
Analysis Of Cash Disbursement Procedures at PT Permodalan Nasional Madani (Persero)

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Abstract

The objective of this scientific research is to analyze the cash disbursement procedures for operational expense budgets at PT Permodalan Nasional Madani (Persero) Jambi Branch and determine whether the existing cash disbursement system aligns with general accounting theories. The data used consists of primary and secondary sources, including interviews with cashiers and financial staff involved in and authorized for operational expense cash disbursements, as well as cash disbursement documents, articles, and electronic media such as the company's website.

A qualitative descriptive analysis approach was applied in this study. The research concludes that there is a need to differentiate the documentation for cash disbursements based on significant distributions, particularly between large nominal amounts and relatively smaller ones. The procedures implemented align with the references used in preparing this scientific report. Therefore, it is recommended that PT Permodalan Nasional Madani (Persero) Jambi Branch continue to maintain, sustain, and improve its internal control system, considering the rapid advancements in technology.

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INTRODUCTION

In an industry, financial management is a key factor in the business operations of a company and is closely related to activities involving cash. Cash is defined as any resource that is available and acceptable as payment for commitments at its nominal value, regardless of whether it is in monetary form or not (Soemarso, 2009). This definition is particularly relevant in the context of cash disbursement activities. Cash disbursement refers to the process of executing cash expenditures. There are two main accounting systems used for this purpose: the petty cash system, which uses cash for small transactions, and the check-based cash disbursement system (Mulyadi, 2016). According to Krismiaji (2015), the expenditure cycle consists of a series of administrative tasks and data processing operations related to purchasing and paying for products and services. This cycle involves four economic events or accounting transactions: purchasing, receiving goods, recording liabilities, and settling liabilities. These form the second major cycle of a company's primary business activities. The purchase system, receipt system, liability recording system, and cash disbursement system are four subsystems that financial industry companies can use to manage these

cash transactions.

In general, cash disbursement procedures in companies are subject to different internal policies. Procedures represent a series of administrative tasks typically performed by multiple personnel to ensure consistent handling of routine business transactions and alignment with frequently occurring company transactions (Baridwan, 2009). Cash disbursement documents in a company can also influence financial performance. Beyond their impact on performance, such documents help businesses anticipate the amount of cash required for operations in future periods and prevent fraud or misappropriation of funds by the relevant parties. According to Mulyadi (2016), cash disbursements, checks, check requests, and other documents used in a check-based cash disbursement system are among the critical documents in cash accounting systems.

Almost every industry, whether engaged in services, trade, or manufacturing, incurs cash disbursements for operational budgets on a monthly or yearly basis. In both government and private institutions, operational budgets are crucial for optimizing the expenditures of the organization. Research by Diana, Harahap S., and Elidawati (2018) on a trading company engaged in the sale and purchase of daily snacks revealed inconsistencies in the cash disbursement process. For example, there were no clear limits on petty cash usage for daily operational expenses, making it difficult to distinguish whether the funds were used for company needs or personal interests of the owner. Therefore, cash disbursements must be well-managed to prevent fraud and misuse of cash. Every company must minimize errors in the cash disbursement system, and every business should implement and maintain internal controls, especially for cash disbursements, to regulate and reduce cash outflows, as noted by Rizqi Maligan, E. A. (2022).

PT Permodalan Nasional Madani (Persero) Jambi Branch, commonly referred to as PT PNM, is an Indonesian state-owned enterprise under the ultramicro BUMN holding. PNM is a subsidiary of Bank Rakyat Indonesia (BRI), specializing in micro and ultramicro financing. Established on June 1, 1999, this financial company plays a major role in the government's strategic plans aimed at improving social welfare, achieving economic equity, and fostering entrepreneurship. The company creates programs to enhance MSME (micro, small, and medium enterprises) access to microfinance and improve the capacities of entrepreneurs.

With the presence of a microfinance institution like PT Permodalan Nasional Madani (Persero) Jambi Branch, it is expected to improve the local economy, particularly in the region where it operates. Business capital loans provided by this institution allow individuals to finance the purchase of various types of merchandise needed for company operations. Organizations offering capital loans to businesses analyze or evaluate the loans as part of their operational activities.

In the daily activities of the branch, routine cash disbursements are inevitable. Therefore, this research aims to determine whether the cash disbursement procedures implemented at PT Permodalan Nasional Madani (Persero) Jambi Branch align with

general accounting theories.

