

# The Cash Receipts and Disbursements System at the Regional Financial Management Agency (BPKD) of Langsa City

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## ABSTRACT

Cash management becomes an important aspect in local government administration, as it maintains financial balance and efficiency in the implementation of governmental activities. Cash comprises cash on hand and bank balance that can be utilized to finance governmental activities. The cash receipt system encompasses various sources such as taxes, levies, and receivables. Meanwhile, the cash disbursement system includes various transactions such as purchasing goods and paying debts. Both systems must be accurately recorded and deposited, as well as well-managed to prevent misappropriation and ensure compliance with established procedures. The implementation of computerized systems such as SIMDA can help accelerate and enhance efficiency in cash receipt and disbursement in local government administration.

**Keywords:** *Cash management, decentralization, cash receipt system, and financial efficiency*

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## I. INTRODUCTION

A country with vast territory requires a good governance system. This system is needed for at least two reasons: first, as a tool to implement various public services in different regions. Second, as a tool for local communities to actively participate in determining the direction and manner of developing their own living standards in line with the opportunities and challenges faced within the framework of national interests. One of these is decentralization, which involves the delegation of fiscal,

political, and policy administration responsibilities from the Central Government to the Regional Government.

This means autonomy is crucial for regions. The autonomy granted to Langsa city and districts is based on the principle of decentralization in the form of extensive, tangible, and accountable autonomy. Autonomy also encompasses full authority in managing household affairs, from the planning stage to reporting and evaluation stages. The logical consequence of decentralization is the delegation of authority and responsibility in the use of funds, both from the Central Government (according to the delegated affairs) and funds originating from the Regional Government itself. For the management of these significant funds, more concrete and clear regulations are also required, such as Government Regulations.

In order to achieve the nation's aspirations and goals as outlined in the Preamble of the 1945 Constitution, which aims to realize a just and prosperous society both materially and spiritually (GBHN), the current development being undertaken holds its own significance due to entering the era of globalization and free trade. Regional governments are required to better prepare themselves to anticipate as early as possible all possibilities that will occur in competition, both from abroad and domestically.

Therefore, much needs to be done, one of which is decentralization, which involves the delegation of fiscal, political, and policy administration responsibilities from the Central Government to the Regional Government. In Indonesia, the legal environment and basic regulations for decentralization are encompassed in three laws: Law No. 22 of 1999 concerning Regional Government, Law No. 25 of 1999 concerning Financial Balance between the Central Government and Regions. And then perfected with Law No. 32 of 2004 concerning Regional Government where Regional Governments have the right to regulate and manage their own governance affairs according to the principles of regional autonomy and delegated tasks, aimed at accelerating the achievement of community welfare through improving services, empowerment, and participation of all levels of society, as well as enhancing regional competitiveness by considering the principles of democracy, equality, justice, and the uniqueness of a region within the Unitary State of the Republic of Indonesia.

## II. LITERATURE REVIEW

### Cash Receipt System

The cash revenue includes estimated cash flow budget items from the realization of revenue and expected financing receipts to be obtained for each month and quarter during one fiscal year (Mahmudi 2009:122).

According to Arthur (2010:274), to expedite cash receipts, it is crucial to understand how to reduce float. Float is the length of time from when a check is written until the cash is actually received. There are four elements of float: Mail float, caused by the time between when an interested party sends a check until the company begins processing it; processing float, caused by the time required by the company/agency to process checks before depositing them in the bank; transit float, caused by the time required to clear through the commercial banking system checks deposited until they can be used by the company; disbursing float, originating from the fact that customer funds are available in the company's bank account until the payment check is cleared through the banking system.

The cash receipt system or accounting system in local government consists of two parts: the cash receipt system and procedures at the Regional Working Units (SKPD) and the cash receipt system and procedures at the Regional Financial Management Working Units (SKPKD).

"Cash receipt accounting system is a record made to carry out cash receipt and cash sales activities or from receivables that are ready and freely usable for the company's general activities" (Mulyadi 2013).

