

ANALYSIS OF THE IMPLEMENTATION OF THE CASH OUT SYSTEM IN BUDGET MANAGEMENT OF PT PLN (PERSERO) NORTHERN SUMATERA MAIN DEVELOPMENT UNIT

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ABSTRACT

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This study aims to identify and analyze budget management implemented at PT PLN (Persero) North Sumatra Development Unit. This study uses a qualitative method. The types and sources of data used are primary and secondary data. In the context of efficient budget management, this study is expected to provide insight into the budget planning, allocation, and monitoring system used by the company in supporting infrastructure operations and development in the North Sumatra region. The results of this study are expected to contribute to increasing the effectiveness and transparency of budget management, as well as providing useful recommendations for improving budget management in the future. The implementation of the cash out system in budget management at PT PLN (Persero) UIP SBU has had a positive impact on cash flow supervision and the implementation of a fairly effective and transparent cash out system, but careful expenditure management and more careful budget planning are still needed to ensure the company's financial stability in the long term.

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1. INTRODUCTION

A budget is a systematically prepared plan that covers all company activities, expressed in monetary units and valid for a certain period in the future (Munandar 2001: 3). PT PLN (Persero) as a State-Owned Enterprise (BUMN) responsible for providing electrical energy throughout Indonesia, has an important role in supporting the development of vital infrastructure, including electrical infrastructure in the North Sumatra region. The North Sumatra Main Development Unit (UIP SBU) is a unit responsible for planning, building, and developing electrical infrastructure in the region. Given the important role of the UIP SBU, efficient financial management and budgeting are very crucial, especially in managing large-scale development projects.

The cash out transaction process in budget preparation has a very important role in maintaining the accountability and transparency of the company's finances. Every expenditure made must be in accordance with the budget plan that has been prepared, so that there is no deviation or waste. In the context of PT PLN (Persero) UIP SBU, the implementation of the cash out system aims to ensure that every fund spent is used effectively and efficiently, so that electricity infrastructure development projects can run according to the targets and available budget.

Table 1. Income and expenditure report at PT. PLN Persero North Sumatra

Year	Income	Expenditure
2019	15.667.000.000	13.300.090.000
2020	22.000.000.000	21.007.000.000
2021	26.500.000.000	25.908.777.000
2022	35.000.000.000	35.000.000.000
2023	47.000.000.000	46.994.876.000

Source: PT PLN Persero UIB Sumut

This research study is expected to be able to understand the concept of cash flow budgeting at PT. PLN (Persero) UIP SBU, and to provide information that can be used by PT. PLN (Persero) in carrying out activities related to cash flow budgeting. Based on the problems above, the researcher is interested in conducting research entitled "Analysis of the Application of the Cash Out System in Budget Management at PT PLN (Persero) UIP SBU. The objective to be achieved in this study is to find out the budget management at PT PLN (Persero) North Sumatra Main Development Unit.

Cash Out System, A system is a collection of elements that are related to each other and will later form a unity in achieving goals (Oetomo 2002). According to Fry and Polak (2004) cash out is the process by which someone exchanges their assets or investments for cash. Meanwhile, according to Keown, Martin, Petty, and Scott (2017) cash out often refer to taking capital or money from a company or investment, often as part of a liquidation strategy to gain profit in cash. This usually occurs when an investor sells stocks, bonds, or other assets to obtain cash. So, in general, cash out is the process by which assets owned, either in the form of investments or stocks, are sold or converted into cash to obtain liquidity. Cash Out generally refers to the specific act of removing cash from a system or account. This can be: Withdrawing cash from an ATM, Cash payments for a transaction, converting assets to cash. Cash Out is more of a concrete action or event. The cash out system in the context of PT. PLN (Persero) The main development unit of North Sumatra refers to the process of disbursing funds or cash payments made by the company for various operational purposes. This can be in the form of payments to suppliers, contractors, employees, or other third parties.

