

The Role of Financial Administration Staff In Managing Petty Cash In The General Engineering Division of PT PAL Indonesia

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Abstract

Financial administration staff play an important role in ensuring the smooth functioning of the company's operations, especially in petty cash management. In the General Engineering Division of PT PAL Indonesia, petty cash management is one of the crucial elements to support daily operational needs. Therefore, highly competent financial administration staff are required to handle these tasks properly. This study aims to analyze the role of financial administration staff in managing petty cash at the General Engineering Division of PT PAL Indonesia which focuses on the tasks and obstacles faced. The method used in this research is a qualitative approach, with data collection techniques in the form of interviews and direct observation to financial administration staff. The results showed that financial administration staff have an important role in managing petty cash, which consists of six stages of tasks, from the establishment to reporting the use of petty cash funds. In addition, this study also identified several obstacles faced in petty cash management. From this study, it can be concluded that the role of financial administration staff is very significant in maintaining the efficiency and effectiveness of petty cash management, which directly supports the overall performance of the General Engineering Division of PT PAL Indonesia.

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I. Introduction

In the contemporary business landscape, financial management has emerged as a cornerstone for the successful operation of organizations across various sectors. It encompasses a wide array of activities that are essential for ensuring the smooth running of operational activities. Financial management is not merely confined to the realms of recording financial transactions or generating reports; it extends to the strategic management of funds that are crucial for supporting daily operational needs (Brian Pratama et al., 2022). This multifaceted nature of financial management underscores its significance in fostering organizational efficiency and effectiveness.

One of the critical components of financial management is petty cash management. Petty cash refers to a small amount of cash that organizations keep on hand to cover minor expenses that arise in the course of daily operations. These expenses can include the purchase of office supplies, payment for transportation costs, or covering incidental expenses related to meetings and events (Nurcahyani et al., 2022). Although the concept of petty cash may appear simple, its management requires a high level of diligence and attention to detail. The strategic function of petty cash as a readily accessible source of funding for urgent and routine needs cannot be overstated. It plays a vital role in ensuring that employees can quickly address immediate financial requirements without the delays associated with formal procurement processes.

Effective petty cash management is essential for several reasons. Firstly, it helps maintain a company's operational efficiency. When petty cash is managed well, employees can access the funds they need without unnecessary delays, allowing them to focus on their core responsibilities. This immediacy is particularly important in fast-paced environments where time is of the essence. Secondly, proper management of petty cash ensures accountability in the use of funds (Achyani & Velayati, 2020). Organizations must be able to track how every dollar is spent, which is crucial for maintaining financial integrity and transparency. This accountability is not only important for internal stakeholders but also for external parties, such as auditors and regulatory bodies, who may scrutinize financial practices.

The management of petty cash involves several key processes, including fund allocation, recording transactions, and reporting expenditures. Each of these processes must be executed with precision and in accordance with established organizational procedures. Fund allocation requires a clear understanding of the types of expenses that can be covered by petty cash and the limits on spending. Recording transactions

involves documenting every use of petty cash, including the amount spent, the purpose of the expenditure, and the date of the transaction. This documentation is critical for maintaining an accurate financial record and for facilitating audits. Finally, reporting expenditures involves compiling and presenting the data in a manner that is clear and comprehensible to stakeholders.

The success of petty cash management is highly dependent on the role of financial administration staff. These individuals are tasked with overseeing the petty cash process, ensuring that funds are used appropriately and that all transactions are recorded accurately. Their responsibilities extend beyond mere record-keeping; they must also conduct routine checks to ensure that petty cash is being used in accordance with organizational policies. This oversight is essential for preventing misuse of funds and for identifying any discrepancies that may arise.

In the context of the General Engineering Division of PT PAL Indonesia, the role of financial administration staff in managing petty cash is particularly significant. This division, which is involved in various engineering projects, relies on petty cash to address immediate financial needs that arise during project execution. The financial administration staff must navigate the complexities of managing petty cash in a dynamic environment where project requirements can change rapidly. Their ability to adapt to these changes while maintaining strict adherence to financial protocols is crucial for the overall success of the division.