Based on the above definition, the cash receipt accounting system refers to a network of procedures that handle an event or occurrence resulting in an increase in cash from cash sales or receivables involving interconnected parts. Company cash receipts come from two main sources: cash receipts from cash sales and cash receipts from receivables.

Cash sales are carried out by the company by requiring the buyer to make payment for the goods prior to the company handing over the goods to the buyer.

After receiving the money, the company then delivers the goods to the buyer, and the cash sales transaction is subsequently recorded by the company.

### **Cash System**

The Cash System is comprised of cash on hand and bank balances that can be used at any time to finance government activities. Every government entity is required to present its cash balance when requested to prepare an opening balance sheet.

Cash consists of both paper money and coins. Cash also includes all Accountable Money (UYHD) or Provisional Money (UP) that has not yet been accounted for as of the opening balance sheet date, including receipts for the purchase of goods and advances that have not been accounted for as expenses until the opening balance sheet date

According to Eli (2009), cash is defined as a means of payment or exchange in financial transactions. Included in the definition of cash are cash, checks, promissory notes, postal checks, postal orders, bank deposits, and proof of money transfer.

One of the key factors for the success of regional financial management is the ability of the Regional Financial Management Officer as the General Treasurer of the Region (BUD) to manage regional cash. BUD, as the fund manager and investment manager, needs to have a good cash management mechanism to optimize the existing regional cash. Cash management involves decisions on various aspects such as how to utilize idle or unused cash until a certain time, what investment instruments can be chosen, how to determine the optimal investment portfolio, when to take out loans if necessary, in what amounts and durations, when to make expenditures, and how much.

The main focus of cash management is how to obtain regional cash receipts as quickly as possible, disburse funds to pay regional expenses as efficiently as possible, and utilize regional cash funds that are not yet used as effectively as possible.

Bank deposit balances that can be categorized as cash are balances or accounts in banks that can be withdrawn or used for payments at any time. In this cash definition, cash equivalents are also included, which are short-term investments that are highly liquid and ready to be converted into cash, and free from significant value

change risks. Cash is referred to as the most active current asset because all government financial transactions generally involve cash receipts or disbursements.

### **Receipts**

Receipts, Cash Deposits, and Recording in the Cash Receipt System in detail involve the Head of the Regional Working Unit (SKPD)/Budget User issuing Regional Tax Assessment Letters (SKPD) and Regional Levy Assessment Letters (SKRD). The Receipt Treasurer. Third parties make payments for regional taxes/levies in accordance with the Regional Tax Assessment Letter (SKPD) for regional taxes or the Levy Assessment Letter (SKR) for regional levies. Payments for regional taxes/levies are made directly to the Receipt Treasurer. The Receipt Treasurer reconciles the money deposited by taxpayers with the SKPD/SKRD. The Receipt Treasurer deposits all funds received each day, along with the Duplicate Deposit Receipt (STS) which is made in duplicate, as evidence of having deposited the money into the General Regional Cash account at the bank.

### **Cash expenditures**

Cash expenditures involve recording transactions that result in a decrease in cash balances, either in cash or bank accounts owned by the company, stemming from cash purchases, debt payments, transfers, or other expenditures.

Cash expenditures are financial transactions that lead to a reduction in the company's cash assets. These transactions are recorded through electronic cash expenditure forms based on supporting transaction evidence such as goods receipt notes, purchase orders, and others, which are then entered into the computer system through cash expenditure journals. Cash reductions caused by operating expenses such as interest, exchange rate differences, and others are recorded in the ledger.

According to Mulyadi (2013), cash expenditures in a company are common transactions. Cash expenditures are defined as records made to carry out expenditure activities, whether by check or cash, used for the company's general activities.

