

ANALYSIS OF THE IMPLEMENTATION OF CASH DISBURSEMENT SYSTEMS AND PROCEDURES USING MONEY SUPPLY IN BINJAI CITY GOVERNMENT

Anggi Pratama Nst^{1*}, Riza Reptika Sari², Ikhah Malikhah³
University of Pembangunan Panca Budi

Keywords:

Systems, Procedures for Spending
Cash, Stock Money

***Correspondence Address:**

anggipratama@dosen.pancabudi.ac.id

Abstract: This research is aimed at seeing how the cash disbursement procedure mechanism works using non-cash transaction methods at the Binjai City Government and to see how the Binjai City government overcomes problems in carrying out non-cash transactions. This research uses descriptive/qualitative methods by paying attention to aspects of implementation carried out using applicable theory, evaluating based on applicable regulations and providing conclusions. The results of the research show that the system and procedures for disbursing supply money (UP) at the Binjai City Government are in accordance with the provisions of the Binjai City Government. The Binjai City Government is advised to carry out internal control activities in financial management consistently and sustainably. Apart from that, the Binjai City Government must improve the quality of supervision and validation of document completeness checks first so that every funding activity is processed on time, and it is very important to continue to carry out regular training and outreach to budget financial users and treasurers in order to improve their competency. on systems and procedures for cash disbursements for inventory in non-cash transaction activities.

INTRODUCTION

After the government system changed to a regional autonomy system, it had a major impact on the government administration system, scope of performance and also had an impact on regional government financial system regulations. Regional autonomy is the division of power granted by the central government to regional governments.

The implementation of practices carried out by the government is known as the concept of centralization and decentralization. The concept of centralization shows the characteristic that all government administration authority is in the center, while the decentralized system shows the characteristic that the government has authority which is the government's obligation, which is given to regional governments. There are several things that must be considered in the procedure, namely the related functions, which must be considered starting from the documents used, the reports produced and the technical description of the procedure. One of the most important resource components in implementing development programs planned by the government is cash expenditures.

Cash disbursements that result in a reduction in cash balances and/or bank accounts belonging to local government entities. There are 4 cash disbursement accounting procedure subsystems, namely: cash disbursement accounting subsystem Stock Money (UP), cash disbursement accounting subsystem Change Money (GU), subsystem accounting for additional cash disbursements (TU), and direct disbursement accounting subsystem (LS). Cash disbursement with the Supply Money (UP) sub-system is money provided by the government to fill each OPD which is issued once a year.

Regional Work Units (SKPD) in Binjai City in managing regional finances are required to have good systems and procedures as a preventive measure to prevent abuse of authority and fraud. Through the Binjai Mayor's Instruction Circular Number 900-5982 of 2018 concerning the Implementation of Non-Cash Transactions within the Binjai City Government, starting to be implemented on September 1 2018, it has had a significant influence on changes to the cash disbursement mechanism applied to all agencies within the Binjai City Government.

After the implementation of the Non-Cash Transaction policy, which is a new policy, it requires readiness from all existing resources, such as regulations, apparatus readiness, bank readiness which has been appointed as the regional general cash account of the Binjai City Government, implementation of a non-cash transaction system in The environment of the Binjai City Government has many advantages in implementing its financial management, but also in the implementation process there are several obstacles, namely since the implementation of non-cash transactions, there are still SKPDs that disburse cash in cash, and there are still SKPDs that do not understand circular letters. so that when applying for disbursement of funds the required documents are often incomplete.

Based on the description presented above, it is necessary to know what the system and procedures for cash disbursement of Reserve Money (UP) are in the Binjai City Government, especially after the implementation of the non-cash transaction policy which is stated under the title Analysis of the Implementation of Systems and Procedures for Cash Disbursement Using Reserve Money in the Binjai City Government.

RESEARCH METHODS

The research carried out in this study used a descriptive analysis method with a qualitative approach. The use of this research was adapted to the main aim of the research, namely the technique used was to collect, classify and analyze data related to the problem at hand, so that a clear picture of the facts was obtained.

The operational definition of the variable in this research is Cash Disbursement Systems and Procedures with indicators. Cash disbursement procedures include: Sub-Cash Disbursement Accounting Sub-Procedures, Cash Disbursement Accounting Sub-Procedures-Inventory Money, Money Replacement, and Additional Money. Supply Money (UP) with the indicator that it is only given once a year in the budget, given at the beginning of the budget year, is the maximum amount of money ceiling held by the expenditure treasurer (based on Minister of Home Affairs Regulation Number 64 of 2013). Non-Cash Transactions (TNT) with indicators of direct spending and indirect spending (based on Presidential Instruction Number 10 of 2016).