Based on the introduction, which outlines the background and objectives, the author has chosen the title for this scientific paper: **"Analysis of Cash Disbursement Procedures at PT Permodalan Nasional Madani (Persero)."**

METHODOLOGY

The data collection methods used in this scientific research are observation, interviews, and documentation. The author obtained primary data, which is the main data collected through field studies conducted at the PT Permodalan Nasional Madani (Persero) Jambi Branch office. This data was sourced from cashiers and financial staff involved and authorized in operational cash disbursements at PT Permodalan Nasional Madani (Persero) Jambi Branch. Secondary data, on the other hand, was obtained from articles and electronic media, such as the company's official website.

The analytical method used in preparing this scientific work is a descriptive method, which provides solutions to the given situation. To achieve the research objectives, the information collected was analyzed using qualitative descriptive analysis, which does not rely on statistical or numerical calculations but instead compares theories with the actual cash disbursement practices in the financing industry, specifically at PT Permodalan Nasional Madani (Persero) Jambi Branch.

The purpose of qualitative descriptive analysis is to examine the system and procedures for cash disbursement related to the operational expense budgets of PT Permodalan Nasional Madani (Persero) Jambi Branch. This is done by using flowcharts to describe the process, discussing theories related to accounting methods and procedures for cash disbursements, and then providing relevant conclusions and recommendations to improve outcomes. This approach enables the author to compile and present accurate and methodical data. The hypothesis is compared with observed facts based on the evidence collected at PT Permodalan Nasional Madani (Persero) Jambi Branch.

In the research conducted by Lisma M. and Oktariansyah (2018), as well as Rahmayadi, A. (2021), qualitative descriptive analysis was also employed to analyze the cash disbursement system and procedures using flowcharts. However, in contrast, the research by Anggriawan, M. A. (2022) also utilized qualitative descriptive analysis but did not apply flowcharts in the analysis of cash disbursement procedures.

RESULTS AND DISCUSSION

Results

Accounting Procedures for Cash Disbursement of Operational Expense Budgets
PT Permodalan Nasional Madani (Persero) Jambi Branch has developed comprehensive accounting procedures for managing cash disbursements related to operational expense budgets. These procedures cover critical components such as documents utilized, records maintained, roles of related departments, and a detailed Finance and Banking Analysis Journal (FIBA Journal), 1(2), 71-78.

flowchart illustrating the cash disbursement process. The designed system aims to streamline operations, enhance accountability, and ensure proper monitoring of financial resources.

Documents Used

- **Supporting Documents.** These include essential items such as invoices, notes, and receipts, which serve as legitimate proof of cash disbursement transactions. These documents ensure that every expenditure is traceable and verifiable.
- **Petty Cash Disbursement Request (PPKK).** This document is prepared by employees requiring petty cash for operational purposes. It acts as a formal request for funds.
- **Petty Cash Disbursement Receipt (BPKK).** This document serves as evidence of fund disbursement, providing accountability and ensuring that the funds are used for their intended purposes.

The combination of these documents creates a robust documentation framework that supports transparency and traceability in financial transactions.

Records Used

- **Cashbook.** The cashbook is used for daily manual recording of all financial transactions related to cash inflows and outflows. This record serves as a primary reference for cash management and ensures that every transaction is documented accurately.
- **Petty Cash Disbursement Journal.** While not yet fully implemented, research suggests the need for a dedicated petty cash journal to improve the efficiency and accuracy of recording minor transactions.

Flowchart Implementation

The flowchart for cash disbursement procedures visualizes the process from the initial request to the final disbursement and accountability stages. It highlights key checkpoints, including document verification, approval, fund release, and record maintenance, ensuring a clear workflow for all involved parties.