Soemarso S.R (2009:297), Cash expenditures are transactions that result in a reduction of the company's cash and bank balances due to cash purchases, debt payments, or transaction outcomes that lead to a decrease in cash. The procedure for cash expenditures is as follows the billing department sends credit sales invoices to

debtors when credit sales transactions occur, debtors send a check along with a notification letter via mail, the secretariat receives the check and notification letter from the debtor, the secretariat forwards the check to the cashier, the secretariat hands over the notification letter to the accounts receivable department for posting purposes, the cashier sends a receipt to the debtor as proof of payment, the cashier deposits the check into the bank after endorsement by the authorized officer, and the company's bank clears the check with the debtor's bank.

### **Cash Receipt Procedure**

Activity procedure description: Based on STS, SKPD/SKRD archives, and TBP archives, the Revenue Treasurer then records in the General Cash Book (BKU), Recapitulation Book, and Detailed Object Auxiliary Book. The Revenue Treasurer prepares a Responsibility Report (SPJ). Subsequently, PPK-SKPD verifies, evaluates, and matches the Responsibility Report submitted by the Revenue Treasurer; once it is declared correct, it will be returned. The Head of SKPD/Budget User signs the SPJ submitted by PPK-SKPD and then submits it to PPKD. PPKD compares the SPJ with the Credit Notes. If they match, PPKD creates a Responsibility Report Confirmation Letter and records it in the Cash Register. The Confirmation Letter is then handed over to PPK-SKPD. Meanwhile, the Credit Notes are archived, and the SPJ is handed over to the Accounting Function-SKPKD. The Accounting Function-SKPD records Cash Receipts in the Cash Receipts Journal based on the SPJ received from PPKD. Posting to the general ledger and recording in the subsidiary ledger will follow.

### **SPD (Fund Provision Letter)**

Fund Provision Letter (SPD)" is issued by the General District Treasurer (Bendahara Umum Daerah) as part of the local cash management. SPD is used to allocate funds to each SKPD within a specific period. The information in the SPD clearly indicates the allocation for each activity. The issued SPD consists of 3 sheets: Sheet 1 is received by the Assistant Expenditure Treasurer-SKPD; Sheet 2 is received by the Expenditure Treasurer-SKPD; and Sheet 3 is archived by the General District Treasurer (BUD).

### **Related Parties**

Authority of the General District Treasurer (KuasaBUD): In this activity, the

authority of the General District Treasurer has the task of analyzing the SKPD's DPA (Budget Implementation Document) existing in the database, analyzing the government cash budget, especially per SKPD data, preparing draft SPD, and distributing SPD to budget users.

Authority of the Regional Financial and Asset Management Agency (PPKD) In this activity, the authority of the Regional Financial and Asset Management Agency has the task of examining the draft SPD submitted by the authority of the General District Treasurer and authorizing the SPD."

### **SPP (Invoice Payment Request Letter)**

Based on the SPD or equivalent documents, the expenditure treasurer submits an Invoice Payment Order (SPP) to the budget user/authorizing officer through the financial management official of the SKPD (PPK-SKPD).

Advance Money Invoice Payment Order (SPP-UP) is used to replace the advance money that has been used up. Replacement Money Invoice Payment Order is submitted when the advance money is exhausted. Additional Money Invoice Payment Order (SPP-TU) is used only to request additional funds if there are expenditures in such a way that the advance money balance will not be sufficient to cover them. The amount of funds requested in this SPP-TU must be deposited back. Requests for SPP-UP, Replacement Money, and Additional Money are accompanied by a detailed list of planned fund usage up to the expenditure type.

Direct Invoice Payment Order (SPP-LS) is used for direct payments to third parties with predetermined amounts. SPP-LS is categorized into salary and allowance payments, goods and services payments, and expenditure payments for interest, grants, assistance, and unforeseen expenses, as well as financing expenditures.

### **Related Parties**

Expenditure Treasurer In this activity, the Expenditure Treasurer is responsible for preparing the Invoice Payment Order (SPP) documents along with their attachments and submitting the SPP to the PPK-SKPD.