The data source used in this research is primary data. Primary data is data obtained directly from the object under study. Data obtained from interviews with three expenditure treasurers and the head of accounting. In analyzing this research data, the author used a descriptive/qualitative method where previously the researcher determined the problems that occurred at the research location in connection with the implementation of Non-Cash Transactions in cash disbursements. Identify documents, flowcharts related to the cash disbursement system. Evaluate cash disbursement systems and procedures based on applicable regulations for Drawing Conclusions.

RESULTS AND DISCUSSION

1. RESULTS

a. Knowledge and Readiness of the Binjai City Government in Implementing a Non-Cash Transaction System

In interviews that have been conducted with several sources, they already know about the instructions for implementing non-cash transactions which have been carried out in stages since they were first implemented in September 2018, with the stipulation of the latest regulations, namely non-cash transactions, OPDs are required to carry out these instructions, because of their implementation. It is

still early days resulting in obstacles in its implementation. Based on the results of interviews with 4 sources consisting of 3 expenditure treasurers and 1 head of accounting sub-division, overall the Binjai city government is quite ready to implement non-cash transactions.

b. Legal Basis for Implementing Non-Cash Transactions

The results of the interview with the resource person reveal the legal basis that applies as a whole in Indonesia, except for the Regional Government Instructions issued by the Mayor in accordance with Presidential Instruction No. 10 of 2016 concerning Actions to Prevent and Eradicate Corruption; Circular Letter of the Minister of Home Affairs No.910/1867/SJ dated 17 April 2017 concerning Implementation of Non-Cash Transactions in Regional Governments; Binjai Mayor Instruction Number 900-5982 dated 28 August 2018 concerning Implementation of Non-Cash Transactions within the Binjai City Government

c. Transaksi Pengeluaran Kas dengan Tunai

4 sources said that there were still cash disbursements such as:

- 1) Cash expenditures below Rp. 1,000,000,- via petty cash.
- 2) Payment of SPPD (Official Travel Order) because it cannot be estimated what nominal value must be issued
- 3) External third parties such as payment for consultant services and honoraria for resource persons

d. Process of Implementing Non-Cash Transactions within the Binjai City Government

Regional spending is carried out using the Cash Management System (CMS) application as a means of transferring payments to fellow Bank of North Sumatra accounts, and the ATM of the expenditure treasurer's checking account for transferring payments to non-Bank of North Sumatra accounts.

This happens because the Cash Management System (CMS) application as a form of Bank Sumut's internet banking is still in the early stages of development. For non-cash transactions using the book transfer mechanism. Various challenges and problems are faced along with this policy change, of course this adds to the workload of the Expenditure Treasurer, because he has to administer expenditure with Simda Finance, the North Sumatra Bank CMS

application.

The Expenditure Treasurer must also be extra careful in transferring non-cash payments. Apart from that, treasurers and financial management officials in work units within the Binjai City Government must re-learn and socialize this policy to all budget users and technical implementing officials for activities in their work units. The non-cash transaction payment mechanism within the Binjai City Government is implemented through:

- 1) The treasurer creates any files where payment will be made using non-cash transactions.
- 2) Transfer from the treasurer's checking account to the recipient's account using a check/bilyet giro.
- 3) Proof of transfer of books from Bank Sumut to the expenditure treasurer/assistant expenditure treasurer in the form of a notice as a financial accountability document for 1 (one) account;
- 4) Proof of book transfer from the bank to the recipient of more than 1 (one) destination account in the form of a deposit letter;
- 5) Transfer fees for accounts other than North Sumatra banks are borne by the recipient.
- 6) With regard to the return of overbooking transfers, this is done by transferring the books back to the expenditure treasurer's account.

e. Benefits in the Process of Implementing Non-Cash Transactions

From the results of the interview, there are several benefits to be gained from implementing non-cash transactions:

- 1) Can minimize misuse of regional government finances.
- 2) Budget use is more efficient and cash in and out flows are more controlled.
- 3) Treasurer is made easier because the work is lighter.
- 4) The treasurer does not have to hold cash at risk of crime.

f. Efforts made to face obstacles

The obstacles in implementing non-cash transactions in the Binjai City Government are as follows:

1) Banking

Banks are often late in the process of disbursing funds due to server

problems, lack of service which means banks are not effective and efficient in implementing non-cash transactions. To overcome this obstacle, the treasurer is required to frequently control or ask whether the funds have entered the recipient's account or not. The government can propose to banks that have been designated as regional cash banks to increase human resources at these banks, and banks need to improve service performance.