This study aims to explore the specific roles and tasks performed by financial administration staff in managing petty cash within the General Engineering Division of PT PAL Indonesia. By focusing on the main tasks involved in petty cash management, as well as the obstacles faced by staff, the research seeks to provide a comprehensive overview of the importance of this role. Additionally, the study aims to identify best practices and strategies that can enhance the effectiveness of petty cash management.

One of the primary objectives of this research is to highlight the significance of financial administration staff in ensuring the smooth operation of petty cash management (Azalia Windy Rhohali & Ratnawati, 2024). Their expertise in financial processes, coupled with their understanding of organizational needs, positions them as key players in maintaining financial integrity. Furthermore, the study aims to shed light on the challenges that financial administration staff encounter in their roles. These challenges may include issues such as inadequate documentation, unplanned expenditures, and the need for better training and resources. By identifying these obstacles, the research seeks to inform management about potential areas for improvement and to advocate for the necessary support to enhance staff capabilities (Yulianti et al., 2023).

In conclusion, the introduction sets the stage for a deeper exploration of the role of financial administration staff in managing petty cash within the General Engineering Division of PT PAL Indonesia. It underscores the importance of effective petty cash management in maintaining operational efficiency and accountability. As organizations continue to navigate the complexities of financial management, understanding the intricacies of petty cash management and the pivotal role played by financial administration staff will be essential for fostering a culture of financial responsibility and transparency. The findings of this study are expected to contribute to the development of more effective strategies and policies in petty cash management, ultimately supporting the overall performance of the organization.

As we delve further into the research, we will examine the specific tasks performed by financial administration staff, the methodologies employed in the study, and the implications of the findings for both the General Engineering Division and the broader organizational context. Through this comprehensive analysis, we aim to provide valuable insights that can inform best practices in petty cash management and enhance the effectiveness of financial administration within organizations.

II. Research Methods

This research uses qualitative methods with data collection techniques in the form of interviews and direct observation of financial administration staff. The research was conducted at PT PAL Indonesia, precisely in the General Engineering Division, to find out the role of financial administration staff in managing petty cash. A qualitative approach was chosen because it can provide a more in-depth understanding of how financial administration staff carry out their duties. Interviews were used to obtain information directly from staff regarding responsibilities, steps, and challenges in managing petty cash. Meanwhile, observations were made to directly observe the process of petty cash management, such as recording and using petty cash.

III. Results and Discussion

Financial administration staff play an important role in ensuring that organizations are able to manage their finances efficiently, responsibly, and ensure sufficient funds are available to meet operational needs while

minimizing financial risks.

1. The Role of Financial Administration Staff in Petty Cash Management

The role of financial administration staff includes various important functions that not only support daily operations, but also ensure accountability in the use of funds. This function requires competence in financial management, starting from the application stage, recording, analyzing, reporting and also ensuring that petty cash management runs effectively, efficiently and according to procedures.

The role of financial administration staff in managing petty cash in the General Engineering Division includes carrying out various administrative tasks related to office activities and recording the company's financial data. In addition, financial administration staff are responsible for conducting routine checks on the use of the company's petty cash to ensure that the funds are used according to planned needs and are not allocated for non-urgent matters. In the process of submitting disbursement of funds, financial administration staff need to coordinate with superiors so that each transaction can be known and approved. In addition, financial staff are responsible for recording all company financial expenditures in detail. The report is then submitted to superiors or reported at a joint meeting to provide an overview of financial movements, and ensure that the funds used are in accordance with planned needs.

From the above, it can be concluded that financial administration staff play a role in maintaining smooth operations, structured budget management, and preventing irregularities in the use of funds. All these measures support the smooth running of projects and operations of the General Engineering Division, as well as maintaining compliance with the company's financial policies.

2. Tasks Performed by the Financial Administration Staff of the General Engineering Division

The financial administration staff of the General Engineering Division play a crucial role in managing petty cash, undertaking a variety of essential tasks that ensure the smooth operation of financial processes within the organization. Their responsibilities begin with submitting requests for petty cash funds, which are necessary for project needs and division operations. This process requires them to prepare supporting documents in accordance with company procedures, facilitating a swift processing of these requests.