Cash Out at PT. PLN, Cash out is a term in the financial world that refers to the expenditure of money from a previously planned budget. At PT. PLN (Persero) The Main Development Unit of North Sumatra, the cash out system is a process that regulates the expenditure of funds for electricity infrastructure development projects, such as the construction of power plants, transmission networks, and distribution. This unit does not focus on selling electricity directly to the public, so it does not generate direct income. Therefore, all of its activities focus on development, and all of its funds come from the budget provided by the center.

Factors that influence the implementation of the cash out system are as follows: Internal Factors: Financial Goals: Urgent Fund Needs: If someone needs cash immediately for urgent needs such as medical expenses, education costs, or home repairs, then they will be more likely to cash out, Retirement Plans: Approaching retirement, many people will cash out their investments to guarantee post-retirement income, New Investments: Cash out funds can be used to make new investments that are considered more profitable, Tax Considerations, namely Tax Rates and Tax Incentives. External Factors: the first is Market Conditions, namely Market Volatility (a high market can trigger investors to cash out to secure profits or avoid further losses) and Market Trends (general market uptrends can affect investment and cash out decisions), the second is Economic Conditions where there is Inflation and Recession, the third is Government Regulations including Policy

Changes (Changes in government policies related to taxes, investments, or financial markets can affect the decision to cash out).

The purpose of cash out in the management of the PT PLN (Persero) budget is very important to ensure the continuity and efficiency of the company's operations. Here are some of the main purposes of cash out, namely First Ensuring the Availability of Funds (Cash out aims to ensure that PT PLN has sufficient funds to meet short-term obligations, such as payment of employee salaries and other operational costs. This is important so that the company's activities are not disrupted), Second Payment of Obligations (Another purpose is to make timely payments to suppliers, contractors, and other third parties. Timely payments help maintain good relationships and the company's reputation in the market), Third Budget Adjustment (Cash out allows PT PLN to evaluate and adjust the budget periodically. By monitoring expenses, the company can make better decisions regarding the allocation of funds in the future) and the fourth is Investment in Infrastructure (Expenditures related to infrastructure investment are another important purpose. Cash out is used to fund development projects and facility improvements, such as power plants and distribution networks, which are vital to increasing capacity and quality of service).

2. RESEARCH METHOD

The research method used is a qualitative research method, according to Sugiyono (2018) qualitative research method is a research method based on philosophy, which is used to research in scientific conditions (experiments) where researchers as instruments, data collection techniques and qualitative analysis emphasize more on meaning. Qualitative research is descriptive research and tends to use analysis. The process and meaning (subject perspective) are more emphasized in qualitative research. The theoretical basis is used as a guide so that the focus of the research is in accordance with the facts in the field. The data sources used are secondary and primary data. According to Hasan (2002). Secondary data in the form of internal company documents, financial reports, policies, and guidelines related to budget management and the implementation of the cash out system at PT PLN (PERSERO) North Sumatra Development Main Unit. In general, primary data is data obtained directly from the original source through methods such as interviews, surveys, experiments, or observations, without intermediaries or prior processing. According to Sugiyono (2017) primary data is data collected directly from respondents or research objects to answer specific research questions. According to Nasution (2003) primary data is data obtained directly from the first source through field collection by the researcher himself. Data collected directly by the author through interviews, observations, or surveys of PT PLN employees or management related to the budget management process.

Data Collection Techniques Used are Observation: According to Abdussamad (2021: 147), observation is a data collection technique carried out by observing and recording, and is carried out intentionally. Observation is the process of direct observation of an object in the environment, either ongoing or still in the stage, using sensing. In this study, direct observations have been made at PT. PLN, the main unit for the development of northern Sumatra. Second Interview: Interviews according to Sugiyono (2016: 194) state that "Interviews are used as a data collection technique if researchers want to conduct preliminary studies to find problems that must be studied, and also if researchers want to know things from respondents in more depth". Interviews are one of the techniques often used to collect information or data from a person or group of people. Third Literature Study: According to Mestika Zed (2003), Literature study can be interpreted as a series of activities related to library data collection methods, reading and recording and processing research materials.