2) Third Party Partners

There are still third party partners who do not have bank accounts, which is an obstacle in implementing non-cash transactions. To overcome this obstacle, financial managers pay in cash with valid proof of payment receipts.

3) Financial Management

The financial manager's lack of knowledge in understanding circular letters and not having completed the documents, which makes the process of disbursement of funds delayed. So the financial manager must consult with the accounting and treasury departments, repeating the completeness of the documents in the application for disbursement of funds. To overcome these obstacles, financial managers supervise and check the completeness of documents in the administration process of disbursing funds before the date of disbursement of funds or transferring funds.

2. DISCUSSION

Based on the Minister of Home Affairs Circular No. 910/1867/SJ concerning the implementation of non-cash transactions in local governments which was issued on April 17 2017, the Binjai City Government began implementing a non-cash transaction system in September 2018. The implementation of this non-cash transaction system is one form of the City Government's commitment Binjai in implementing applicable laws and regulations. Based on the Instructions of the Mayor of Binjai as of 28 August 2018, the Binjai City Government has started implementing a non-cash transaction system in implementing the budget in the SKPD.

Based on the results of interviews with several sources, results were found regarding readiness to implement a non-cash transaction system, namely: implementation will be carried out in stages, and will continue to be disseminated to the public and related parties. The non-cash transaction system for expenditures is

payment made by transferring or transferring funds from the treasurer's account to the account of a third party who will receive the funds.

Regional regulations relating to procedures must be designed in such a way and carefully so that one provision can be compatible with each other effectively and efficiently. Binjai City SKPD inventory money is used to finance the operations of regional apparatus in transactions such as paying employee honorariums and official travel costs.

CONCLUSION

Based on the results of interviews and observations that have been carried out and the discussions in the previous chapters, several conclusions can be drawn, namely:

- 1) The implementation of cash disbursement through the Non-Cash Transaction mechanism is ready in accordance with applicable regulations and has been implemented in all SKDs within the Binjai City Government since September 2018. The system and procedure for cash disbursement of Stock Money (UP) at the Binjai City Government has been supported by documents complete.
- 2) Efforts have been made to overcome various obstacles faced by expenditure treasurers in implementing non-cash transactions, namely the treasurer is obliged to control the bank regarding the transfer process, carry out internal controls on financial management and supervise and check the completeness of documents, expenditure treasurers who do not understand the letter circular is expected to consult with the accounting and treasury departments and can carry out comparative studies with other regional governments that have implemented non-cash transactions as well.

REFERENCE

- Bastian, Indra. (2010). *Akuntansi Sektor Publik : Suatu Pengantar*. Jakarta. Salemba Empat.
- Dewi, Lia Kania. Kebijakan Transaksi Non Tunai. Sekretaris BPKPAD. Bogor
- Instruksi Presiden Republik Indonesia Nomor 10 Tahun 2016 tentang Aksi Pencegahan dan Pemberantasan Korupsi.
- Iswara, Anggraeni SH. Transaksi Non Tunai. Arahkan kepala Badan Pengelolaan Keuangan dan Pendapatan Aset Daerah. Bogor.

- Lahay, Olivia Novita. (2013). Analisis Pelaksanaan Sistem dan Prosedur Pengeluaran Kas pada Dinas Pekerjaan Umum Provinsi Sulawesi Utara. Fakultas Ekonomi dan Bisnis, Jurusan Akuntansi. Universitas Sam Ratulangi Manado. Jurnal EMBA Vol.1 No.3 September 2013, Hal. 508-518.
- Mahmud, Rahmad. (2016). Analisis Sistem dan Prosedur Pengeluaran Kas Dengan Menggunakan Uang Persediaan (UP) pada Dinas Sosial Kota Manado (*analysis of systems and procedures using the cash outlay of money supply in the social department manado city*). Universitas Sam Ratulangi Manado .Jurnal EMBA 692 Vol.4 No.2 Juni 2016, Hal. 692-702.
- Mahmudi. (2011). *Akuntansi Sektor Publik*. Yogyakarta: UII Pres