

IMPLEMENTATION OF NON-CASH TRANSACTIONS WITH CREDIT CARDS IN THE IMPLEMENTATION OF REGIONAL GOVERNMENT EXPENDITURE TO REALIZE THE PRINCIPLES OF GOOD GOVERNANCE

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Abstract: *The development of digitalization greatly affects all aspects of people's lives, as well as the influence of digitalization on the government sector. The government has formed a Bureaucratic Reform and Transformation Program policy related to the management of government financial liquidity. This is proven in the implementation of non-cash government transactions using QRIS, Virtual Account (VA), Corporate Internet Banking and recently enhanced with Regional Government credit cards for payments through Reserve Money. The use of this credit card was initiated by the Ministry of Finance, especially DJPb, by issuing PMK Number 97/PMK.05/2021 concerning Amendments to the Regulation of the Minister of Finance Number 196/PMK.05/2018 concerning Procedures for Payment and Use of Government Credit Cards and supported by Domestic Regulation Number 79 of 2022. The Government's expectation from this policy is certainly to realize Good Governance, minimize the risk of misuse, corruption and embezzlement of Government funds Where regional financial transactions are more transparent, accountable, efficient and effective and also help manage the liquidity of Regional Government Finances. However, for a new policy to be implemented perfectly, it takes time and a joint strategy so that this policy can be accepted and implemented by all groups or generations in the Regional Government, and where there are provisions and policies there will be potential new risks so that a strategy is needed to reduce the risk of misuse.*

Keywords: *Non-Cash Transactions, Local Government, Good Governance*

I. INTRODUCTION

The current era of globalization greatly influences the progress of technological access in various fields in society, as seen by the emergence of various increasingly varied payment systems, with technology-based access and features that greatly facilitate the community. Payments using various digital technology methods have been widely used by the community since the Covid-19 pandemic with non-cash payments can reduce the spread of the Covid-19 virus so that cash or manual payments are no longer required. Technological advances by replacing the role of humans with machine power are the impact of the development of digital technology. With the existence of Digital Wallets, CC Cards, ATMs, Mobile Banking and others, it is easier for the community to make transactions anywhere and anytime without physical money or cash.

In line with these conditions, the Government also implements technological advances with its policies to run the regional government financial system in order to realize good governance. However, currently the Government must also form a strategy so that this policy can be implemented perfectly and comprehensively for all generations, following the successful implementation of the use of E-TOLL which initially received a lot of criticism but now all people are used to it and all people know that if they want to use toll road facilities they must bring an E-TOLL card, strict socialization of education and supervision are needed in implementing a policy, and the potential for misuse must be mitigated so that the objectives of implementing this policy can run as expected. The results of this study are expected to be useful for adding theoretical studies on the implementation of Non-Cash Transactions in technological developments, especially the implementation of Non-Cash Transactions in Regional Governments.

II. RESEARCH METHODS

The research method used in this study is the doctrinal research method, namely research based on a policy rule, principle, concept, or legal doctrine. This method is in the nature of presentation, analysis, and evaluation as well as research that provides a systematic explanation of the rules governing a particular legal category.

III. RESEARCH RESULTS

Covid-19 pandemic in 2019 to May 2023 brought many significant changes that were initially conventional to digitalization and modernization with the increase in technology and proven by the shift in transaction habits that were initially in cash, now cashless, not only in society, this digitalization has spread to the Government Financial system, one of which is the innovation of the presence of the Government Credit Card. is a policy as form of government support for the implementation of non-cash transactions (cashless). use of this KKP similar to the use of personal credit cards where the facility for charging expenses is taken over by the card issuing bank according to the agreed time period, but the advantages of this KKP compared to Personal Credit Cards include having a Revolving credit nature (Repeating), credit withdrawal flexibility will increase according to the amount of principal credit payments as long as it is still below the credit facility limit, no interest and fees are charged on each transaction made, and collateral that comes from back to back to funds available in the SKPD Cash Reserve Account.