Once the petty cash funds are disbursed, the staff are responsible for receiving and managing these funds. This involves meticulously recording every receipt of funds and tracking expenditures to ensure that the money is utilized according to planned needs. Maintaining an adequate petty cash balance is vital, as it ensures that sufficient funds are available for operational needs until the next replenishment occurs.

In addition to managing the funds, the financial administration staff compile accountability reports that detail the usage of petty cash. These reports include daily petty cash reports, usage accountability reports, and recapitulations, which serve as evaluation materials and the basis for submitting requests for replenishment to the central finance department (Anggraeni et al., 2021). Furthermore, they conduct analyses of petty cash usage to assess the efficiency of fund utilization and identify any unnecessary expenses.

Documentation is another critical aspect of their role, as they are tasked with keeping thorough records of all evidence related to petty cash expenditures. This includes storing notes, receipts, and other supporting documents, which are essential for audit purposes and financial reporting.

Finally, the financial administration staff are responsible for closing out the petty cash accounts and preparing final reports that reflect the accuracy and efficiency of petty cash management during the reporting period. This closure process includes returning any remaining funds and ensuring that all financial activities are accurately reported. Through these comprehensive tasks, the financial administration staff significantly contribute to the effective management of petty cash, supporting the overall operational efficiency of the General Engineering Division.

3. Recording System for Petty Cash Fund in General Engineering Division

The recording system for the petty cash fund in the General Engineering Division is designed to ensure meticulous tracking and management of financial resources. This system begins with the establishment of a fixed budget, which determines the maximum amount of petty cash allocated to the division for a specific period, typically on a monthly basis. This budget serves as a guideline for the financial administration staff, helping them to manage expenditures effectively while ensuring that funds are available for urgent operational needs.

To facilitate organized financial management, expenses are categorized into various groups, such as work tools, transportation, and other urgent requirements. This categorization allows for a clearer understanding of how petty cash is being utilized and aids in the analysis of spending patterns. The financial administration staff

diligently record each transaction involving petty cash, ensuring that every receipt and expenditure is documented accurately. This level of detail is crucial for maintaining transparency and accountability within the division (Villania Putri & Era Yusdita, 2024).

As transactions occur, the staff update the petty cash records to reflect the current balance and any expenditures made. This ongoing documentation process not only helps in tracking the flow of funds but also ensures that the petty cash balance remains sufficient to meet operational needs. Regular reconciliations are performed to verify that the recorded amounts align with the actual cash on hand, thereby preventing discrepancies and ensuring financial integrity.

In summary, the recording system for the petty cash fund in the General Engineering Division is a structured approach that emphasizes careful budgeting, categorization of expenses, and thorough documentation. This system plays a vital role in supporting the division's financial management practices, ensuring that petty cash is used efficiently and responsibly to meet the organization's operational demands.

Figure 1. Petty Cash Recording System

	PENCULURAN PETTY CASH				SALDO AWAL	SALDO AKHIR	SALDO
	DIVISI KEMENTERIAN RI						
TANGGAL	URAIAN	SALDO AWAL	SALDO AKHIR	SALDO	SALDO	SALDO	SALDO
	SALDO AWAL 01/01/2024						
	PENCULURAN PETTY CASH - 31 MAREK 2024						
	TOTAL						
01/01/2024	Rapat Koordinasi Kabis, PMS, Staf	0000	100000				
01/01/2024	Pembelian 30 Minitum Dept. Bimbingan Praktisi	0000	100000				
01/01/2024	Pengiriman Kertas/Utang Petrus Operasi	0000	100000				
01/01/2024	Sewa Struktur Organisasi & Sistem Petrus Operasi	0000	100000				
01/01/2024	Pembelian Gasing Gasing Sakti Kabis	0000	100000				
01/01/2024	Sewa Pembelian 30 Minitum Personil Dept. Pab & Pab (Dn. Return	0000	100000				
01/01/2024	Pengiriman Kertas/Utang Petrus Operasi	0000	100000				
TOTAL PENCULURAN PETTY CASH - 31 MAREK 2024					-	000000	
SALDO					-		
PLAFON PENCULURAN KEMENTERIAN PETTY CASH					-		

4. Obstacles Faced by Financial Administration Staff in the General Engineering Division

The financial administration staff in the General Engineering Division encounter several obstacles that can hinder the effective management of petty cash. One significant challenge is the issue of proof of receipts that do not meet the company's standard operating procedures (SOP). Many times, the documentation provided for expenditures, such as notes or receipts, lacks the necessary details or does not adhere to the established criteria. This often stems from a lack of understanding among fund users regarding the importance of valid evidence for financial transactions.