PPK-SKPD (Financial Management Officer - SKPD): In this activity, the PPK-SKPD is responsible for verifying the completeness and accuracy of the SPP submitted by the Expenditure Treasurer.

PPTK (Activity Technical Management Officer): In this activity, the PPTK is responsible for preparing the necessary documents for the submission of Direct Invoice Payment Orders (SPP-LS)

### **Payment Order Letter (SPM)**

The issuance process of the Payment Order Letter (SPM) is a crucial stage in expenditure management, which is an advanced stage of the Invoice Payment Request (SPP) submission process. As an advanced stage, SPM is also divided into 4 (four) types according to its corresponding SPP, namely SPM-UP, SPM-GU, SPM-TU, and SPM-LS. The process begins with an assessment of the completeness and accuracy of the submitted SPM documents. For SPM-GU, an examination is also conducted on the Responsibility Report (SPJ) submitted by the treasurer. The same applies to SPM-TU if it has been previously done. SPM can be issued if the requested expenditure does not exceed the available budget ceiling and is supported by complete documents in accordance with the regulations. The issuance of SPM must be done no later than 2 (two) days after receiving the SPP, and if rejected, it must be returned no later than 1 (one) day after receiving the SPP. The submitted SPM is made in triplicate, with Sheets 1 and 2 for the Head of SKPD/Budget User, forwarded to PPKD and PPK SKPD after being signed by the Head of SKPD/Budget User, and Sheet 3 is archived by the Assistant Expenditure Treasurer.

### **Related Parties**

PPK-SKPD (Financial Management Officer - SKPD): In this activity, the PPK-SKPD has the following tasks: Testing the completeness of the SPP along with its attachments, drafting the SPM based on the tested completeness and accuracy of the SPP, and submitting it to the Budget User, issuing a rejection letter for the SPM if the SPP submitted by the SKPD Treasurer is incomplete, and maintaining the SPM register.

Budget User: In this activity, the Budget User has the following tasks: Authorizing and issuing the SPM, and authorizing the Rejection Letter for the SPM

issued by the PPK-SKPD if the SPP submitted by the SKPD Treasurer is incomplete

### **Payment Order Letter (SP2D)**

SP2D or Payment Order Letter is a document used to disburse funds through the designated bank after the SPM is accepted by the BUD. SP2D is specific in nature, meaning one SP2D is only created for one SPM. The issuance of SP2D must be completed no later than 2 days after receiving the SPM, and if rejected, it must be returned no later than 1 day after receiving the SPM. The issuance of SP2D consists of 5 sheets as follows, Sheet 1 is sent to the bank, Sheet 2 is archived by the Assistant Expenditure Treasurer, Sheet 3 is archived by the accounting function of SKPKD, Sheet 4 is archived by the accounting function of PPK-SKPD, and Sheet 5 is archived by PPKD.

### **Related Parties**

Authority of the General District Treasurer (Kuasa BUD): In this activity, the Authority of the General District Treasurer has the following tasks: verifying the accuracy and completeness of the SPM, printing SP2D, sending SP2D to the bank, and creating documents such as the SP2D register, rejection letter issuance register for SP2D, and cash receipts and disbursements book. Budget User: In this activity, the Budget User's task is to sign the SPM. Expenditure Treasurer of SKPKD: In this activity, the Expenditure Treasurer of SKPKD is responsible for recording SP2D in the administrative documents, including the Expenditure Cash Book (BKU Pengeluaran), Bank Savings Auxiliary Book, Tax Auxiliary Book, Advance Auxiliary Book, and Detailed Object Expenditure Recap Book."

### **Expenditure Responsibility Letter (SPJ)**

The expenditure treasurer is administratively obligated to be accountable for the use of advance money/replacement money/additional money (UP/GU/TU) to the head of the SKPD through the PPK-SKPD no later than 10 months thereafter.

