover (RTO) at PT. XXY, or the receivable turnover (RTO) of PT. XXY in 2020 is not good, indicating that the ability in the receivable collection department is lacking. With a low receivable turnover, it can certainly lower the industry's ability, so the profits obtained from the receivable turnover do not perform well. Therefore, the company needs to anticipate uncollectible receivables by improving supervision over the granted credit. When analyzing potential customers, they must be more careful in recognizing the criteria of potential customers who will receive credit to minimize uncollectible receivables.

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