Related Functions or Departments

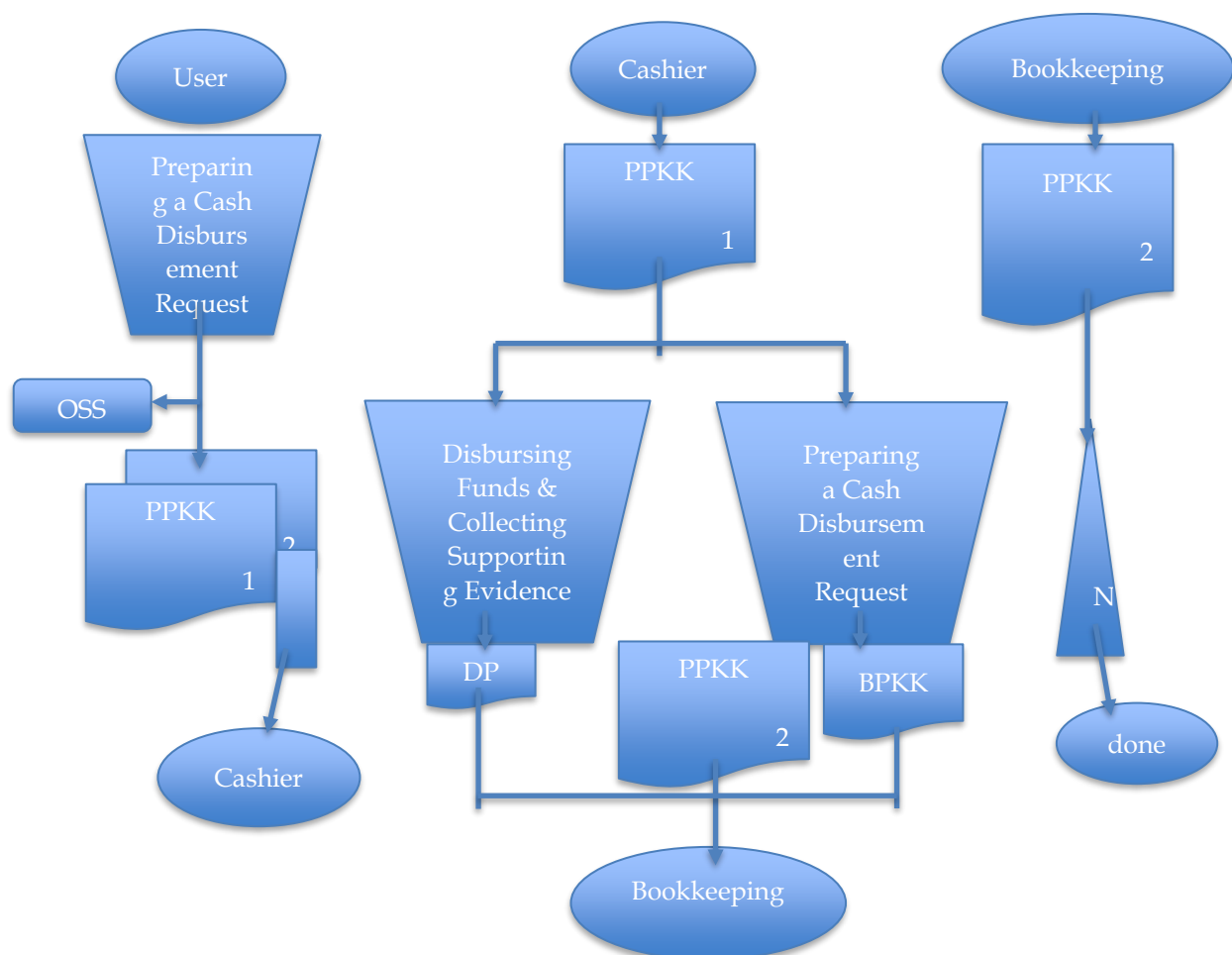
The cash disbursement system involves several critical functions to ensure smooth and accountable processes:

- **Cash Requiring Function.** Responsible for initiating the process by preparing the PPKK. This function ensures that all requests are documented and justified.
- **Cashier Function.** Handles the verification and signing of the BPKK to release funds. This role ensures that disbursements align with approved requests.
- **Bookkeeping Function.** Maintains accurate records of all transactions and prepares periodic financial reports. This function is crucial for ensuring that the organization's financial data remains accurate and up-to-date.

- **Internal Audit Function.** Conducts regular reviews and reconciliations of petty cash balances. This function acts as a control measure to prevent discrepancies and misuse of funds.

Performance Evaluation

The analysis of the existing cash disbursement procedures indicates that PT Permodalan Nasional Madani (Persero) has implemented a structured and systematic approach. The use of detailed documentation, clear roles, and a defined workflow contributes to the effectiveness of the system. However, the need for enhancements, such as adopting an integrated system and improving oversight, has been identified to further optimize operations.