Documents used by the PPK-SKPD in administering expenditure accountability include the Receipt Register of expenditure accountability reports, the Approval Register of expenditure accountability reports, the Rejection Letter of expenditure accountability reports (SPJ), the Rejection Register of expenditure accountability reports, and the Cash Closure Register.

The Assistant Expenditure Treasurer creates a Responsibility Report (SPJ) for UP, TU, and LS in triplicate. In this activity, the Expenditure Treasurer has the task of verifying the accuracy and completeness of accountability documents, recording evidence of expenditure from UP/GU/TU and LS in the Expenditure Book, summarizing expenditures, and recording them in the SPJ to be submitted to the Budget User (via PPK-SKPD) for validation.

In this activity, the PPK-SKPD has the task of examining the completeness of accountability documents and the validity of expenditure evidence attached, verifying the accuracy of expenditure calculations per detailed object listed in the detailed object summary, calculating VAT/Income Tax on expenditure burden per detailed object, and verifying the accuracy according to the SPM and SP2D issued in the subsequent period.

The ones that have been approved by the Budget User are recorded in the expenditure responsibility letter (SPJ) approval register book, and registering the expenditure responsibility letters (SPJ) that have been rejected by the Budget User into the expenditure responsibility letter rejection register book.

### **Procedures for Cash Disbursement**

#### **Issuance of Fund Provision Letter (SPD)**

The detailed procedure for requesting SPD-UP is as follows: after the cash budget has been determined, the Regional Financial and Asset Management Agency (PPKD) issues the SPD as part of cash management. Cash disbursements against the Regional Budget (APBD) are carried out based on the SPD or equivalent documents.

#### **Procedures for Invoice Payment Request (SPP)**

Based on the SPD or its equivalent, prepared by the Assistant Expenditure Treasurer, the Invoice Payment Request (SPP-UP) is submitted to the Expenditure Treasurer. The Expenditure Treasurer then verifies the SPP-UP from the Assistant Expenditure Treasurer against the SPD, then signs and submits it to the Financial Management Officer of the SKPD (PPK-SKPD). Records used in the issuance procedure of SPP-UP include: SPP-UP register, which lists authorized SPP-UP by the Expenditure Treasurer. Subsequently, the SPP-UP register is maintained by the Assistant Expenditure Treasurer Document Recorder.

The completeness of the SPP-UP documents consists of the following Surat Pengantar SPP-UP (Letter of Submission for Invoice Payment Request), Ringkasan SPP-UP (Summary of Invoice Payment Request), Rincian SPP-UP (Detailed Invoice Payment Request), Salinan SPD (Copy of Fund Provision Letter), Draft surat pernyataan penggunaan anggaran/Kuasa Pengguna Anggaran (Draft statement of budget use/Budget User's Authorization) stating that the requested funds will not be used for purposes other than the advance money, and Other required attachments.

### **III. METHODS**

#### **Field Research**

The direct observation method involves directly observing the activities of the Cash Receipts and Disbursements System at the Regional Financial Management Agency carried out at the BPKD Office of Langsa City, and conducting interviews with officers or employees performing accounting tasks.

#### **Library Research**

The literature review method is a method of collecting data and information directly from books and papers that are references and closely related to the material of the Internship Report (LKP) that the author is conducting.

### **IV. RESULTS**

#### **The Cash Receipts and Disbursements System of the Langsa City Regional Financial Management Agency (BPKD Kota Langsa).**

Cash consists of cash on hand and balances in bank accounts that can be used at any time to finance government activities. Every government entity is required to present its cash balance when requested to prepare an initial balance sheet. Cash includes both paper currency and coins. It also encompasses all Unaccounted-for Cash (UYHD) or Petty Cash (UP) that has not been accounted for until the initial balance sheet date, including receipts for purchases of goods and advance payments that have not been accounted for as expenditures until the initial balance sheet date.

According to Eli (2009), cash is defined as a means of payment or exchange in financial transactions. Cash includes cash on hand, checks, promissory notes, postal checks, postal orders, bank deposits, and proof of money transfers.