As a result, the financial administration staff find themselves spending considerable time verifying and completing supporting documents, which can slow down the overall reporting process. This not only affects their efficiency but also complicates the financial reporting and audit processes, as incomplete or incorrect documentation can lead to discrepancies and potential issues during audits.

Additionally, the staff face challenges related to the allocation of petty cash funds. Unplanned expenses or urgent needs can deplete the available funds before replenishment occurs, making it difficult for the staff to maintain a steady flow of cash to meet the division's operational requirements. This situation necessitates careful prioritization and management of petty cash, which can be stressful and demanding (Hekmatyar & Sari, 2023).

Overall, these obstacles highlight the complexities involved in petty cash management within the General Engineering Division. The financial administration staff must navigate these challenges while striving to ensure that funds are used appropriately and that all financial activities are documented accurately. Addressing these issues is essential for maintaining the efficiency and effectiveness of petty cash management in the division.

5. Solutions for Handling Petty Cash Management in the General Engineering Division

To address the challenges associated with petty cash management in the General Engineering Division, several solutions have been implemented to enhance the efficiency and effectiveness of the process. One of the primary issues is the occurrence of receipts that do not comply with the company's standard operating

procedures (SOP). To mitigate this problem, the financial administration staff have taken proactive measures by providing guidance to all parties involved on the criteria for valid receipts. This includes ensuring that receipts contain essential information such as the store name, date, details of goods or services, payment amount, and an official stamp. In cases where receipts are unavailable, the staff have introduced a standardized internal receipt format to maintain consistency and compliance. Additionally, the use of technology, such as petty cash applications, has been encouraged to facilitate the documentation of transactions through photos or scans, making it easier to verify and check evidence.

Another challenge faced by the staff is the unplanned allocation of petty cash, which can lead to funds being used inefficiently. To counter this, a simple budgeting approach has been developed, allowing for the division of funds based on primary needs, such as purchasing work tools, transportation, or addressing sudden expenses. Clear procedures have also been established, requiring approval before funds are released, which helps to control spending and ensure that it aligns with organizational priorities. The implementation of a financial recording application has further enhanced monitoring capabilities, allowing for real-time tracking of all transactions and minimizing the risk of misallocation. Setting a maximum spending limit for each transaction has also been introduced to prevent unnecessary expenditures (Achyani & Velayati, 2020).

Routine monitoring of the petty cash balance is another critical solution. The financial administration staff are responsible for regularly checking the petty cash balance to ensure that sufficient funds are available to cover upcoming expenses until the next replenishment period (Dewi et al., 2020). This involves comparing the recorded petty cash balance with the actual cash on hand. If the balance approaches a minimum threshold, the staff initiate the replenishment process by submitting a request to finance or management, accompanied by the necessary supporting documentation.

Through these solutions, the General Engineering Division aims to enhance the management of petty cash, ensuring that funds are utilized effectively while maintaining accountability and transparency in financial operations. These measures not only support the division's operational needs but also contribute to the overall financial health of the organization.

IV. Conclusions

Based on the results of the research and discussion described by the author, it can be concluded that the financial administration staff carry out six stages of tasks ranging from petty cash management to the closing of the report on the accurate use of petty cash funds. These stages have a significant contribution in maintaining the efficiency and effectiveness of petty cash management. Although the staff perform their duties well, they face several obstacles, such as the lack of proof of expenditure that is not in accordance with the Standard Operating Procedure (SOP) and the unplanned allocation of funds. These constraints can interfere with the financial reporting and audit process. Good management not only supports the performance of the General Engineering Division of PT PAL Indonesia, but also contributes to the achievement of overall organizational goals. Therefore, it is important for management to provide the necessary support, such as training and provision of adequate resources, so that staff can perform their duties better and overcome existing obstacles. Thus, increasing staff capacity and competence will have positive implications for petty cash management and overall division performance.

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