Literature review is a process of conducting a general review of previously published literature related to various topics. The literature reviewed or studied can refer to non-fiction writings of scientific papers, theses, dissertations or writings outside of scientific papers but are still non-fiction writings. The stages of data analysis used are: First, Data codification is the stage where researchers name the research results, so that a classification of themes is obtained from the research results.

Second, Data presentation is the stage where researchers use matrices and diagrams to present research findings, so that categories or groupings can be made. Third, drawing conclusions or verification is the stage where researchers interpret the findings in the research process, so that a conclusion can be determined from the data findings.

3. RESULTS AND DISCUSSIONS

State Electricity Company (abbreviated as PLN) or its official name is PT PLN (Persero) is a BUMN that handles all aspects of electricity in Indonesia. The current President Director is Sripeni Inten Cahyani as the acting director. PT PLN (Persero) Main Development Unit II (PLN UIP II) is an organization that was established in 1976. The business field of PLN (Persero) UIP II is the construction of Main Substations (GI) and Electric Transmission Networks (TL) in the regions of North Sumatra, Aceh, and Riau. The main product of PLN (Persero) Main Development Unit II is the management of the construction of Main Substations and Electric Power Networks, with the following details: One: 150 Kv and 275 Kv Main Substations. Two: 150 Kv and 275 Kv Transmission Networks. The completed construction will be handed over to the Sumatra Distribution Business Unit and Load Regulation Center (P3B) for Substations and Electric Transmission Networks with the Completed Project Handover (STP) mechanism.

Based on the results of the analysis conducted on the implementation of the cash out system in budget management at PT PLN (Persero) North Sumatra Development Main Unit (UIP SBU), it can be concluded that the company's cash flow budget management shows a significant increase in income from year to year, but expenses also experience a significant increase. The implementation of the cash out system in cash flow budget management at PT PLN (Persero) has been proven to be able to help in controlling and monitoring the company's cash flow, although the main challenge faced is the proper management of income and expenses to ensure smooth operations and achievement of the company's financial goals. In ensuring the implementation of the cash out system contributes to the stability and efficiency of financial management. It is explained that the formula for calculating the percentage change from the table above is as follows:

$$\text{Percentage Change (\%)} = \frac{\text{Expense} - \text{Income}}{\text{Income}} \times 100$$

Based on the income and expenditure report table of PT PLN (Persero) UIP SBU for the last five years, the following are the analysis results:

Table 2. Income and Expenditure Report PT.PLN (Persero)

Year	Income (IDR)	Expense (IDR)	Difference between income and expenses (IDR)
2019	15.667.000.000	13.300.090.000	2.366.909.000
2020	22.000.000.000	21.007.000.000	993.000.000
2021	26.500.000.000	25.908.777.000	591.223.000
2022	35.000.000.000	35.000.000.000	0
2023	47.000.000.000	46.994.876.000	5.123.000

Increase in Income: Income at PT PLN (Persero) UIP SBU shows a consistent positive trend from 2019 to 2023. A significant increase was seen in 2022 and 2023, reaching more than IDR 35 billion, with the highest income recorded in 2023, which was IDR 47 billion. Increase in Expenditure: Expenditure also increased sharply every year, with the highest expenditure value recorded in 2022 and 2023 reaching almost IDR 35 billion and IDR 47 billion, in line with the increase in income that occurred. Income and Expenditure Difference: In 2019, PT PLN (Persero) UIP SBU recorded a positive difference of IDR 2.37 billion. However, this difference narrowed in the following year, and in 2022 and 2023, there were expenses that were almost the same or greater

than income. This shows that more careful cash flow management and strict supervision are needed to keep the budget balanced. Implementation of the Cash Out System: The cash out system implemented in cash flow budget management at PT PLN (Persero) helps in monitoring the outflow of funds (expenses) and ensuring that expenses do not exceed available income.