PPKK: Petty Cash Disbursement Request
 BPKK: Petty Cash Disbursement Receipt
 DP: Supporting Document Explanation

Figure 1. Flowchart of Cash Disbursement Procedure

Discussion

Explanation:

a. Section Requiring (User)

The section requiring an expenditure submits a petty cash disbursement request via email and requests a signature from the Operation Support Supervisor. Additionally, it distributes the original to the cashier department and the second copy to the bookkeeping department.

b. Cashier Department (Cash)

The cashier department receives the PPKK (Petty Cash Expenditure Request) from the section requiring the expenditure and has been signed by the Operation Support Supervisor. The cashier department disburses the cash and collects the supporting evidence attached to the supporting documents. The cashier then makes a request for petty cash expenditure, accompanied by a DP (payment request), BPKK (Petty Cash Expenditure Evidence), and PPKK, to the bookkeeping department.

c. Bookkeeping Department (Finance)

The bookkeeping department receives the PPKK, along with DP and BPPK (payment proof), to be recorded in the cash book, then returns it to the cashier department to be archived permanently according to the serial number order.

2. Documents Used

The documents used or that can be used in the petty cash expenditure process by PT Permodalan Nasional Madani (Persero) Jambi Branch are as follows:

a. Supporting Documents

Supporting documents refer to additional records such as invoices, notes, and receipts, which are used as valid proof of cash disbursements and are called supporting documents.

b. Petty Cash Expenditure Request (PPKK)

This document is used by the petty cash user to request cash disbursement to the petty cash holder.

c. Petty Cash Expenditure Evidence (BPKK)

This document is used by the petty cash user as evidence of accountability and is sent to the petty cash owner.

3. Records Used

The records used by PT Permodalan Nasional Madani (Persero) Jambi Branch are the cash book, which functions as a record of all financial transactions related to cash inflows and outflows in the company. The recording procedure is done manually, carried out daily, and cross-referenced with collected archives. According to research by Sipayung T. (2022) and Tuerah FS. (2013), recording all cash disbursement transactions requires a petty cash disbursement journal as well as a special journal for large nominal disbursements. It should not only rely on manual recording but also use general journal entries for cash disbursements to improve efficiency.

4. Functions or Related Sections

The functions related to the petty cash accounting system process at PT Permodalan Nasional Madani (Persero) Jambi Branch include the section requiring the expenditure (user), the cashier section (cash), the bookkeeping section (finance), and internal supervision:

a. Cash Requirement Function

This section has the responsibility and authority to create the PPKK after providing supporting documents, requesting the authorized Operation Support Supervisor's signature, and submitting the PPKK to the cashier with the required supporting documents.

b. Cashier Function

The cashier department is responsible for signing the cashier receipt and BPKK as proof of payment to the party requesting the cash expenditure.

c. Bookkeeping Function

This section has the responsibility and authority to record every cash outflow transaction, generate periodic financial reports, and conduct financial audits of every transaction that occurs in the company.

d. Internal Supervision Function

This function is responsible for coordinating the periodic calculation of petty cash and comparing its findings with the cash records. An unexpected examination of the petty cash holder's balance is also part of this responsibility. According to research by Simbolon R, Dewanto W. (2020), and Sari F, Sutiono F. (2017), the segregation of duties, responsibilities, and authority between the related functions will reduce the risk of task and responsibility abuse.

CONCLUSIONS

Based on the explanation above, which includes the results of the academic writing presented by the author, the author can conclude as follows:

1. The documents used in the process of cash expenditure budgeting at PT Permodalan Nasional Madani (Persero) are PPKK, BPKK, and supporting documents, which are usually in the form of receipts, notes, or other supporting documents; furthermore, there is no petty cash available for recording expenditures with relatively very small nominal amounts.
2. The records used during cash expenditures are the cash outflow book, which is the physical comprehensive record of all financial transactions that occur throughout the operational cash expenditure activities.
3. In the implementation of the cash expenditure process, the related departments that require the disbursement of cash include the cashier department (cash), and the bookkeeping or finance department, which are interconnected in carrying out the cash disbursement process.
4. Any form of cash expenditure payment is made using petty cash evidence, bank accounts, checks, and petty cash funds.

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