One key factor in the successful management of regional finances is the ability of the Regional Financial Management Officer as the General Treasurer of the Region (BUD) to manage regional cash. BUD, as the fund manager and investment manager, needs to have a good cash management mechanism to optimize the available regional cash. Cash management is related to decisions on how to utilize idle or unused cash for a certain period, what investment instruments can be chosen, how to determine an optimal investment portfolio, when to borrow funds if necessary, the amount and term of borrowing, when to make expenditures and how much. The main focus of cash management is how to obtain regional cash receipts as quickly as possible, spend funds to pay regional expenditures as efficiently as possible, and effectively utilize regional cash funds that are not yet used.

The bank deposit balance that can be categorized as cash is the balance in a bank account that can be withdrawn or used for payments at any time. In this definition of cash, cash equivalents are also included, which are short-term investments that are highly liquid and readily convertible into cash, and are free from significant changes in value. Cash is referred to as the most active current asset because all government financial transactions typically involve cash receipts or disbursements.

### **The Cash Receipts System**

The Revenue Cash consists of the estimated cash flow budget for revenue realization and expected financing receipts for each month and quarter during a fiscal year (Mahmudi, 2009:122).

According to Arthur (2010:274), to accelerate cash receipts, it is crucial to understand how to reduce float. Float refers to the length of time from when a check is written until the cash is actually received. There are four elements of float: Mail float, caused by the time between sending the check and the company beginning to process it; Processing float, caused by the time the company/institution takes to process the check before depositing it into the bank; Transit float, caused by the time it takes to clear through the commercial banking system for checks deposited until

they can be used by the company; and Disbursing float, originating from the fact that customer funds are available in the company's bank account until the payment check is cleared through the banking system.

The cash receipts system or accounting arrangement in local government accounting consists of two parts: the cash receipt system and procedures in the Regional Work Unit (SKPD) and the cash receipt system and procedures in the Regional Financial Management Work Unit (SKPKD).

"The cash receipt accounting system is a record made to carry out the activity of receiving cash and cash sales or from receivables that are ready and freely available for the company's general activities" (Mulyadi, 2013). Additionally, the cash receipt accounting system according to.

Based on the definition above, the cash receipt accounting system refers to a network of procedures that handle an event or occurrence resulting in an increase in cash from cash sales or receivables involving interconnected parts. Company cash receipts come from two main sources: cash receipts from cash sales and cash receipts from receivables. Cash sales are conducted by the company by requiring the buyer to make payment for the goods before the goods are delivered by the company to the buyer. After the company receives the money, the goods are then delivered to the buyer, and the cash sales transaction is recorded by the company.

According to a good control system, the cash receipts system from cash sales requires cash receipts to be deposited into the bank immediately in an amount involving parties other than the cashier to perform internal checks. Cash receipts from cash sales are made through credit card transactions involving the credit card issuing bank in recording cash receipt transactions.

The cash receipt system from cash sales is divided into the following three procedures:

**Cash Receipts from Over-the-Counter Sales** In this cash sale, the buyer comes to the company, selects the goods or products to be purchased, makes payment to the cashier, and then receives the purchased goods. In Over-the-Counter Sales, the company accepts cash, personal checks, or direct payments from the buyer via credit card before delivering the goods to the buyer.

Cash Receipts from COD Sales, Cash receipts from Credit Card Sales, Debtors make payments by check or by bank transfer through a bank account (*giro bilyet*), and cash received in the form of checks from debtors must be immediately deposited into the bank in full.

Cash receipts from receivables can be done through several methods, including through company collection. According to a good internal control system, all cash receipts from debtors should be in the form of checks payable to the company or bank drafts. Cash receipts from debtors in the form of cash provide an opportunity for company collectors to commit embezzlement with the cash collected. Cash receipts from debtors in the form of cashed checks also provide an opportunity for company employees to cash the checks received from debtors for personal purposes.