However, in certain years such as 2022 and 2023, small or even zero differences indicate that the company needs to increase accuracy in budget planning and expenditure. Implications for Budget Management, First More Efficient Management: Although income increases every year, expenses that also increase must be controlled so as not to exceed the limits that can be covered by the company's budget. A more efficient cash out system will minimize the risk of waste and ensure that each expense is in accordance with the priorities and needs that have been set. Second Cash Flow Budget Preparation: PT PLN (Persero) UIP SBU needs to pay more attention to estimating future expenses to avoid an imbalance between income and expenses. The use of a more transparent and controlled cash out system can help in planning budgets more accurately, minimizing funding shortfalls, and ensuring operational sustainability.

Eventually PT PLN (Persero) UIP SBU has managed to record increasing income every year, expenses that have also increased sharply require more attention in budget management. The implementation of the cash out system has helped in controlling expenses, but major challenges remain in maintaining a balance between income and expenses. With more efficient budget management, more mature planning, and tighter supervision, it is hoped that PT PLN (Persero) UIP SBU can continue to maintain financial stability and support the smooth operation of the company in the future. Financial System at PLN Main Development Unit.

The financial system at PT PLN (Persero) Main Development Unit (UIP) plays a very vital role in supporting the continuity of electricity infrastructure development projects. As the spearhead in the development and expansion of the national electricity network, the Main Development Unit is responsible for the implementation of various projects designed to increase the availability of electricity throughout Indonesia. The success in running these projects is highly dependent on the implementation of an organized and efficient financial mechanism, of which the cash out system is a key component. In the context of PLN, UIP functions as the executor of development projects that focus on the construction, development, and maintenance of strategic electricity infrastructure such as power plants, substations, and transmission networks.

Cash Out System at PT. PLN (Persero), Cash out refers to the outflow of funds used to finance various operational activities and development projects, especially at the Main Development Unit (UIP) level. UIP does not generate direct income from the community because it does not act as a direct service provider. Therefore, all operational funding and development projects at UIP are entirely dependent on PLN Pusat. Funding provided by PLN Pusat can come from two main types of cash flows:

One: PLN Pusat's internal funds: Income obtained from PLN's overall operating results, which are then distributed to work units as needed.

Two: Government loans: In addition to internal funds, PLN Pusat also obtains loans from the government to fund large development projects that have a strategic impact on national electricity infrastructure.

Every project run by UIP requires a budget that must be approved by PLN Pusat before the development process begins. The budget provided is only issued if there is a large project such as the construction of a kit (power plant), transmission network, or substation (GI). Thus, UIP has a role as a project implementer, while PLN Pusat acts as a fund manager and budget source.

Cash Out System in Budget Preparation, the implementation of the cash out system in budget preparation at PT PLN (Persero) North Sumatra Main Development Unit is one of the key elements that supports the successful implementation of electricity infrastructure projects. This system aims to ensure that financial management runs efficiently and transparently, with controlled expenditures and in accordance with the budget allocation that has been set. In the cash out system, the process of disbursing funds is carried out in stages according to the physical progress of the ongoing project. PLN UIP, which does not generate direct income like the Main Distribution Unit (UID) because it focuses on electricity infrastructure development, relies entirely

on the budget distributed by PLN Pusat. Therefore, this cash out system regulates how and when funds are disbursed for various activities that support project operations and development. In the initial stage, after the budget is approved by PLN Pusat, an Investment Authorization Letter (SKAI) is issued, which authorizes PLN UIP to start the project and use the budget. Fund disbursement or cash out is carried out based on project needs and only after certain stages of the project are completed, such as completion of the construction phase, purchase of materials, or payment of vendors and contractors. This process helps prevent waste or use of the budget that is not in accordance with the objectives of the project.

4. CONCLUSION

Based on the results of the analysis above, it can be concluded that the implementation of the cash out system in budget management at PT PLN (Persero) UIP SBU has had a positive impact on cash flow monitoring and the implementation of a fairly effective and transparent cash out system, but careful expenditure management and more careful budget planning are still needed to ensure the company's financial stability in the long term. The company is advised to conduct further evaluation of the cash flow management policy and find ways to strengthen the existing cash out system. This includes preparing a more realistic budget based on long-term income and expenditure projections, as well as a review of operational cost efficiency. And for further researchers, it is hoped that they will conduct research with different variables and objects.

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