Maximum implementation of innovations based on modernization and technology can reduce the potential for fraud, misuse, embezzlement or corruption in the government environment because with the existence of KKP and other non-cash transaction instruments, it will improve financial reports that are more accountable, transparent, and can easily be monitored by supervisors and officials who are authorized to report the government's financial statements.

Efforts and strategies must be strengthened to support a policy, and for the implementation of Non-Cash Transactions in the regional government environment, this can be done through efforts, including through Socialization and Education activities related to the Regulation on Technical Instructions for the Use of Regional Government Credit Cards in the Implementation of the Regional Revenue and Expenditure Budget to all Regional Government Work Units (SKPD) which in this activity is given an explanation of the background of the Use of Government Credit Cards, namely improving the mechanisms of the APBN and APBD, implementing Non-Cash Transactions, implementing the mandate of Government Regulations and the President's direction in Presidential Instruction No. 2 of 2022 that non-cash transactions using local Credit Cards (KK) for shopping for goods and services of the Central and Regional Governments are one of the 5 Presidential Instructions in Presidential Instruction No. 2 of 2022, namely "Forming a Team to Increase the Use of Domestic Products (P3DN), managing local and sectoral catalogs and using non-cash transactions (Government Credit Cards)", and educating regarding the objectives of Government Credit Cards, including minimizing the use of cash in state financial transactions, reducing idle cash, reducing the potential for Fraud from cash transactions, increasing transaction security and The principles of the Indonesian Credit Card KKI Government Segment include Practical, Flexible, Safe, Effective, Efficient and Accountable. In implementing this policy, the Regional Government in West Java is working with bank bjb as the issuer of the Government Credit Card which has obtained approval from Bank Indonesia.

The regional spending instruments and the implementation process flow of bjb KK P are in accordance with the regulation of the Minister of Home Affairs No. 79 of 2022 that the Regional Government Reserve Money is divided into two schemes, namely 60% cash reserve money and 40% through KKPD, but it should be underlined that 60% of the cash UP in the disbursement process uses the applicable financial system SIMRAL, SIPKD, SIMDA, or SIKEUDA which uses non-cash payment instruments using Corporate internet banking, Debit Cards, Virtual Accounts Online, while for 40% of the reserve money using the Government Credit Card scheme using Qris, EDC, Online Payment (ECommerce) payment instruments.

The process flow for the Implementation of the Regional Government Credit Card begins with a Cooperation Agreement between BPKAD as BUD with the Regional Bank in this case the West Java Provincial Government in collaboration with Bank BJB, after the KKPD service cooperation agreement is made, BUD submits KKPD holder data including KKPD limit requirements for each budget user and authorized budget user in each Regional Government Work Unit (SKPD).

The socialization and education were carried out as one of the strategic steps in accelerating and expanding the transactions of the Regional Government Credit Card because it will have a positive impact on MSMEs and local business centers of domestic products, as stated in Article 19 of Permendagri 79 of 2022, the limit given for shopping through non-cash transactions with a limit per transaction of up to 200 million through electronic catalogs and electronic procurement services. If this policy and facility can be implemented optimally, it will have many positive impacts both for the Regional Government in carrying out its duties and for helping to build the Indonesian economy. Several regions choose a gradual implementation with several considerations, this can be effective if the Regional Government is firm and detailed in scheduling the implementation timeline with high supervision.

IV. CONCLUSION

Every policy or implementation of laws and regulations requires strategy and cooperation to maximize it, this Regional Government Credit Card is a policy that is not only useful for reducing fraud rates and strengthening the government's financial system but also based on

love for domestic products by providing an online catalog of local products around the Regional Government and local Indonesia so that the community can also feel the positive impact, but in an effort to successfully implement this policy, there needs to be ongoing socialization and education, and this can be effective if the Regional Government firmly and in detail schedules to create an implementation timeline with high supervision and there are warnings or strict sanctions given to SKPDs that still use more than 60% of cash UP and appreciation for the best assessment to SKPDs that implement non-cash spending and receipts.

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