Debtors should pay by check payable to the company or bank draft. Cash receipts from debtors in the form of cash provide an opportunity for company collectors to commit embezzlement with the cash collected. Cash receipts from debtors in the form of cashed checks also provide an opportunity for company employees to cash the checks received from debtors for personal purposes.

Through mail, the cash receipts system from receivables via mail is implemented with the following procedure: the billing department sends credit sales invoices to debtors when credit sales transactions occur, debtors send checks payable accompanied by notification letters via mail, and the secretarial department receives checks payable and notification letters from debtors.

The implementation of the Cash Receipts and Disbursements System at the Regional Financial Management Agency (BPKD) plays a crucial role in enhancing efficiency in local government, particularly in the financial sector. The system utilizes computerized SIMDA (Regional Management Information System) technology. SIMDA applications can be implemented for integrated local financial management, utilizing multi-user and client/server technologies, from budgeting, budget execution, to financial accountability, both at the Regional Financial Management Work Unit (SKPKD) and at the Regional Work Units (SKPD). This provides several benefits, such as Ensured transaction control.

Efficiency in financial administration, requiring only one-time input of transaction data, saving time, manpower, and costs, Quick, accurate, and efficient generation of financial information.

Through the implementation of this system, the Regional Financial Management Agency can improve oversight of cash receipts and disbursements, ensuring that processes comply with applicable regulations. Moreover, with integration between SKPKD and SKPD, the local financial management process can become more coordinated and efficient.

The computerized SIMDA system can anticipate unwanted occurrences such as embezzlement because the cash receipts and disbursements system generates comprehensive, precise, and accurate information.

### **The procedure for cash**

Receipts involves detailed activities such as issuance, cash depositing, and recording in the Cash Receipts System. The Head of the Regional Work Unit/Budget User issues the Regional Tax Assessment Letter (SKPD) and the Regional Levy Assessment Letter (SKRD). These documents are issued in duplicate. Annex 1 is provided to the taxpayer/levy payer, while Annex 2 is provided to the Revenue Treasurer. Third parties make payments for regional taxes/levies according to the Regional Tax Assessment Letter (SKPD) for regional taxes or the Levy Assessment Letter (SKR) for regional levies. Payments for regional taxes/levies are made directly to the Revenue Treasurer.

The Revenue Treasurer matches the money deposited by taxpayers with the SKPD/SKRD. Then, they create a Receipt Evidence (TBP) and deliver it to the taxpayer/levy payer. The Revenue Treasurer deposits all money received each day, along with the Deposit Evidence Letter (STS) made in duplicate, as proof of depositing money into the Regional General Cash Account at the bank.

The bank verifies the STS with the deposited money. If they do not match, the bank will return it; if they match, the bank will issue a Credit Note. STS annex 1 will be given to the Revenue Treasurer, while annex 2 will be provided by the bank. Then the Credit Note will be submitted by the bank to the Regional Financial Management Agency (PPKD). Based on the STS, SKPD/SKRD archives, and TBP archives, the

Revenue Treasurer then records in the General Cash Book (BKU), Recapitulation Book, and Detailed Object Auxiliary Book.

The Revenue Treasurer prepares a Responsibility Report (SPJ) for the monthly receipts and submits it no later than the 10th of the following month to the Head of the SKPD/Budget User. The Head of the SKPD/Budget User then verifies, evaluates, and matches the Responsibility Report submitted by the Revenue Treasurer. After it is deemed appropriate, it will be returned. SPJ annex 1 is submitted to the Head of the SKPD/Budget User, while annex 2 is handed over to the Accounting Function of the SKPD.

The Head of the SKPD/Budget User signs the Responsibility Report (SPJ) submitted by the PPK-SKPD and then submits it to the PPKD. The PPKD will compare the SPJ with the Credit Note. If they match, the PPKD will issue a SPJ Confirmation Letter and record it in the Cash Register. The Confirmation Letter is then handed over to the PPK-SKPD. Meanwhile, the Credit Note will be archived, and the SPJ will be handed over to the Accounting Function of the SKPKD.

The Accounting Function of the SKPD records Cash Receipts in the Cash Receipt Journal based on the SPJ received from the PPKD. They post it to the general ledger and record it in the auxiliary ledger. The Accounting Function of the SKPD records Cash Receipts in the Cash Receipt Journal based on the SPJ received from the PPK-SKPD. They post it to the general ledger and record it in the auxiliary ledger.

The cash disbursement system is used to record all cash expenditure transactions. Cash expenditure management involves a series of processes including receiving, storing, depositing, paying, delivering, and being accountable for the disbursement of funds under the management of either the Regional Financial Management Work Unit (SKPKD) or the Regional Work Units (SKPD).

Cash expenditures are financial transactions that result in the reduction of cash assets owned by the company. Cash expenditure transactions are recorded through electronic cash expenditure forms based on supporting transaction documents such as goods received notes, purchase orders, and others. These transactions are then entered into the computer via the cash disbursement journal.

Reductions in cash caused by operating expenses such as interest, exchange rate differences, and others are recorded in the memorandum.

In a company, cash expenditures are frequent transactions. According to Mulyadi (2013), cash expenditure is a record made to carry out expenditure activities, either by check or in cash, used for the general activities of the company. According to Soemarso S.R (2009:297), cash expenditure is a transaction that results in a decrease in the company's cash and bank balance due to cash purchases, debt payments, or transaction outcomes that reduce cash.

### **The implementation of the Cash Receipts and Disbursements System at the Regional Financial Management Agency (BPKD)**

The cash receipt and disbursement system play a crucial role in enhancing efficiency within local government, particularly in financial management. At the Regional Financial Management Agency, this system is implemented through the computerized SIMDA (Regional Management Information System). The SIMDA application allows for integrated financial management using multi-user technology and client/server technology, covering budget preparation, budget execution, and financial accountability processes in both the Regional Financial Management Work Unit (SKPKD) and the Regional Work Units (SKPD). This integrated approach offers several advantages, including assured transaction control, efficiency in financial administration by requiring only one-time data input, thus saving time, manpower, and costs, and quick, accurate, and efficient generation of financial information.

The computerized SIMDA system is capable of anticipating unwanted occurrences such as embezzlement because it generates comprehensive, precise, and accurate financial information. This helps in ensuring transparency and accountability in financial transactions, thus minimizing the risks of financial mismanagement or fraud.

## **V. CONCLUSION AND SUGGESTION**

Based on the previous discussion, the following conclusions can be drawn: The organizational structure of the City of Langsa Financial Management Agency (BPKD) demonstrates appropriate division of functions and responsibilities,

including divisions such as administration, secretariat, budgeting, treasury, accounting and reporting, technical implementation units, and functional position groups.

The Cash Receipts and Disbursements System at the BPKD of Langsa City meets the criteria of a good system as it adheres to the regulations applicable to the Local Government.

Documents used in the implementation of the cash receipt system include Regional Tax Assessment Letters (SKPD), Levy Assessment Letters (SKR), Receipt Evidence (TBP), Deposit Summary, Deposit Evidence Letters (STS), Daily Receipts Recapitulation (RPH), Bank Credit Notes, and Bank Statements. Meanwhile, documents used in the cash disbursement system include Fund Allocation Letters (SPD), Payment Request Letters (SPP), Payment Order Letters (SPM), and Expenditure Responsibility Letters (SPJ).

The Cash Receipts and Disbursements System at the BPKD of Langsa City utilizes the computerized SIMDA (Regional Management Information System Development Task Force) system.

In summary, the implementation of the Cash Receipts and Disbursements System at the BPKD of Langsa City demonstrates adherence to regulations and utilizes a comprehensive computerized system to effectively manage financial transactions.

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